

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

**PART TWO (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006 AND DETAILS OF A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING ON THE OFFICIAL LIST AND OF ADMISSION TO TRADING OF SHAFTESBURY SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.**

If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

If you have sold or otherwise transferred all of your Shaftesbury Shares, please send this document (but not any personalised accompanying documents) and any reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred part only of your holding of Shaftesbury Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Shaftesbury Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact Equiniti on the telephone numbers set out in this document to obtain personalised Forms of Proxy.

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**Recommended all-share merger of**  
**Shaftesbury PLC**  
**and**  
**Capital & Counties Properties PLC**  
**to be effected by means of a scheme of arrangement of**  
**Shaftesbury PLC under Part 26 of the Companies Act 2006**

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The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any applicable legal or regulatory restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States. Securities may not be offered or sold in the United States unless registered under the U.S. Securities Act and applicable state securities laws or exempt from such registration. In reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act, the issuance of the New Capco Shares to be issued pursuant to the Merger has not been and will not be registered with the SEC under the U.S. Securities Act.

Neither this document nor any of the accompanying documents do, or are intended to, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or a prospectus exempted document. None of the securities referred to in this document shall be sold, issued, exchanged or transferred in any jurisdiction in contravention of applicable law.

This document, together with any documents incorporated into it by reference and the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of Shaftesbury in Part One (*Letter from the Chairman of Shaftesbury*) of this document, which contains the unanimous recommendation of the Shaftesbury Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Evercore Partners International LLP and Blackdown Partners Limited explaining the Scheme appears in Part Two (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act 2006.



Notices of the Court Meeting and the General Meeting, each of which will be held at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT and through the electronic facilities that are being made available via the Lumi online meeting platform (the “Online Platform”) on 29 July 2022, are set out in Part Ten (*Notice of Court Meeting*) and Part Eleven (*Notice of General Meeting*) respectively of this document. The Court Meeting is expected to start at 10.00 a.m. on that date and the General Meeting at 10.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

Actions to be taken by Shaftesbury Shareholders are set out on pages xi to xii (*Actions to be Taken to Vote on the Merger*) of this document. Shaftesbury Shareholders are asked to complete and return the enclosed BLUE (for the Court Meeting) and YELLOW (for the General Meeting) Forms of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Shaftesbury’s Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA by 10.00 a.m. and 10.15 a.m. on 27 July 2022 (in the case of the Court Meeting and General Meeting respectively) or, in the case of an adjourned Meeting, not later than 48 hours before the relevant Meeting, excluding any part of a day that is not a business day.

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or handed to Shaftesbury’s Registrar, Equiniti, or to the Chair of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, if the YELLOW Form of Proxy is not lodged by the relevant time, it will be invalid. The completion and return of a Form of Proxy will not prevent Shaftesbury Shareholders from attending and voting in person (or remotely via the Online Platform) at either the Court Meeting or the General Meeting, or any adjournment thereof.

Shaftesbury Shareholders who hold Shaftesbury Shares in CREST may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages xi to xii of this document.

Shaftesbury is firmly committed to encouraging shareholder engagement on the business of the Court Meeting and the General Meeting (together, the “Meetings”). As such, the Meetings will take place at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT and will incorporate participation via the Online Meeting Platform. Any changes to the arrangements for the Meetings will be communicated to shareholders before the Meetings, including through Shaftesbury’s website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk) and by announcement through a Regulatory Information Service.

Shaftesbury Shareholders that intend to participate in the Meetings remotely should refer to the further details provided below in relation to the Online Platform and also in the Online Platform Guide.

### **Instructions for accessing the Online Platform**

Scheme Shareholders (with respect to the Court Meeting, other than the Capco Chargors (or their nominees, if any) who will undertake to be bound by the Scheme) and Shaftesbury Shareholders (with respect to the General Meeting) will be given the opportunity to remotely attend, submit questions and vote via the Online Platform. Scheme Shareholders and Shaftesbury Shareholders can access the Online Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox and Safari, and can be accessed using any web browser, on a PC, tablet or smartphone device. To attend remotely, submit questions and/or vote using this method, please go to <https://web.lumiagm.com/140-410-817>.

Once you have accessed <https://web.lumiagm.com/140-410-817> from your web browser, you will be prompted to enter your Shareholder Reference Number (“SRN”) and PIN (this is the first 2 and last 2 digits of the SRN). Your SRN, including any zeros, and your PIN number can be found printed on your BLUE Form of Proxy and YELLOW Form of Proxy. If you are not in receipt of your SRN this can also be found on a share certificate, nominee statement, or alternatively, if you are already registered on this website, you can sign in to [www.shareview.co.uk](http://www.shareview.co.uk) to obtain your SRN. Access to the Meetings via the website will be available from 9.30 a.m. on 29 July 2022, as further detailed below. If you are unable to access your SRN and PIN, please contact Equiniti by emailing [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com) stating your full name, postcode and Shareholder reference number, if known. Mailboxes are monitored 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

Although access to the Meetings will be available from 9.30 a.m. on 29 July 2022, voting functionality via the Online Platform will not be enabled until the Chair of the relevant Meeting declares the poll open. Scheme

Shareholders (with respect to the Court Meeting, other than the Capco Chargors (or their nominees, if any) who will undertake to be bound by the Scheme) and Shaftesbury Shareholders (with respect to the General Meeting) will be permitted to submit questions (via the Online Platform) during the course of the Meetings. The same function may be used to submit any objections Scheme Shareholders may have to the Scheme at the Court Meeting. The Chair of the relevant Meeting will ensure that all such questions and/or any objections (in the case of the Court Meeting) relating to the formal business of the Meeting are addressed during the relevant meeting, unless no response is required to be provided under the Companies Act 2006, or in circumstances where the provision of a response would, at the Chair's discretion, otherwise be undesirable in the interests of Shaftesbury or the good order of the relevant Meeting.

If attending the relevant Meeting via the Online Platform, you must ensure you are connected to the internet at all times during the Meeting in order to submit questions and/or any objections (in the case of the Court Meeting) and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the relevant Meeting via your wireless or other internet connection. The Online Platform Guide contains further information on remotely accessing and participating in the Meetings and can be found on Shaftesbury's website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).

### **Proxies and Nominees**

If you wish to appoint a proxy for the Meetings or any adjournment(s) thereof and for the proxy to attend either or both of the Meetings on your behalf, please do so by completing the enclosed Forms of Proxy or alternatively by visiting the website [www.sharevote.co.uk](http://www.sharevote.co.uk) in accordance with the instructions set out on the Forms of Proxy. Forms of Proxy must be received by Shaftesbury's Registrar, Equiniti, by no later than 10.00 a.m. in the case of the Court Meeting, and by no later than 10.15 a.m. in the case of the General Meeting on 27 July 2022 (or, in the case of any adjournments, no later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day).

If you hold your shares through CREST and wish to appoint a proxy for the Meetings or any adjournment(s) thereof and for the proxy to attend either or both of the Meetings on your behalf, please do so by using the CREST proxy voting service in accordance with the procedures set out 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 that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST must be received by Shaftesbury's Registrar, Equiniti, by no later than 10.00 a.m. in the case of the Court Meeting and by no later than 10.15 a.m. in the case of the General Meeting on 27 July 2022 (or, in the case of any adjournments, no later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day).

If your shares are held by a nominee and you wish to access the electronic meeting, you will need to contact your nominee immediately. Your nominee will need to have completed a letter of representation and presented this to Shaftesbury's Registrar, Equiniti, no later than 48 hours before the relevant Meeting in order to obtain a unique SRN and PIN number on your behalf, which you can then use to access the electronic meeting.

If you wish to appoint multiple proxies or obtain a Form of Proxy or are in any doubt about your shareholding (including whether you hold via a nominee), please contact the Company's registrar Equiniti by calling on +44 (0)371 384 2050 (the "Shareholder Helpline") or by emailing: [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com). Mailboxes are monitored 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). To avoid any delays accessing the meeting, contact should be made at least 24 hours prior to the meeting date and time. The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

### **Other Important Information**

Certain terms used in this document are defined in Part Nine (*Definitions*) of this document.

If you have any questions about this document, the Court Meeting or the General Meeting, or how to complete the Forms of Proxy, please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays. Please note that Equiniti cannot

provide comments on the merits of the Scheme or provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

Evercore Partners International LLP (“**Evercore**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to Shaftesbury and no one else in connection with the matters described in this document and will not be responsible to anyone other than Shaftesbury for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this document, any statement contained herein, any offer or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by the Financial Services and Markets Act 2000 (“**FSMA**”), or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this document, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this document, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Shaftesbury or the matters described in this document. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any statement contained herein.

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J.P. Morgan Securities PLC, which conducts its UK investment banking business as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Shaftesbury and no one else in connection with the matters described in this document. J.P. Morgan Cazenove will not regard any other person (whether or not a recipient of this document) as its client in relation to the matters described in this document and will not be responsible to anyone other than Shaftesbury for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein. J.P. Morgan Cazenove has given and has not withdrawn its consent to the publication of this document with the inclusion herein of the references to its names in the form and context in which it appears.

N.M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as lead financial adviser to Capco and no one else in connection with the Merger and will not regard any other person as its client in relation to the Merger and shall not be responsible to anyone other than Capco for providing the protections afforded to clients of Rothschild & Co or

its affiliates, nor for providing advice in connection with this document or any matter or arrangement referred to herein. Neither Rothschild & Co nor any of its subsidiaries, branches or affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this document any matter referred to or statement contained herein or otherwise.

Java Capital Trustees and Sponsors Proprietary Limited (“**Java Capital**”), which is regulated by the JSE, which is licensed as a securities exchange and is regulated by the Financial Sector Conduct Authority and the Prudential Authority of South Africa, is acting as JSE sponsor exclusively for Capco and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to the clients of Java Capital, nor for providing advice in relation to the Merger from a JSE perspective or any other matter or arrangement referred to in this document.

UBS AG London Branch (“**UBS**”), is authorised and regulated by the Financial Market Supervisory Authority of Switzerland. It is authorised by the Prudential Regulation Authority (the “**PRA**”) and subject to regulation by the FCA and limited regulation by the PRA in the United Kingdom. UBS is acting exclusively as joint financial adviser and corporate broker for Capco and no one else in connection with the Merger. In connection with such matters, UBS, its affiliates, and its or their respective directors, officers, employees and agents will not regard any other person as its client, nor will it be responsible to any other person for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or any other matter referred to herein.

Jefferies International Limited (“**Jefferies**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as joint financial adviser and corporate broker for Capco and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the Merger or any other matters referred to in this document. Neither Jefferies nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this document, any statement contained herein, the Merger or otherwise.

Peel Hunt LLP (“**Peel Hunt**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Capco as joint corporate broker and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to clients of Peel Hunt or for providing advice in connection with the subject matter of this document.

Barclays Bank PLC, acting through its Investment Bank (“**Barclays**”), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for Capco as joint financial adviser and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Merger or any other matter referred to in this document. In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the US Securities Exchange Act of 1934, Barclays and its affiliates will continue to act as exempt principal trader in Shaftesbury and Capco securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

HSBC Bank plc (“**HSBC**”), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively as joint financial adviser to Capco and no one else in connection with the matters described in this document and will not be responsible to anyone other than Capco for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its group undertakings or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this document or any matter referred to herein.

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Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore, Blackdown, Liberum, J.P. Morgan Cazenove, Rothschild & Co, Java Capital, UBS, Jefferies, Peel Hunt, Barclays, HSBC and BNP Paribas by FSMA or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Evercore, Blackdown, Liberum, J.P. Morgan Cazenove, Rothschild & Co, Java Capital, UBS, Jefferies, Peel Hunt, Barclays, HSBC and BNP Paribas or any person affiliated with any of them assumes any responsibility whatsoever and none of them makes any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them or on their behalf and nothing contained in this document is, or shall be, relied upon as a promise or representation in this respect whether as to the past or the future, in connection with Shaftesbury, the Shaftesbury Group, Capco or the Capco Group, the Merger or otherwise. Each of Evercore, Blackdown, Liberum, J.P. Morgan Cazenove, Rothschild & Co, Java Capital, UBS, Jefferies, Peel Hunt, Barclays, HSBC and BNP Paribas accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise (save as referred to above) be found to have in respect of this document or any such statement.

## **IMPORTANT NOTICE**

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this document comes and who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such requirements by any person or any other failure to satisfy any applicable laws, regulations or requirements. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. The statements contained in this document are not to be construed as legal, business, financial or tax advice.

This document has been prepared for the purpose of complying with English law, the Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules, and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions other than England and Wales.

Copies of certain documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.

The Merger will be implemented solely in accordance with this document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the offer document), which contains the full terms and conditions of the Merger, including details of how to vote in respect of the Scheme. Any voting decision or response in relation to the Merger should be made solely on the basis of the information contained in this document, the Announcement and the Forms of Proxy.

This document does not constitute a prospectus or a prospectus exempted document.

### **Overseas shareholders**

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to vote their Shaftesbury Shares in respect of the Scheme at the Meetings, or to execute and deliver the Forms of Proxy (appointing another to vote at the Meetings on their behalf), may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such requirements by any person.

If the Merger is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Merger will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

### **Notice to U.S. Investors in Shaftesbury**

Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the law of England and Wales. Neither the proxy solicitation nor the tender offer rules under the U.S. Exchange Act will apply to the Scheme. Moreover the Scheme will be subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this document has been

prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with U.S. GAAP. U.S. GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom.

The New Capco Shares to be issued pursuant to the Merger have not been and will not be registered under the U.S. Securities Act, and may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. The New Capco Shares to be issued pursuant to the Merger are expected to be issued pursuant to the exemption from registration provided by Section 3(a)(10) under the U.S. Securities Act.

However, if Capco were, with the consent of the Panel, to elect to implement the Merger by means of a Takeover Offer in accordance with the terms of the Co-operation Agreement or otherwise in a manner that is not exempt from the registration requirements of the U.S. Securities Act and determines to extend the Takeover Offer into the U.S., such Takeover Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a Takeover Offer would be made in the United States by Capco and no one else. In addition to any such Takeover Offer, Capco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Shaftesbury outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

The New Capco Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and persons who receive securities under the Merger (other than “affiliates” as described in the paragraph below) may resell them without restriction under the U.S. Securities Act.

Under U.S. securities laws, persons who are or will be deemed to be affiliates (as defined under the U.S. Securities Act) of Capco or Shaftesbury prior to, or of the Combined Group after, the date of Admission may not resell the New Capco Shares received in connection with the Merger without registration under the U.S. Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Investors who believe they may be affiliates for the purposes of the U.S. Securities Act should consult their own legal advisers prior to any resale of New Capco Shares received in connection with the Merger.

Neither the SEC nor any securities commission of any state or other jurisdiction of the United States has approved the New Capco Shares to be issued in connection with the Merger, passed upon the fairness of the Merger or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

Shaftesbury and Capco are each organised under the laws of England and Wales. All of the officers and directors of Shaftesbury and Capco are residents of countries other than the United States. It may therefore be difficult for US Shaftesbury Shareholders to enforce their rights and any claim arising out of U.S. securities law. It may not be possible to sue Shaftesbury and Capco (or their officers and directors) in a non-U.S. court for violations of U.S. securities laws. It may be difficult to compel Capco, Shaftesbury and their respective affiliates to subject themselves to the jurisdiction and judgment of a U.S. court.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Capco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase Shaftesbury Shares outside of the United States, other than pursuant to the Merger, until the date on which the Merger becomes Effective, lapses or is otherwise withdrawn. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be available from the Regulatory Information Service of the London Stock Exchange available at <http://www.londonstockexchange.com>.

For the purposes of qualifying for the exemption from the registration requirements of the U.S. Securities Act afforded by Section 3(a)(10) thereof, Shaftesbury will advise the Court that its sanctioning of the Scheme will

be relied upon by Shaftesbury and Capco as an approval of the Scheme following a hearing on its fairness which all Scheme Shareholders are entitled to attend, in person or through counsel, to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such Scheme Shareholders.

The receipt of New Capco Shares by a US holder of Shaftesbury Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Shaftesbury Shareholder (including US holders) is urged to consult its independent professional adviser immediately regarding the tax consequences of the Merger applicable to them.

**Each U.S. investor is urged to consult his, her or its independent professional adviser immediately regarding tax consequences of the Merger.**

### **Forward-looking statements**

This document (including information incorporated by reference in this document), oral statements made regarding the Merger and other information published by Shaftesbury and Capco contain statements which are, or may be deemed to be, “forward-looking statements”. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Shaftesbury and Capco about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this document may include statements relating to the expected effects of the Merger on Shaftesbury and Capco, the expected timing of the Merger and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “targets”, “hopes”, “forecasts”, “intends”, “predicts”, “aims”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases of similar meaning or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. These statements are based on assumptions and assessments made by Shaftesbury, and/or Capco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. These statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Although Shaftesbury and Capco believe that the expectations reflected in such forward-looking statements are reasonable, Shaftesbury and Capco can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others, the satisfaction of the Conditions; the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts or licences; fluctuations in demand and pricing in the commercial property industry; changes in government policy and taxations; changes in political conditions, economies and markets in which Shaftesbury and Capco operate; changes in the markets from which Shaftesbury and Capco raise finance; changes in the employee environment; changes in consumer habits and preferences; the impact of legal or other proceedings; changes in accounting practices and interpretation of accounting standards under IFRS; changes in interest and exchange rates; industrial disputes; war and terrorism. These forward-looking statements speak only as at the date of this document.

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Capco nor Shaftesbury, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA), neither Shaftesbury or Capco is under any obligation, and Shaftesbury and Capco expressly disclaim any intention or obligation, to update or revise any forward-looking or other statements contained in this document, whether as a result of new information, future events or otherwise. No member of the Wider Shaftesbury Group, nor the Wider Capco Group, nor any of their respective associates, directors, officers, employees or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

## **No profit forecasts or estimates**

No statement in this document (including any statement of estimated synergies) is intended as a profit forecast or estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share or dividend per share for Capco, Shaftesbury or the Combined Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Capco, Shaftesbury or the Combined Group as appropriate.

## **Quantified Financial Benefits Statement**

The statements in the Quantified Financial Benefits Statement set out in Part Twelve (*Quantified Financial Benefits Statement*) relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies and which may in some cases be subject to consultation with employees or their representatives. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in this document is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not the Shaftesbury Directors.

## **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror, and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

**Rounding**

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

**Publication on website**

A copy of this document and the other documents required to be published on a website pursuant to Rule 26.1 and Rule 26.2 of the Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions) on Capco's website (at [www.capitalandcounties.com](http://www.capitalandcounties.com)) and on Shaftesbury's website (at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk)) by no later than 12 noon London time on the business day following the date of this document. Neither the contents of these websites nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this document.

**Requesting hard copy documents**

In accordance with Rule 30.3 of the Code, a person so entitled may request a copy of this document (and any information incorporated into it by reference to another source) in hard copy form free of charge. Such person may also request that all future documents, announcements and information sent to that person in relation to the Merger should be in hard copy form. For persons who have received a copy of this document in electronic form or via a website notification, a hard copy of this document will not be sent unless so requested from Shaftesbury by contacting Shaftesbury's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing BN99 6DA or, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except English and Welsh public holidays), on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate).

**Electronic communications**

Please be aware that addresses, electronic addresses and certain information provided by Shaftesbury Shareholders, persons with information rights and other relevant persons for the receipt of communications from Shaftesbury may be provided to Capco during the Offer Period where such information is requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

This document is dated 7 July 2022.

## **ACTIONS TO BE TAKEN TO VOTE ON THE MERGER**

This section should be read in conjunction with the rest of this document, the accompanying Forms of Proxy, any document incorporated by reference and the Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible).

The Scheme will require, amongst other things, approval by Shaftesbury Shareholders (excluding for the avoidance of doubt, the Capco Group (or their nominees, if any) in respect of the Unsecured Existing Capco Shareholding) at the Court Meeting to be held at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT. The Court Meeting will start at 10.00 a.m. (London time) on 29 July 2022. Whilst the holders of the Secured Existing Capco Shareholding, being the Shaftesbury Shares that are held as security in respect of Capco's Exchangeable Bonds, will not vote at the Court Meeting, those shares will be subject to the terms of Scheme and members of the Capco Group that hold the Secured Existing Capco Shareholding will undertake to be bound by the Scheme. Members of the Capco Group holding the Unsecured Existing Capco Shareholding will not vote at the Court Meeting.

Implementation of the Scheme also requires approval of the Special Resolution by Shaftesbury Shareholders at the General Meeting to be held at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT at 10.15 a.m. (London time) on 29 July 2022 (or as soon thereafter as the Court Meeting has concluded or been adjourned). The holders of the Secured Existing Capco Shareholding and the holders of the Unsecured Existing Capco Shareholding may vote at the General Meeting.

Notices of the Meetings are set out at Part Ten (*Notice of Court Meeting*) and Part Eleven (*Notice of Court Meeting*) of this document.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST (WHETHER IN PERSON OR BY PROXY) SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF THE OPINION OF SCHEME SHAREHOLDERS. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A PROXY THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE (AS APPROPRIATE) AS SOON AS POSSIBLE.**

Please check that you have received with this document a BLUE Form of Proxy (for use in respect of the Court Meeting) and a YELLOW Form of Proxy (for use in respect of the General Meeting) and a prepaid envelope for use in the United Kingdom. If you have not received the correct documents, please contact the Shareholder Helpline on the number set out on page iii of this document.

Whether or not you plan to attend the Meetings, you should:

- (1) complete, sign and return the BLUE Form of Proxy for use at the Court Meeting, or alternatively, if you hold your Shaftesbury Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, so as to be received no later than 10.00 a.m. on 27 July 2022 (or, in the case of an adjourned meeting, not later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day); and
- (2) complete, sign and return the YELLOW Form of Proxy for use at the General Meeting, or alternatively, if you hold your Shaftesbury Shares in CREST, appoint a proxy through the CREST electronic proxy appointment service, so as to be received no later than 10.15 a.m. on 27 July 2022 (or, in the case of an adjourned meeting, not later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day).

Following these steps will enable your votes to be counted at the Meetings in the event of your absence. If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) at any time prior to the commencement of the Court Meeting or handed to Equiniti or the Chair of the Court Meeting before the start of the Court Meeting.

However, in the case of the General Meeting, if the YELLOW Form of Proxy is not returned so as to be received by the time mentioned above and in accordance with the instructions on the Form of Proxy, it will be invalid.

If you wish to appoint more than one proxy in respect of your shareholding, please contact Equiniti on the Shareholder Helpline number provided below to obtain one or more additional proxy form(s).

For Shaftesbury Shareholders who hold Shaftesbury Shares through CREST and who wish to appoint a proxy or proxies for the Meetings or any adjournment(s) by using the CREST electronic proxy appointment service

may do so by using the procedures described in the CREST Manual (available at <https://my.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) service provider(s), should refer to their CREST sponsor or voting service provider(s), 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’s specifications and must contain the information required for such instructions as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Shaftesbury’s Registrar, Equiniti (participant ID RA19) not later than 10.00 a.m. on 27 July 2022 in the case of the Court Meeting and not later than 10.15 a.m. on 27 July 2022 in the case of the General Meeting (or, in the case of an adjourned Meeting, not later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day). 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 Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the proxy through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s), 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(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Shaftesbury may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

If you hold your Shaftesbury Shares through CREST and wish to appoint more than one proxy in respect of your shareholding, please follow the procedures set out in the CREST Manual.

The completion and return of Forms of Proxy or the submission of a proxy via the CREST electronic proxy appointment service will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments of such Meetings, in person (or remotely via the Online Platform) should you wish and if you are entitled to do so.

### **To attend the Court Meeting and the General Meeting remotely**

Shaftesbury Shareholders will be given the opportunity to attend remotely, submit questions and vote at the Court Meeting and the General Meeting via the Online Platform.

For instructions on how to attend the Court Meeting and the General Meeting remotely via the Online Platform, please refer to pages ii to iii of this document and the Online Platform Guide, which is available on Shaftesbury’s website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).

### **Shaftesbury Share Plans**

Participants in the Shaftesbury Share Plans will be contacted shortly following the date of this document regarding the effect of the Merger on their share options and awards including details of appropriate proposals being made under Rule 15 of the Code, where applicable. Details in relation to the effect of the Merger on share options and awards under the Shaftesbury Share Plans can be found in paragraph 20 of Part Two (*Explanatory Statement*) of this document.

### **Holders of Capco’s Exchangeable Bonds**

Details in relation to the effect of the Merger on holders of Capco’s Exchangeable Bonds can be found in paragraph 9 of Part One (*Letter from the Chairman of Shaftesbury*) and paragraph 8 of Part Two (*Explanatory Statement*) of this document.

## **Holders of Shaftesbury Mortgage Bonds**

Details in relation to the effect of the Merger on holders of Shaftesbury Mortgage Bonds can be found in paragraph 15 of Part One (*Letter from the Chairman of Shaftesbury*) of this document.

## **Helpline**

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service, please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays. Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected times and dates for the implementation of the Scheme which may be subject to change.

| Event                                                                                                                                                               | Time and/or date <sup>(1)</sup>                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Publication of this document, the Circular and Prospectus . . .                                                                                                     | 7 July 2022                                                                                                                     |
| <b>Latest time for lodging Forms of Proxy (or submitting a proxy via CREST) for the:</b>                                                                            |                                                                                                                                 |
| <b>Court Meeting (BLUE Form of Proxy) . . . . .</b>                                                                                                                 | 10.00 a.m. on 27 July 2022 <sup>(2)</sup>                                                                                       |
| <b>General Meeting (YELLOW Form of Proxy) . . . . .</b>                                                                                                             | 10.15 a.m. on 27 July 2022 <sup>(3)</sup>                                                                                       |
| <b>Voting Record Time . . . . .</b>                                                                                                                                 | 6.30 p.m. on 27 July 2022 <sup>(4)</sup>                                                                                        |
| Court Meeting . . . . .                                                                                                                                             | 10.00 a.m. on 29 July 2022                                                                                                      |
| General Meeting . . . . .                                                                                                                                           | 10.15 a.m. on 29 July 2022 <sup>(5)</sup>                                                                                       |
| Capco General Meeting . . . . .                                                                                                                                     | 11.15 a.m. on 29 July 2022                                                                                                      |
| <i>The following times and dates are indicative only and are subject to change<sup>(6)</sup></i>                                                                    |                                                                                                                                 |
| Court Hearing to sanction the Scheme . . . . .                                                                                                                      | Expected to be by the end of 2022 subject to satisfaction (or, where applicable, waiver) of the Conditions (“D”) <sup>(7)</sup> |
| Last day of dealings in, and registrations of transfers of, and disablement in CREST of, Shaftesbury Shares . . . . .                                               | D+1 business day <sup>(8)</sup>                                                                                                 |
| Scheme Record Time . . . . .                                                                                                                                        | 6.00 p.m. on D+1 business day                                                                                                   |
| Suspension of listing of, and dealings in, Shaftesbury Shares and disablement of Shaftesbury Shares in CREST . . . . .                                              | 7.30 a.m. on D+2 business days                                                                                                  |
| <b>Effective Date . . . . .</b>                                                                                                                                     | D+3 business days                                                                                                               |
| De-listing of Shaftesbury Shares on the London Stock Exchange                                                                                                       | By 8.00 a.m. on D+3 business days                                                                                               |
| New Capco Shares issued to Shaftesbury Shareholders . . . . .                                                                                                       | By 8.00 a.m. on D+3 business days                                                                                               |
| New Capco Shares listed and commencement of dealings in the New Capco Shares on the London Stock Exchange . . . . .                                                 | By 8.00 a.m. on D+3 business days                                                                                               |
| New Capco Shares listed and commencement of dealings in the New Capco Shares on the JSE . . . . .                                                                   | By 8.00 a.m. (Johannesburg time) on D+3 business days                                                                           |
| CREST accounts of Shaftesbury Shareholders credited with New Capco Shares . . . . .                                                                                 | On or soon after 8.00 a.m. on D+3 business days                                                                                 |
| CREST accounts of Shaftesbury Shareholders credited with cash due to Restricted Shareholders and in relation to the sale of fractional entitlements . . . . .       | Within 14 calendar days of the Effective Date <sup>(9)</sup>                                                                    |
| Latest date for despatch of: (a) share certificates for New Capco Shares; (b) cheques for the cash due in relation to the sale of fractional entitlements . . . . . | Within 14 calendar days of the Effective Date                                                                                   |
| Long Stop Date . . . . .                                                                                                                                            | 30 April 2023 <sup>(10)</sup>                                                                                                   |

(1) All references in this document to times are to London time unless otherwise stated. The dates and times given are indicative only and are based on Shaftesbury’s and Capco’s current expectations. Such dates and times may be subject to change, including as a result of changes to the regulatory timetable and the date on which the conditions to the Merger are satisfied or waived. If any of the expected

times and/or dates above change, the revised times and/or dates will be notified to Shaftesbury Shareholders by announcement through a Regulatory Information Service.

- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 10.00 a.m. on 27 July 2022 or, in the case of an adjourned meeting, not later than 48 hours before the time appointed for the Court Meeting, excluding any part of a day that is not a business day. BLUE Forms of Proxy not so lodged may be handed to Equiniti or the Chair of the Court Meeting, or emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com), before the start of the Court Meeting.
- (3) YELLOW Forms of Proxy for the General Meeting must be lodged not later than 10.15 a.m. on 27 July 2022 or, in the case of an adjourned meeting, 48 hours before the time appointed for the General Meeting, excluding any part of a day that is not a business day.
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the day which is two business days before the date of the adjourned Meeting.
- (5) Or as soon as the Court Meeting shall have concluded or been adjourned.
- (6) These times and dates are indicative only and will depend, amongst other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies.
- (7) It is expected that the Court Hearing will take place as soon as reasonably practicable following the satisfaction or waiver of the last of the Conditions to be satisfied or waived.
- (8) All dates by reference to “D+x” will be to the Business Day(s) falling immediately after the date indicated.
- (9) Subject to the satisfaction (or, where applicable, waiver) of the Conditions to the Merger, the “Effective Date” of the Scheme will be the date on which the court order approving the Scheme is delivered to Companies House in the UK. This is expected to occur by the end of 2022.
- (10) This is the latest date by which the Scheme may become Effective unless Capco and Shaftesbury agree (and the Panel and, if required, the Court permit) a later date.

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PART ONE  
LETTER FROM THE CHAIRMAN OF SHAFTESBURY

# Shaftesbury

*(Incorporated in England and Wales with registered number 01999238)*

*Registered office:*

22 Ganton Street, Carnaby  
London, United Kingdom  
W1F 7FD

*Directors:*

Jonathan Nicholls (*Chairman*)  
Brian Bickell (*Chief Executive*)  
Chris Ward (*Chief Financial Officer*)  
Simon Quayle (*Executive Director*)  
Tom Welton (*Executive Director*)  
Richard Akers (*Senior Independent Director*)  
Ruth Anderson (*Independent Non-Executive Director*)  
Helena Coles (*Independent Non-Executive Director*)  
Jennelle Tilling (*Independent Non-Executive Director*)

7 July 2022

*To the holders of Shaftesbury Shares and, for information only, to holders of options and awards to acquire Shaftesbury Shares under the Shaftesbury Share Plans and persons with information rights*

Dear Shareholder

## RECOMMENDED ALL-SHARE MERGER OF

## SHAFTESBURY PLC AND CAPITAL & COUNTIES PROPERTIES PLC

### 1. Introduction

On 16 June 2022, the boards of Shaftesbury and Capco announced that they had agreed the terms of a recommended all-share merger of Shaftesbury with Capco (the “**Merger**”) to form the “**Combined Group**”. It is intended that the Merger will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act which, together with the Existing Capco Shareholding, will result in the Capco Group owning 100 per cent. of the issued and to be issued share capital of Shaftesbury on the Effective Date. The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court. Capco’s shares in Shaftesbury either cannot or will not be voted at the Court Meeting to approve the Scheme. Further details on Capco’s shares in Shaftesbury can be found at paragraph 9 of this Part One.

I am writing to you today on behalf of the Shaftesbury Board to set out the background to the Merger and the reasons why the Shaftesbury Directors consider the financial terms of the Merger to be fair and reasonable and in the best interests of Shaftesbury and the Shaftesbury Shareholders as a whole and are unanimously recommending that you vote in favour of the Merger. I draw your attention to the letter from Evercore and Blackdown set out in Part Two (*Explanatory Statement*) of this document, which gives further details about the Merger, and to the additional information set out in Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

## 2. Summary of the Terms of the Merger

Under the terms of the Merger, which will be subject to the Conditions set out in Part Three (*Conditions to the Implementation of the Scheme and to the Merger*) of this document, Scheme Shareholders will be entitled to receive:

### 3.356 New Capco Shares for each Shaftesbury Share held (the “Exchange Ratio”)

As a result of the Merger, Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) will own 53 per cent. of the Combined Group and Capco Shareholders will own 47 per cent. of the Combined Group.

The Exchange Ratio has been agreed between the boards of each of Shaftesbury and Capco taking into account the relative EPRA NTA and market capitalisations of both companies.

The Capco Group already holds 96,971,003 Shaftesbury Shares, representing approximately 25.2 per cent. of Shaftesbury’s issued share capital, as at close of business on the Latest Practicable Date. Further details of the Existing Capco Shareholding are contained in paragraph 9 below.

The Merger is supported by Norges Bank (the Central Bank of Norway) (“**Norges Bank**”), a substantial shareholder of Capco and Shaftesbury, which has irrevocably undertaken to vote in favour of the Merger, and Madison International Realty Holdings, LLC (“**Madison International Realty**”), a shareholder of Capco, which has provided a letter of intent to vote in favour of the Capco Resolutions. Further details of these arrangements are contained in paragraphs 7 and 8 below.

It is intended that the Merger will be implemented by way of a Court-sanctioned scheme of arrangement between Shaftesbury and Scheme Shareholders under Part 26 of the Companies Act. However, in certain circumstances Capco shall be entitled to elect to implement the Merger by way of a Takeover Offer, subject to the Panel’s consent and the terms of the Co-operation Agreement (which may require Capco to seek Shaftesbury’s prior consent to proceeding by way of a Takeover Offer).

The New Capco Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Capco Shares in issue at the time the New Capco Shares are issued pursuant to the Merger, including the right to receive and retain any dividends and other distributions (other than, if applicable, any Permitted Capco Dividends) declared, made or paid by reference to a record date falling after the Scheme Record Time. Applications will be made to the FCA and the London Stock Exchange for the New Capco Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. An application will also be made for the New Capco Shares to be admitted to trading, as a secondary (inward) listing, on the Main Board of the JSE.

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

In addition to the New Capco Shares received by Scheme Shareholders in connection with the Merger, the Shaftesbury Board will be entitled to pay certain agreed ordinary course Shaftesbury dividends to Shaftesbury Shareholders prior to Completion without any adjustment to the Exchange Ratio under the terms of the Merger, on the basis set out in paragraph 9 of Part Two (*Explanatory Statement*).

## 3. Background to and reasons for the Merger

The Merger will bring together two respected real estate companies, with properties located in some of the most iconic parts of London’s West End, to create a leading mixed-use central London REIT, with the Combined Group’s portfolio valued at approximately £5.0 billion, Annualised Gross Income of approximately £166 million and an estimated rental value (“**ERV**”) of approximately £218 million as at 31 March 2022.

The Combined Group’s portfolio will comprise approximately 670 predominantly freehold buildings with approximately 2.9 million square feet of lettable space across approximately 2,000 commercial and residential units (excluding the Longmartin Joint Venture and Lillie Square Joint Venture). At 31 March 2022, the Combined Group’s portfolio comprised:

- *retail*: 35 per cent. (approximately £1.7 billion) of the portfolio value;
- *hospitality and leisure*: 34 per cent. (approximately £1.7 billion) of the portfolio value; and

- *offices and residential*: 31 per cent. (approximately £1.6 billion) of the portfolio value (split as 17 per cent. offices and 14 per cent. residential).

The Combined Group's portfolio is located in a number of vibrant, high-profile and high-footfall destinations across London's West End, including Covent Garden, Carnaby, Chinatown and Soho, close to its major cultural and entertainment attractions, employment locations and transport hubs. Their popularity provides a seven-days-a-week trading environment and exposure to an extensive and diverse local, domestic and international customer base which has proven to be resilient throughout economic cycles.

The Combined Group will provide a rare opportunity in the listed real estate sector to invest in an exceptional mixed-use portfolio in the heart of central London. The Combined Group will have a strong balance sheet, improved trading liquidity and an enhanced profile in the capital markets, providing an opportunity to improve its equity rating over time.

The Merger is expected to generate significant benefits over the long term. Following Completion, incremental asset management opportunities, delivery of a dynamic leasing and marketing strategy across the Combined Group's portfolio, enhanced connectivity of its adjacent locations, and synergies are anticipated to create the opportunity for long-term income, earnings and value growth for shareholders.

In addition, the Combined Group is expected to benefit from cost synergies, as described in paragraph 4 of Part Two (*Explanatory Statement*). Efficiencies in the Combined Group's operating structure are expected to generate approximately £12 million of pre-tax recurring cost synergies on an annual run-rate basis by the end of the second full year following Completion.

By combining both companies' strengths, cultures and values as well as their talented teams and proven operating and investment models, the Combined Group's management team will take a "best of both" approach to operations with the aim of delivering long-term economic and social value for all stakeholders. The Combined Group will place its occupiers and consumers at the heart of the business, offering best-in-class service and focusing on providing lively, differentiated experiences for visitors, local workers and residents. The management team will bring its creative, hands-on, entrepreneurial approach to managing, improving and re-purposing assets with the intention of generating long-term income and value growth.

Shaftesbury and Capco intend to build on the passion they share for the West End and are both committed to delivering positive environmental and social outcomes through long-term responsible stewardship, sustainable use of heritage and period properties, and engagement with residents and other local stakeholders.

The Combined Group is committed to becoming Net Zero Carbon by 2030, aiming to become a UK leader in sustainability for heritage and period properties. Harnessing the skillsets of both companies, the Combined Group will continue to focus on re-using, improving and re-purposing their buildings to extend their useful lives and enhance their energy performance credentials.

The Combined Group will have a strong financial profile with an estimated EPRA NTA of approximately £3.8 billion and EPRA NTA per share of approximately 208 pence as at 31 March 2022. There is significant revenue growth potential over time for the Combined Group as shown by the difference between Annualised Gross Income of approximately £166 million and ERV of approximately £218 million as at 31 March 2022. For Shaftesbury Shareholders, the Merger is expected to be immediately EPRA NTA accretive and modestly earnings dilutive for the first two full years after Completion while the synergies are being realised. Thereafter, the impact on earnings will depend on a number of factors including the extent and timing of the realisation of benefits from the Merger and the future cost of financing.

Opportunities for long-term income and value growth and cost synergies will be supported by the Combined Group's strong capital structure with resilience, financial flexibility, efficient access to capital and significant liquidity, with an estimated loan-to-value ratio ("LTV") of approximately 29 per cent. as at 31 March 2022. The Combined Group is expected to have approximately £500 million of available liquidity immediately following Completion.

Capco has entered into a £576 million loan facility agreement ("**Loan Facility Agreement**") to provide funding certainty in the event that the Shaftesbury Mortgage Bond holders exercise their redemption right following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds, is expected to result in increased financing costs for the Combined Group (which are not included in the assessment of synergies). The Combined Group would seek to mitigate such increased finance costs by capitalising on the increased strength of the Combined Group's balance sheet following Completion.

The Combined Group is expected to retain a tax-efficient REIT structure, and as such, will be required to distribute a minimum of 90 per cent. of rental profits, calculated by reference to tax rather than accounting rules, as a Property Income Distribution (“PID”). Notwithstanding this, the Combined Group will adopt a progressive dividend policy with the intention to deliver long-term sustainable total returns to shareholders. Dividend payments will be determined having regard to, inter alia, growth trends in both underlying and cash earnings, which are expected to be delivered through income growth and cost discipline. To the extent that dividends exceed the amount available to distribute as a PID, the balance will be paid as ordinary dividends.

Your attention is drawn to paragraph 3 of Part Two (*Explanatory Statement*) of this document which sets out further detail on the benefits of the Merger.

#### **4. Governance and leadership**

The Combined Group will have a strong governance and leadership structure led by me, Jonathan Nicholls, as non-executive Chairman and Ian Hawksworth as Chief Executive, Situl Jobanputra as the Chief Financial Officer and Chris Ward as the Chief Operating Officer.

The Board of the Combined Group will contain strong non-executive representation from both companies, with four current Shaftesbury Directors, being Richard Akers (as the Senior Independent Director), Ruth Anderson CVO, Helena Coles and Jennelle Tilling, joining the Board of the Combined Group and two current Capco Directors, being Charlotte Boyle and Anthony Steains, remaining in place.

An Executive Committee, which will be responsible for the day-to-day management and operation of the Combined Group, will be established and comprising six members. Each of the Chief Executive, Chief Financial Officer and Chief Operating Officer will be members of the Executive Committee and will be joined on Completion by three further members: Capco’s Michelle McGrath will be responsible for the enlarged Covent Garden portfolio including Capco’s Covent Garden assets as well as Shaftesbury’s assets in Seven Dials, Opera Quarter and Coliseum; Shaftesbury’s Andrew Price will be responsible for the Carnaby, Chinatown, Soho and Fitzrovia portfolios; and Shaftesbury’s Samantha Bain-Mollison who will be responsible for the Combined Group’s leasing.

After 36 years at Shaftesbury, including 11 years as Chief Executive, Brian Bickell will retire on Completion. Executive directors Simon Quayle and Tom Welton, who have been with Shaftesbury for 35 and 33 years respectively, will also leave the business on Completion.

Henry Staunton, Capco’s Chairman who has served on the Capco Board for 12 years, will retire on Completion. Jonathan Lane OBE, Non-executive Director, who has served on the Capco Board for three years since March 2019 and previously had been Chief Executive and Chairman of Shaftesbury for 30 years in total from 1986 to 2016, will also retire from Capco’s Board on Completion.

#### **5. Background to and reasons for the Shaftesbury Board recommendation**

Shaftesbury is a REIT which invests exclusively in the heart of London’s West End and is a constituent of the FTSE-250 Index. Shaftesbury has assembled an exceptional 16.5-acre property portfolio over 35 years. Since summer 2021, footfall, trading and occupier demand across the core West End has seen a strong and sustained recovery from the short-term disruption caused by Covid-19. The Shaftesbury Board believes the global appeal of the West End will continue to generate superior growth over the long term and that the prospects for Shaftesbury’s locations remain strong.

The Shaftesbury Board recognises that there are some differences between the property portfolios and current management strategies of the two companies but believes that the Merger represents an opportunity for its shareholders to benefit from a “best of both” approach as well as greater scale, efficiencies and investor appeal that a combination of Shaftesbury and Capco could bring over time. In addition, the Shaftesbury Directors believe that the Merger benefits could be a catalyst for both Shaftesbury Shareholders and Capco Shareholders to benefit from an improvement in the equity market rating of the Combined Group relative to its EPRA NTA.

The Merger is expected to be immediately EPRA NTA accretive and modestly earnings dilutive for Shaftesbury Shareholders for the first two full years after Completion while the synergies are being realised. Thereafter, the impact on earnings will depend on a number of factors including the extent and timing of the realisation of benefits from the Merger and the future cost of financing.

Shaftesbury’s Chairman and its four non-executive directors will join the Board of the Combined Group to support the management team in delivering a successful integration of Shaftesbury and Capco and the expected benefits from the Merger. Chris Ward, Shaftesbury’s Chief Financial Officer, will join the Board of the

Combined Group as the Chief Operating Officer. The Executive Committee will have an equal weighting of former Shaftesbury and Capco personnel, including Andrew Price and Samantha Bain-Mollison, who have been with Shaftesbury for 21 and 10 years, respectively, and who have long been part of Shaftesbury's succession planning.

The Shaftesbury Directors are confident that the Combined Group will benefit from strong Board governance and oversight, a balanced leadership team and the combination of talented and experienced Shaftesbury and Capco employees. Together, this should facilitate the integration of the two businesses and the implementation of best practices from both companies.

In considering the merits of a combination of the two businesses, the Shaftesbury Board has taken into account the strategic and financial implications as set out above as well as the views of its major shareholders, Norges Bank and Capco, who together account for approximately 51 per cent. of its issued shares.

The Shaftesbury Board would like to thank Brian Bickell, Simon Quayle and Tom Welton who will be leaving on Completion. All three have worked at Shaftesbury for over 30 years and have been fundamental to its long-term success. They have worked closely over many years with the Shaftesbury members of the Combined Group's Executive Committee and the wider Shaftesbury team enabling the Shaftesbury team that will be transferring to the Combined Group to benefit from their invaluable knowledge and experience.

## **6. Intentions for the Combined Group**

Your attention is drawn to the statement of Capco's intentions and strategic plans for the Combined Group on completion of the Merger, as set out in paragraph 4 of Part Two (*Explanatory Statement*) of this document.

In considering their recommendation of the Merger to Shaftesbury Shareholders, the Shaftesbury Board has given due consideration to the intentions of the Combined Group for management and employees.

In particular, the Shaftesbury Board notes that the Combined Group intends to seek operating cost benefits primarily derived from the rationalisation of the board and duplicated group functions and costs, including those related to being a public company, and that this will lead to headcount reductions, subject to applicable obligations to inform and consult. The Shaftesbury Board agrees that, in order for the Combined Group to achieve the potential synergy benefits stated in this document, such headcount reductions will be necessary. Importantly, the Combined Group will aim to retain the best talent from both companies and will continue to benefit from the skills and experience of a number of the senior management team from Shaftesbury, who will have important positions in the Combined Group.

The Shaftesbury Board is pleased that, other than as a result of anticipated headcount reductions, the Combined Group has no plans to change the balance of skills and functions of employees and management across the Combined Group or to make any material changes to the conditions of employment of the Shaftesbury employees in the period of 12 months following Completion. It also welcomes the Combined Group's intention to safeguard the existing statutory and contractual employment rights of Shaftesbury employees and management following Completion.

The Shaftesbury Board notes the Combined Group's intentions with regards to combining the head office functions of Shaftesbury and Capco and the proposed plan to use Capco's office in Covent Garden as the primary headquarters immediately following Completion. Whilst certain functions will continue to operate from the Shaftesbury premises for a period of up to two years following Completion, the Shaftesbury Board agrees that it is important for the Combined Group's head office functions to operate from a single location in close proximity to the Combined Group's portfolio.

## **7. Irrevocable undertakings from Norges Bank**

The Merger is supported by Norges Bank, a substantial shareholder of both Shaftesbury and Capco.

Shaftesbury has received an irrevocable undertaking from Norges Bank in respect of 98,925,310 Shaftesbury Shares (as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of or otherwise interested in), to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. The Norges Bank irrevocable, when taken together with the irrevocable undertakings provided by the Shaftesbury Directors (see below), represents total support in aggregate of 101,445,159 Shaftesbury Shares, representing in aggregate approximately 35.3 per cent. of the total votes which could be cast at the Court Meeting by Scheme Shareholders who are entitled to vote based on Shaftesbury's issued share capital as at close of business on the Latest Practicable Date.

Capco has also received an irrevocable undertaking from Norges Bank to vote in favour of the Capco Resolutions to be proposed at the Capco General Meeting on which they are entitled to vote in respect of their entire legal and/or beneficial holdings of 127,656,465 Capco Shares (as well as any further Capco Shares which they may become the registered or beneficial owner of or otherwise interested in), representing in aggregate approximately 15.0 per cent. of Capco's issued share capital as at close of business on the Latest Practicable Date, representing the shares in respect of which votes can be cast in favour of the Capco Resolutions excluding the Related Party Transaction.

Further details of the irrevocable undertakings given by Norges Bank, including the circumstances in which they will cease to be binding, are set out paragraph 8 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

## **8. Other irrevocable undertakings**

### ***Irrevocable undertakings from Shaftesbury Directors***

In addition to Norges Bank, Shaftesbury and Capco have received irrevocable undertakings from the Shaftesbury Directors to vote (or to procure the vote) in favour of the Scheme at the Court Meeting and the Special Resolution proposed at the General Meeting in respect of the 2,519,849 Shaftesbury Shares currently registered or beneficially held in aggregate by them as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of (save, to the extent applicable, for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme), representing in aggregate approximately 0.88 per cent. of the total votes which could be cast at the Court Meeting by Scheme Shareholders who are entitled to vote based on Shaftesbury's issued share capital as at close of business on the Latest Practicable Date.

### ***Irrevocable undertakings from Capco Directors***

Shaftesbury and Capco have also received irrevocable undertakings from the Capco Directors to vote (or to procure the vote) in favour of the Capco Resolutions to be proposed at the Capco General Meeting in respect of the 952,777 Capco Shares currently registered or beneficially held in aggregate by them as well as any further Capco Shares which they may become the registered or beneficial owner of, representing in aggregate approximately 0.11 per cent. of Capco's issued share capital as at close of business on the Latest Practicable Date.

### ***Letter of intent from Capco Shareholder***

In addition, Capco has received a non-binding, revocable letter of intent to vote in favour of the Capco Resolutions to be proposed at the Capco General Meeting from Madison International Realty in respect of 34,783,462 Capco Shares, representing approximately 4.1 per cent. of Capco's issued share capital as at close of business on the Latest Practicable Date.

Further details of the irrevocable undertakings and letters of intent in this paragraph 8 including the circumstances in which they will cease to be binding, are set out paragraph 8 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

## **9. Shaftesbury Shares owned by Capco Group**

The Capco Group holds 96,971,003 Shaftesbury Shares representing approximately 25.2 per cent. of Shaftesbury's issued share capital at close of business on the Latest Practicable Date. As at close of business on the day before the Announcement Date, 38,008,138 Shaftesbury Shares, representing approximately 9.9 per cent. of Shaftesbury's issued share capital at close of business on the day before the Announcement Date, are secured pursuant to the terms and conditions of Capco's Exchangeable Bonds (such number of shares which are so secured from time to time being the "**Secured Existing Capco Shareholding**"). The remaining 58,962,865 Shaftesbury Shares held by the Capco Group, representing approximately 15.3 per cent. of Shaftesbury's issued share capital at close of business on the day before the Announcement Date, are not secured pursuant to the terms and conditions of Capco's Exchangeable Bonds (such number of shares which are not so secured from time to time being the "**Unsecured Existing Capco Shareholding**").

The Unsecured Existing Capco Shareholding will not form part of the Scheme Shares and, with respect to the Secured Existing Capco Shareholding, the Capco Chargors will not vote at the Court Meeting. As explained in paragraph 22 below, the Scheme therefore requires the approval at the Court Meeting of Scheme Shareholders

other than the Capco Chargors (and their nominees, if any). Capco and the Capco Chargors will undertake to be bound by the Scheme.

The Merger will be structured to comply with the terms and conditions of Capco's Exchangeable Bonds as set out in paragraph 8 of Part Two (*Explanatory Statement*) of this document.

The entities within the Capco Group which hold the Secured Existing Capco Shareholding (together the "**Capco Chargors**"), which form part of the Scheme Shares, will undertake to be bound by the terms of the Scheme and will not vote at the Court Meeting. They will also undertake to procure that any transferee of such Shaftesbury Shares which is controlled by entities within the Capco Group also undertake to be bound by the terms of the Scheme.

## **10. Information on Shaftesbury**

Shaftesbury is a REIT which invests exclusively in the heart of London's West End and is a constituent of the FTSE-250 Index. Focused on hospitality, retail and leisure, its portfolio is mainly in Carnaby, Seven Dials and Chinatown, but also includes substantial ownerships in Opera Quarter and Coliseum, Soho and Fitzrovia.

Extending to approximately 16.5 acres, following the purchase of a property at 92-104 Berwick Street which completed after 31 March 2022, and comprising approximately 1.9 million square feet of space, across over 1,500 units, the portfolio comprises over 600 restaurants, cafés, pubs and shops (across approximately 1.1 million square feet), approximately 0.4 million square feet of offices and 631 apartments. All of Shaftesbury's properties are close to the main West End Underground stations, and within ten minutes' walk of the two West End transport hubs for the Elizabeth Line, at Tottenham Court Road and Bond Street.

In addition, Shaftesbury has a 50 per cent. interest in the Longmartin Joint Venture, which has a long leasehold interest, extending to approximately 1.9 acres, at the junction of Long Acre and Upper St Martin's Lane near Seven Dials. There are change of control provisions in the Longmartin Joint Venture documentation which will be triggered by the Merger and may result in Shaftesbury being required to sell its shares in the Longmartin Joint Venture.

As at 31 March 2022, Shaftesbury had approximately £3.3 billion of gross property assets, and its 50 per cent. share of gross property assets held in the Longmartin Joint Venture was valued at approximately £172.8 million. Shaftesbury's unaudited net assets were approximately £2.6 billion and its unaudited EPRA NTA per Shaftesbury Share was approximately 679 pence. The external valuations by Cushman & Wakefield for properties owned by the Shaftesbury Group and by Knight Frank for properties owned by the Longmartin Joint Venture, each as at 31 March 2022, are contained in Part Thirteen (*Valuation Reports*) of this document.

## **11. Information on Capco**

Capco is one of the largest listed property investment companies in central London and is a constituent of the FTSE-250 Index.

Capco's landmark Covent Garden estate, which comprises over 1.0 million square feet of lettable space, across 380 lettable units, is a leading retail and dining destination in the heart of central London. The area is home to a wide variety of British, global and independent brands including Apple, Chanel, Tom Ford, Strathberry, Ave Mario, Balthazar, SUSHISAMBA and Reformation, with upcoming openings from Peloton and Tudor. As at the Latest Practicable Date, Capco owns 25.2 per cent. of the existing share capital of Shaftesbury. Capco is a REIT and its shares are listed on the London Stock Exchange with a secondary listing on the JSE.

As at 31 March 2022, Capco had approximately £1.8 billion of gross property assets (excluding the Lillie Square Joint Venture), and its 50 per cent. share of gross property assets held in the Lillie Square Joint Venture and related assets was valued at approximately £85 million. On an adjusted basis, updating the 31 December 2021 audited net assets for (i) the 31 March 2022 external valuations and (ii) the market value of the Existing Capco Shareholding in Shaftesbury as at 31 March 2022, Capco's unaudited net assets were approximately £1.8 billion and its unaudited EPRA NTA per Capco Share was approximately 217 pence. The external valuations by CBRE for properties owned by the Capco Group and by JLL for properties owned by the Lillie Square Joint Venture, each as at 30 June 2022, are contained in Part Thirteen (*Valuation Reports*) of this document.

## **12. Current trading and prospects**

### ***Shaftesbury current trading and prospects***

On 24 May 2022, Shaftesbury released its half year results for the six months ended 31 March 2022, a copy of which can be found on Shaftesbury's website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk). Since 31 March 2022, the financial performance of the Shaftesbury Group has been in line with the expectations of the Shaftesbury Board. Footfall remains good, underpinned by domestic visitors, residents and local workers and with growing numbers of international tourists. Shaftesbury's hospitality, retail and leisure occupiers continue to report monthly sales, on average, ahead of pre-pandemic levels.

Leasing momentum continues and EPRA vacancy has reduced further. During the period from 1 April 2022 to 30 June 2022, Shaftesbury concluded commercial lettings, renewals and rent reviews with a rental value of £10.1 million and residential lettings with a rental value of £1.7 million. At 30 June 2022, EPRA vacancy had reduced to 4.1 per cent. (31 March 2022: 4.7 per cent.), of which 1.7 per cent. was under offer.

### ***Capco current trading and prospects***

On 23 February 2022, Capco released its results for the financial year ended 31 December 2021, a copy of which can be found on Capco's website at [www.capitalandcounties.com](http://www.capitalandcounties.com).

As at 31 March 2022, the external property valuation of Capco's Covent Garden estate was approximately £1.8 billion, representing a like-for-like increase of 2.1 per cent. in the first quarter of the year. The movement was driven by an increase of 1.0 per cent. in ERV on a like-for-like basis to approximately £77.1 million as well as a reduction in the equivalent yield of 5 basis points on a like-for-like basis to 3.83 per cent. reflecting positive leasing activity and high occupancy levels across all uses. As at 30 June 2022, the external property valuation of Capco's Covent Garden estate was approximately £1.8 billion. The external valuations by CBRE for properties owned by the Capco Group and by JLL for properties owned by the Lillie Square Joint Venture, as at 30 June 2022, are contained in Part Thirteen (*Valuation Reports*) of this document.

In the five months up to 1 June 2022, 23 new leases and renewals representing £3.6 million of rental income have completed on average 10 per cent. ahead of December 2021 ERV. Annualised Gross Income at 31 March 2022 was £58.3 million.

On the estate, footfall continues to trend towards pre-pandemic levels and customer sales in aggregate are ahead of those for 2019, reflecting the continued recovery of London's West End and the appeal of Covent Garden.

Eleven new brands have recently opened, further strengthening the breadth and quality of offer. These include TAG Heuer, Rails, The Chestnut Bakery and Reformation. Empresa has opened on Henrietta Street whilst e&e jewellery and Sacred Gold have both opened within the Market Building. Luxury watch brand Tudor, active wear brand Vuori and luxury perfume house Parfums de Marly will open in the coming months, alongside Peloton's European Studio and Watchhouse Coffee adding to the vibrant and rich mix at Covent Garden.

As at 30 June 2022, the external property valuation of Capco's Covent Garden estate was approximately £1,817 million, representing a like-for-like increase of 5 per cent. in the first half of the year. The movement over the first half was driven by an increase of 4 per cent. in ERV to approximately £79 million as well as a reduction in the equivalent yield of 6 basis points to 3.82 per cent. reflecting asset management and leasing activity across all uses.

Operational metrics continue to be positive with strong leasing demand ahead of ERV across all uses and high occupancy levels with EPRA vacancy of approximately 2.5 per cent. at 30 June 2022. 11 new brands opened during the period, adding to the vibrant mix on the estate, while footfall continues to trend towards pre-pandemic levels and customer sales in aggregate are ahead of 2019, reflecting the appeal of Covent Garden and London's West End.

As at 30 June 2022, Capco had liquidity of approximately £439 million, which included cash of approximately £139 million and £300 million undrawn facilities. During the first half, Capco repaid £200 million of drawn debt comprising £75 million private placement loan notes and the £125 million loan secured against shares in Shaftesbury. As at 30 June 2022, the Covent Garden loan to value ratio was approximately 20 per cent.

### **13. Valuation of Shaftesbury and Capco properties**

Part Thirteen (*Valuation Reports*) of this document contains property valuations supported by valuation reports for Shaftesbury as at 31 March 2022 and for Capco as at 30 June 2022 pursuant to the requirements of Rule 29 of the Code.

#### ***Shaftesbury properties***

For the purposes of Rule 29.5 of the Code, the Shaftesbury Directors confirm that Cushman & Wakefield have confirmed to them that the valuation of the Shaftesbury Group's investment properties (other than its interest in the Longmartin Joint Venture) as at the date of this document would not be materially different to the valuation provided by Cushman & Wakefield as at 31 March 2022 and contained in Cushman & Wakefield's valuation report set out in Part Thirteen (*Valuation Reports*) of this document.

For the purposes of Rule 29.5 of the Code, the Shaftesbury Directors confirm that Knight Frank have confirmed to them that the valuation of the Longmartin Joint Venture's investment properties as at the date of this document would not be materially different from the valuation provided by Knight Frank as at 31 March 2022 and contained in Knight Frank's valuation report set out in Part Thirteen (*Valuation Reports*) of this document.

For the purposes of Rule 29.6 of the Code, the Shaftesbury Directors confirm that in the event that the Shaftesbury Group's investment properties (other than its interest in the Longmartin Joint Venture) were sold at an amount represented by the valuation as at 31 March 2022, any gains arising from the disposal of investment properties used for the purposes of the Shaftesbury Group's property rental business would not be chargeable to tax under UK REIT legislation. Any disposal gains on assets not connected with the Shaftesbury Group's rental business would be chargeable to corporation tax but would be fully offset by available brought forward tax losses so no tax liability would arise.

For the purposes of Rule 29.6 of the Code, the Shaftesbury Directors would expect an immaterial tax liability to arise on the sale of the Shaftesbury Group's investment in the Longmartin Joint Venture at the carrying value of that investment in the Shaftesbury Group's balance sheet as at 31 March 2022. This tax liability would be fully offset by available brought forward tax losses such that no tax liability would arise. In accordance with IFRS, the Longmartin Joint Venture's balance sheet as at 31 March 2022 includes a provision for deferred tax that would crystallise only on a disposal of the Longmartin properties. As a result, the net asset value of the interest in the Longmartin Joint Venture reported in the Shaftesbury Group's financial statements as at 31 March 2022 includes a provision for the estimated tax liability should a disposal of the Longmartin properties occur.

#### ***Capco properties***

For the purposes of Rule 29.5 of the Code, the Capco Directors confirm that CBRE has confirmed to them that the valuation of the Capco Group's investment properties (other than its interest in the Lillie Square Joint Venture) as at the date of this document would not be materially different to the valuation provided by CBRE as at 30 June 2022 and contained in CBRE's valuation report as set out in Part Thirteen (*Valuation Reports*) of this document.

For the purposes of Rule 29.5 of the Code, the Capco Directors confirm that JLL has confirmed to them that the valuation of the Lillie Square Joint Venture's investment properties as at the date of this document would not be materially different to the valuation provided by JLL as at 30 June 2022 and contained in JLL's valuation report set out in Part Thirteen (*Valuation Reports*) of this document.

For the purposes of Rule 29.6 of the Code, the Capco Directors confirm that in the event that the Capco Group's investment properties (other than its interest in the Lillie Square Joint Venture) were sold at an amount represented by the valuations contained in the valuation reports set out in Part Thirteen (*Valuation Reports*) of this document, any gains arising from the disposal of investment properties used for the purposes of the Capco Group's property rental business would not be chargeable to tax under UK REIT legislation. Although any disposal gains on assets not connected with the Capco Group's property rental business would be chargeable to corporation tax, the Capco Group's only material investment properties not connected with its rental business are its interest in the Lillie Square Joint Venture and, for the purposes of Rule 29.6 of the Code, the Capco Directors would not expect a tax liability to arise on the sale of that interest (including by way of a sale of the underlying properties held by the Lillie Square Joint Venture) based on the valuation of the investment in the Lillie Square Joint Venture in the valuation reports as set out in Part Thirteen (*Valuation Reports*) and brought forward trading losses.

#### 14. Capco and Shaftesbury Share Plans

Each of Shaftesbury and Capco has established share plans which provide for the grant of awards to employees, including executive directors, of the Shaftesbury Group and Capco Group, respectively.

The Merger constitutes a reverse takeover by Capco of Shaftesbury for the purposes of the Code, which will bring together employees from each company.

In determining the appropriate treatment of share awards under the Capco Share Plan and the Shaftesbury Share Plans, the remuneration committees of the boards of directors of Capco and Shaftesbury took their respective decisions based on the scope of each company's shareholder approved directors' remuneration policy and the applicable share plan rules in order to provide employees, including executive directors, with an outcome that each considered appropriate and equitable as a result of the Merger.

Awards and options granted under each of the plans will vest or become exercisable prior to or upon sanction of the Scheme (as permitted by the rules of the relevant share plan, including the time apportionment provisions, and by applying performance conditions, where applicable, and with post-vesting holding of shares by the directors of the Combined Group).

Participants in the Shaftesbury Share Plans will be contacted regarding the effect of the Merger on their share options and awards under the Shaftesbury Share Plans, including details of any appropriate proposals being made under Rule 15 of the Code, where applicable. Details in relation to the effect of the Merger on share options and awards under the Shaftesbury Share Plans can be found in paragraph 20 of Part Two (*Explanatory Statement*) of this document.

The options and awards that will vest, and the shares that may be issued in connection with the Shaftesbury Share Plans and the Capco Share Plan have been taken into account by the parties in finalising the Exchange Ratio.

#### 15. Financing

The Combined Group will have a diverse funding structure combining term debt and revolving credit facilities. Capco's existing £475 million of private placements and £300 million revolving credit facility (currently undrawn), which both sit within the Covent Garden unsecured group, will remain in place, as will the £275 million exchangeable bonds issued by Capco. Further detail on the impact of Capco's Exchangeable Bonds on the structure of the Merger is set out at paragraph 8 of Part Two (*Explanatory Statement*). Shaftesbury's term loans with Aviva and Canada Life will also remain in place, whilst it is expected that its £100 million revolving credit facility will be retired as this will no longer be required given the other sources of liquidity in the Combined Group.

Shaftesbury has two secured mortgage bonds totalling £575 million: (i) £290 million 2.348 per cent. guaranteed first mortgage bonds due 2027 and (ii) £285 million 2.487 per cent. guaranteed first mortgage bonds due 2031 (the "**Shaftesbury Mortgage Bonds**"), each of which contain change of control provisions which will be triggered by the Merger. In the event that the Merger is approved by Shaftesbury's Shareholders and Capco's Shareholders, and the Merger receives clearance from the CMA, bondholders, under the terms of the Shaftesbury Mortgage Bonds, would be entitled to 'put' their bonds at par plus any accrued interest. This would require the Combined Group to fund up to £575 million in redemptions, plus any interest accrued thereon, in respect of such 'put' Shaftesbury Mortgage Bonds up to the date of redemption.

Shaftesbury has held discussions with holders of the Shaftesbury Mortgage Bonds to seek consent of such holders to make certain amendments to the terms and conditions of the Shaftesbury Mortgage Bonds such that the holders agree to waive their change of control put right in respect of the Merger. No agreement has been reached with the holders of the Shaftesbury Mortgage Bonds and there can be no certainty that any agreement will be reached in the future.

In parallel, the Capco Group has entered into a £576 million loan facility agreement (the "**Loan Facility Agreement**") to provide funding certainty in the event that some or all of the holders of the Shaftesbury Mortgage Bonds exercise their change of control put right following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds will result in increased financing costs for the Combined Group (which are not included in the assessment of synergies). The Combined Group would seek to mitigate such increased finance costs by capitalising on the increased strength of the Combined Group's balance sheet following Completion.

Further details of the Loan Facility Agreement are set out in paragraph 7.1(c) of Part Eight (*Additional Information on Shaftesbury and Capco*).

It is a condition precedent to utilisation under the Loan Facility Agreement that all outstanding amounts under the Secured Loan (as defined in paragraph 7.1(g) of Part Eight (*Additional Information on Shaftesbury and Capco*)) be repaid in full. The Secured Loan was repaid in full on 20 June 2022.

## **16. Management incentivisation**

Certain members of Shaftesbury's senior management will receive an improved remuneration package to reflect their increased seniority and/or to align more closely with the remuneration arrangements for equivalent levels in Capco. These arrangements for the relevant members of senior management are expected to include an increase to salaries of £366,500 in aggregate, which will become effective for one member of management from the Effective Date and for others from the date the Special Resolution is approved at the General Meeting. They are also expected to include an increase in annual bonus opportunity (of up to 25 per cent. of salary) and eligibility for an increase in the level of Capco Share Plan award (of between 50-100 per cent. of salary), from the time when Capco Share Plan awards are next made in the ordinary course of business.

As required by, and solely for the purposes of, Rule 16.2 of the Code, Evercore has (in its capacity as independent adviser to the Shaftesbury Board for the purposes of Rule 3 of the Takeover Code) reviewed the terms of these arrangements, together with other information deemed relevant, and has confirmed that, in its opinion, that those arrangements are fair and reasonable as far as Shaftesbury's Shareholders are concerned. In providing this advice, Evercore has taken into account the commercial assessments of the Shaftesbury Board.

Further information in respect of the proposed treatment of options under the Shaftesbury Sharesave Scheme (held by employees, including executive directors, some of whom hold an interest in Shaftesbury securities) and certain conditional awards granted under the Shaftesbury Long-Term Incentive Plan (held by certain employees below board level, including the senior executives, some of whom hold an interest in Shaftesbury securities) are set out in Paragraph 20 of Part Two (*Explanatory Statement*) of this document.

## **17. Dividends and dividend policy**

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third-party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends the details of which are set out in paragraph 9 of Part Two (*Explanatory Statement*).

The Combined Group is expected to retain a tax-efficient REIT structure and as such, will be required to distribute a minimum of 90 per cent. of rental profits, calculated by reference to tax rather than accounting rules, as a PID. Notwithstanding this, the Combined Group will adopt a progressive dividend policy with the intention to deliver long-term sustainable total returns to shareholders. Dividend payments will be determined having regard to, inter alia, growth trends in both underlying and cash earnings, which are expected to be delivered through income growth and cost discipline. To the extent that dividends exceed the amount available to distribute as a PID, the balance will be paid as ordinary dividends. A corporation tax charge will arise for the Combined Group at the main rate of corporation tax, currently 19 per cent. and, from 1 April 2023, 25 per cent., if the minimum PID requirement is not met within 12 months of the end of the relevant accounting period.

## **18. Cancellation of Listing of Shaftesbury Shares**

Your attention is drawn to paragraph 16 of Part Two (*Explanatory Statement*) of this document in relation to Capco's intentions regarding the de-listing of, and cancellation of trading in, Shaftesbury Shares following the Effective Date.

Shaftesbury is currently listed on the Official List and, as explained in paragraph 16 of Part Two (*Explanatory Statement*) of this document, a request will be made to the London Stock Exchange to cancel trading in Shaftesbury Shares on the Main Market of the London Stock Exchange, and to the FCA to cancel the listing of the Shaftesbury Shares on the Official List, in each case with effect from or shortly following the Effective Date. It is anticipated that Shaftesbury will be re-registered as a private company under the relevant provisions of the Companies Act as soon as reasonably practicable following the Effective Date.

The Combined Group following the Merger will be listed (including the New Capco Shares) on the London Stock Exchange and the JSE.

## **19. Settlement, listing and dealing of New Capco Shares**

Once the Scheme has become Effective, New Capco Shares will be allotted to former Shaftesbury Shareholders.

The New Capco Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Capco Shares in issue at the time the New Capco Shares are issued pursuant to the Scheme, including in relation to the right to receive notice of, and to attend and vote at, general meetings of Capco, and the right to receive and retain any dividends and other distributions (other than, if applicable, any Permitted Capco Dividends) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium amount or otherwise) made, by reference to a record date falling after the Scheme Record Time and to the right to participate in the assets of Capco upon a winding-up of Capco.

***It is intended that applications will be made to: (i) the FCA and to the London Stock Exchange for the New Capco Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities; and (ii) the JSE for the secondary (inward) listing and admission to trading of the New Capco Shares on the main board of the JSE. It is expected that Admission will become effective, and that dealings for normal settlement in the New Capco Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) and on the JSE at 8.00 a.m. (Johannesburg time) on the Effective Date.***

The existing Capco Shares are admitted to CREST. It is expected that all of the New Capco Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. It is expected that the New Capco Shares will trade under ISIN GB00B62G9D36.

Further details relating to the settlement of the New Capco Shares offered by Capco are included in paragraph 17 of Part Two (*Explanatory Statement*) of this document.

## **20. Actions to be Taken by Shaftesbury Shareholders**

Notices convening the Court Meeting and the General Meeting are set out at the end of this document. You will find enclosed with this document a BLUE Form of Proxy for use at the Court Meeting and a YELLOW Form of Proxy for use at the General Meeting.

**Whether or not you intend to attend either Meeting, you are requested to complete and return both the enclosed Forms of Proxy for the Court Meeting (BLUE) and for the General Meeting (YELLOW) in accordance with the instructions printed on the forms or, if you hold your shares in CREST, make an electronic appointment of a proxy or submit a proxy via CREST as soon as possible. Please make every effort to vote at the Meetings either in person or by completing the Forms of Proxy or by making an electronic appointment of a proxy. Completion and return of any Form of Proxy will not prevent Shaftesbury Shareholders from attending the Meetings and voting in person (or remotely via the Online Platform) if they so wish.**

Further details of the approvals being sought at the Court Meeting and the General Meeting and the actions to be taken by Shaftesbury Shareholders in respect of the Merger are set out in paragraph 7 of Part Two (*Explanatory Statement*) of this document.

## **21. Overseas Shareholders**

The implications of the Scheme for Overseas Shareholders may be affected by the laws of their relevant jurisdiction. Overseas Shareholders of Shaftesbury Shares should refer to Part Six (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

## **22. The Scheme and the Meetings**

The Merger is being implemented by way of a Court-sanctioned scheme of arrangement between Shaftesbury and the Scheme Shareholders under Part 26 of the Companies Act, although Capco reserves the right to elect to implement the Merger by way of a Takeover Offer (subject to Panel consent, where necessary, and the terms of the Co-operation Agreement). The Scheme is an arrangement between Shaftesbury and the Scheme Shareholders and is subject to the approval of the Court. The procedure involves, amongst other things, an application by Shaftesbury to the Court to sanction the Scheme, which will involve the Scheme Shares being transferred to Capco, in consideration for which Scheme Shareholders will receive New Capco Shares (on the basis described in paragraph 2 above).

The Capco Chargors currently together hold the Secured Existing Capco Shareholding. The Scheme therefore requires the approval at the Court Meeting of Scheme Shareholders (other than the Capco Chargors (and their nominees, if any) which will undertake to be bound by the Scheme) at the Court Meeting to be held on 29 July 2022.

To become effective, the Scheme requires, amongst other things, the approval of a majority in number of the Scheme Shareholders (other than the Capco Chargors (and their nominees, if any) which will undertake to be bound by the Scheme) present and voting (and entitled to vote), either in person (or remotely via the Online Platform) or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting (or any adjournment of the Court Meeting) and the passing of the Special Resolution necessary to implement the Scheme at the General Meeting. Following the Court Meeting and the General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will only become Effective if all Conditions to the Scheme have been satisfied (unless, where applicable, the relevant Condition is waived) and only upon a copy of the Court Order being delivered to the Registrar of Companies.

Upon the Scheme becoming Effective, it will be binding on all Shaftesbury Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting. Capco reserves the right (in its absolute discretion) to elect to implement the Merger by way of a Takeover Offer (subject to Panel consent, where necessary, and the terms of the Co-operation Agreement).

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible.**

Shaftesbury will announce the details of the votes of the Meetings as required by the Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8.00 a.m. on the business day following the Meetings.

Further details of the Scheme and the Meetings are set out in paragraph 7 of Part Two (*Explanatory Statement*) of this document.

## **23. United Kingdom and United States Taxation**

Your attention is drawn to Part Seven (*United Kingdom and United States Taxation*) of this document relating to United Kingdom and United States taxation which contains a summary of limited aspects of the UK and US tax treatment of the Scheme. Although this document contains certain tax-related information, it does not constitute tax advice and does not purport to be a complete analysis of all potential UK and US tax consequences of the Scheme or disposing of Shaftesbury Shares.

If you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the UK or the US, you should consult an appropriately qualified independent professional adviser immediately.

## **24. Recommendation**

The Shaftesbury Board, which has been so advised by Evercore and Blackdown as to the financial terms of the Merger, unanimously considers the terms of the Merger to be fair and reasonable. In providing their financial advice to the Shaftesbury Board, Evercore and Blackdown have taken into account the commercial assessments of the Shaftesbury Board. Evercore is providing independent financial advice to the Shaftesbury Board for the purposes of Rule 3 of the Code.

**The Shaftesbury Board believes that the terms of the Merger are in the best interests of Shaftesbury Shareholders as a whole and unanimously recommends that Shaftesbury Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as the Shaftesbury Directors have irrevocably undertaken to do in respect of the 2,519,849 Shaftesbury Shares currently registered or beneficially held in aggregate by them, as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of (save, to the extent applicable, for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme), representing in aggregate approximately 0.88 per cent. of the total votes which could be cast at the Court Meeting by Scheme Shareholders who are entitled to vote based on Shaftesbury's issued share capital as at close of business on the Latest Practicable Date.**

## **25. Further Information**

Your attention is drawn to further information contained in Part Two (*Explanatory Statement*), Part Three (*Conditions to the Implementation of the Scheme and to the Merger*), Part Four (*The Scheme of Arrangement*) and Part Eight (*Additional Information on Shaftesbury and Capco*) of this document which provide further details concerning the Scheme.

**You are advised to read the whole of this document and not just rely on the summary information contained in this letter.**

Your attention is further drawn to the Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible), which will be published on the date of this document and is available on Capco's website at [www.capitalandcounties.com](http://www.capitalandcounties.com), which contains further information on Capco and the New Capco Shares. A copy of the Prospectus will also be made available on Shaftesbury's website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk). Shaftesbury Shareholders should read the whole of the Prospectus and not just rely on the information contained in this letter.

Yours faithfully,

**Jonathan Nicholls**

*Chairman*

Shaftesbury PLC

## PART TWO EXPLANATORY STATEMENT

*(In compliance with section 897 of the Companies Act)*

# EVERCORE

*Evercore Partners International LLP*  
15 Stanhope Gate  
London W1K 1LN

# BLACKDOWN

*Blackdown Partners Limited*  
52 Grosvenor Gardens  
London SW1W 0AU

7 July 2022

*To the holders of Shaftesbury Shares and, for information only, to holders of options or awards to acquire Shaftesbury Shares under the Shaftesbury Share Plans and persons with information rights*

Dear Shareholder

### RECOMMENDED ALL-SHARE MERGER OF SHAFTESBURY AND CAPCO

#### 1. Introduction

On 16 June 2022, the boards of Shaftesbury and Capco announced that they had agreed the terms of a recommended all-share merger of Shaftesbury and Capco pursuant to which Capco will acquire the entire issued and to be issued ordinary share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding) to form the Combined Group. It is intended that the Merger will be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court.

**Your attention is drawn to the letter from the Chairman of Shaftesbury set out in Part One (*Letter from the Chairman of Shaftesbury*) of this document, which forms part of this Explanatory Statement. The letter contains, amongst other things: (a) a summary of the terms of the Merger; and (b) the background to and reasons for the unanimous recommendation by the Shaftesbury Board to Shaftesbury Shareholders to vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.**

Your attention is also drawn to the Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible), which contains further information on Capco and the New Capco Shares to be issued in connection with the Merger. A copy of the Prospectus will be available on the date of this document on Capco's website (at [www.capitalandcounties.com](http://www.capitalandcounties.com)) and on Shaftesbury's website (at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk)).

**The Shaftesbury Board, which has been so advised by Evercore and Blackdown as to the financial terms of the Merger, unanimously considers the terms of the Merger to be fair and reasonable. In providing their financial advice to the Shaftesbury Board, Evercore and Blackdown have taken into account the commercial assessments of the Shaftesbury Board. Evercore is providing independent financial advice to the Shaftesbury Board for the purposes of Rule 3 of the Code.**

**The Shaftesbury Board believes that the terms of the Merger are in the best interests of Shaftesbury Shareholders as a whole and unanimously recommends that Shaftesbury Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as the Shaftesbury Directors have irrevocably undertaken to do in respect of the 2,519,849 Shaftesbury Shares currently registered or beneficially held in aggregate by them, as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of (save, to the extent applicable, for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme), representing in aggregate approximately 0.88 per cent. of the total votes which could be cast at the Court Meeting by Scheme Shareholders who are entitled to vote based on Shaftesbury's issued share capital as at close of business on the Latest Practicable Date.**

Evercore and Blackdown have each been authorised by the Shaftesbury Board to write to you to explain the terms of the Merger and the Scheme and to provide you with other relevant information. In giving our advice, Evercore and Blackdown are advising the Shaftesbury Board in relation to the Merger and are not acting for any Shaftesbury Director in their personal capacity nor for any Shaftesbury Shareholder in relation to the Merger. Evercore and Blackdown will not be responsible to any such person for providing the protections afforded to their clients or for advising any such person in relation to the Merger. In particular, Evercore and

Blackdown will not owe any duties or responsibilities to any particular Shaftesbury Shareholder concerning the Merger. Statements made in this letter which refer to Capco's reasons for the Merger and to the intentions and expectations regarding Capco and the Combined Group reflect the views of the directors of Capco. Please note that dates and timings set out in this document are indicative only and may be subject to change.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part One (*Letter from the Chairman of Shaftesbury*), the Conditions and certain further terms set out in Part Three (*Conditions to the Implementation of the Scheme and to the Merger*) and the additional information set out in Part Eight (*Additional Information on Shaftesbury and Capco*) of this document. For overseas holders of Shaftesbury Shares, your attention is drawn to Part Six (*Additional Information for Overseas Shareholders*) of this document, which forms part of this Explanatory Statement. You are also recommended to read the Prospectus which will be available on the date of this document on Capco's website (at [www.capitalandcounties.com](http://www.capitalandcounties.com)) and on Shaftesbury's website (at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk)).

## **2. Summary of the terms of the Merger and the Scheme**

### ***The Merger***

Under the terms of the Merger, which will be subject to the Conditions and further terms and conditions set out in Part Three (*Conditions to the Implementation of the Scheme and to the Merger*) of this document, Scheme Shareholders will be entitled to receive:

#### **3.356 New Capco Shares for each Shaftesbury Share held (the "Exchange Ratio")**

The Exchange Ratio has been agreed between the boards of each of Shaftesbury and Capco taking into account the relative EPRA NTA and market capitalisations of both companies.

As a result of the Merger, Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) will own 53 per cent. of the Combined Group and Capco Shareholders will own 47 per cent. of the Combined Group.

The Capco Group already holds 96,971,003 Shaftesbury Shares, representing approximately 25.2 per cent. of Shaftesbury's issued share capital, as at close of business on the Latest Practicable Date. Further details of the Existing Capco Shareholding are contained in paragraph 8 below.

It is intended that the Merger will be implemented by way of a Court-sanctioned scheme of arrangement between Shaftesbury and Scheme Shareholders under Part 26 of the Companies Act.

The New Capco Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Capco Shares in issue at the time the New Capco Shares are issued pursuant to the Merger, including the right to receive and retain any dividends and other distributions (other than, if applicable, any Permitted Capco Dividends) declared, made or paid by reference to a record date falling after the Scheme Record Time (other than, if applicable, any Permitted Capco Dividends). Applications will be made to the FCA and the London Stock Exchange for the New Capco Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. Application will also be made for the New Capco Shares to be admitted to trading, as a secondary (inward) listing, on the Main Board of the JSE.

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

In addition to the New Capco Shares received by Scheme Shareholders in connection with the Merger, the Shaftesbury Board will be entitled to pay certain agreed ordinary course Shaftesbury dividends to Shaftesbury Shareholders prior to Completion without any adjustment to the Exchange Ratio under the terms of the Merger, on the basis set out in paragraph 9 below.

### ***Fractional entitlements***

Fractions of New Capco Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Scheme Effective Time to New Capco Shares shall be aggregated and Capco shall procure that the maximum whole number of New Capco Shares resulting therefrom shall be allotted and issued to a person appointed by Capco to hold such New Capco Shares on

behalf of the relevant Scheme Shareholders. Capco shall procure that such New Capco Shares are sold in the market as soon as practicable after the Scheme Effective Time and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of the Scheme.

Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £1.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under the Merger, but shall be retained for the benefit of the Combined Group.

### **Conditions**

The Merger and, accordingly, the Scheme are subject to the satisfaction or, where applicable, waiver of, a number of conditions set out in full in Part Three (*Conditions to the Implementation of the Scheme and to the Merger*) of this document, including, amongst other things:

- (a) the approval of the Scheme by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable, unless all members of any such class have consented to be bound by the Scheme) present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or at any separate class meeting which may be required by the Court) representing not less than 75 per cent. in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted;
- (b) the passing of all resolutions required to approve and implement the Scheme, including, without limitation, to approve the amendment to the articles of association of Shaftesbury in connection with the implementation of the Scheme and to approve certain related matters by the requisite majority of Shaftesbury Shareholders at the General Meeting;
- (c) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Shaftesbury and Capco);
- (d) the delivery of the Court Order to the Registrar of Companies;
- (e) the passing of the Capco Resolutions, including but not limited to approval of the Merger (which is a Class 1 Transaction), the issue of the New Capco Shares and the Related Party Transaction, by the requisite majority of Capco Shareholders at the Capco General Meeting;
- (f) the Court Meeting and the General Meeting each being held on or before the 22nd day after the expected date of the Court Meeting as set out in this document (or such later date as may be agreed by Shaftesbury and Capco with the consent of the Panel and, if required, the Court);
- (g) the CMA issuing a decision that it is not the CMA's intention to make a Phase 2 CMA Reference, with such a decision being issued on an unconditional basis or else conditional on the CMA's acceptance of undertakings which are reasonably satisfactory to Shaftesbury and Capco (or the applicable time period having expired without a Phase 2 CMA Reference) (the "**CMA Condition**");
- (h) the Court Hearing being held on or before the later of (i) the 22nd day after the expected date of the hearing as set out in this document; and (ii) 30 days after all conditions to the Merger have been satisfied or waived (or such later date as may be agreed by Shaftesbury and Capco with the consent of the Panel and, if required, the Court);
- (i) the Scheme becoming unconditional and Effective by 11:59 p.m. on the Long Stop Date (or such later time and date as may be agreed by Shaftesbury and Capco with the consent of the Panel and, if required, the Court); and
- (j) Admission.

### **CMA Condition**

The Merger is conditional on the CMA Condition and Shaftesbury and Capco do not intend to implement the Merger without CMA Phase 1 clearance, such approval being provided either unconditionally or subject to such conditions as are reasonably satisfactory to Shaftesbury and Capco.

The CMA Condition, which has been included following specific negotiation between the parties, could be invoked by Capco with the consent of the Panel if the CMA refers the Merger to a Phase 2 investigation or in

the event that remedies offered by Capco which are satisfactory to both Shaftesbury and Capco, with the aim of securing Phase 1 clearance, are not accepted as sufficient by the CMA.

Shaftesbury Shareholders should note that Capco intends to seek the Panel's consent to invoke the CMA Condition if the CMA would only be satisfied by the parties undertaking remedies in the form of disposals which are unacceptable to or not deliverable by the parties, as the integrity of the proposed Merger structure and Combined Group's portfolio is an essential part of the strategic and economic rationale for the Merger.

In addition, Capco intends to seek the Panel's consent to invoke the CMA condition if the CMA refers the Merger to a Phase 2 investigation, because the delays to Completion that would necessarily arise would result in prolonged uncertainty and cost for both companies.

Capco's intentions in this regard have been discussed with Shaftesbury, which shares Capco's views of the material impact of such circumstances. Shaftesbury considers the CMA Condition to be a material term of the Merger from the perspective of the Shaftesbury Shareholders and, accordingly, Shaftesbury does not intend to implement the Scheme unless the CMA Condition has been satisfied. Shaftesbury further intends to support any request by Capco to seek the consent of the Panel to invoke the CMA Condition should the aforementioned circumstances arise.

A decision by the Panel whether to permit Capco to invoke a condition to the offer would be judged by the Panel by reference to the facts at the time that the relevant circumstances arise, including the views of the Shaftesbury Board at the time.

### 3. Background to and reasons for the Merger

The Merger will bring together two respected real estate companies, with properties located in some of the most iconic parts of London's West End, to create a leading mixed-use central London REIT, with the Combined Group's portfolio valued at approximately £5.0 billion, Annualised Gross Income of approximately £166 million and an ERV of approximately £218 million as at 31 March 2022.

The Combined Group's portfolio will comprise approximately 670 predominantly freehold buildings with approximately 2.9 million square feet of lettable space across approximately 2,000 commercial and residential units (excluding the Longmartin Joint Venture and Lillie Square Joint Venture). At 31 March 2022, the Combined Group's portfolio comprised:

|                                          | Portfolio value<br>(approximate)                                            | Annualised Gross<br>Income<br>(approximate)                                  | ERV<br>(approximate)                                                         |
|------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <b>Retail</b> . . . . .                  | 35%<br>(£1.7 billion)                                                       | 35%<br>(£58.4 million)                                                       | 35%<br>(£76.2 million)                                                       |
| <b>Hospitality and leisure</b> . . . . . | 34%<br>(£1.7 billion)                                                       | 37%<br>(£61.0 million)                                                       | 34%<br>(£73.4 million)                                                       |
| <b>Offices and residential</b> . . . . . | 31%<br>(£1.6 billion)<br>(comprising<br>14% residential<br>and 17% offices) | 28%<br>(£46.0 million)<br>(comprising<br>11% residential<br>and 17% offices) | 31%<br>(£68.4 million)<br>(comprising<br>10% residential<br>and 21% offices) |

The Shaftesbury Board and the Capco Board believe that the Merger has a strong strategic and financial rationale and will provide a rare opportunity in the listed real estate sector to invest in an exceptional mixed-use portfolio in the heart of central London, with the potential to deliver substantial benefits to shareholders and other stakeholders over time.

#### *Long-term resilience and enduring appeal of London's West End*

- London is a leading global city, attracting talent and investment from around the world. It is a major financial and commercial centre, an important hub for creative industries, a globally recognised education and research location, and is home to world-class performing arts facilities and a renowned variety of heritage and cultural attractions. At the heart of the city, the West End is a world-class, high footfall destination for shopping, dining, leisure, entertainment and culture, attracting an estimated 200 million visits annually from domestic and international visitors, its large working population and residents.

- Since summer 2021, footfall, trading and occupier demand across the West End have seen a strong and sustained recovery from the disruption caused by Covid-19 and trading is now largely back to pre-pandemic levels.
- The Elizabeth Line, which opened on 24 May 2022 and is expected to be fully operational by spring 2023, will significantly improve the West End's already strong connectivity and accessibility, adding around 10 per cent. to central London's rail network capacity. The Combined Group's portfolio is well-placed to benefit from its proximity to the West End's major new stations at Tottenham Court Road and Bond Street. The changing travel and footfall patterns they will bring over time are expected to benefit a number of the Combined Group's streets and locations and create valuable medium-term asset management opportunities.

#### ***Diverse mixed-use property portfolio in prime central London***

- The Merger will create an attractive and adaptable mixed-use combined portfolio with diversified income streams from its approximately 1.7 million square feet of hospitality, leisure and retail space, together with approximately 0.6 million square feet of offices and 828 rental apartments. In the West End these uses have a long history of sustained occupier demand, resulting in resilience and high occupancy levels, underpinning long-term prospects for rental growth.
- The Combined Group's portfolio will contain a broad range of unit sizes and rental levels appealing to a wide variety of occupiers. There is limited overlap between Shaftesbury and Capco's existing occupiers, providing the Combined Group with a more diversified mix.
- The West End is an attractive office and residential location, with occupiers drawn by its wide range of local amenities, and particularly its retail and hospitality offerings together with its cultural and heritage attractions. The combination of Capco and Shaftesbury's office and residential portfolios creates the opportunity to provide a consistent, high-quality service to occupiers, whilst benefiting from economies of scale.
- Comprehensive ownership, a hands-on approach and the Combined Group's extensive knowledge of the local occupational market as well as its collaborative approach is expected to create additional expansion and growth opportunities.

#### ***Enhanced asset management and value-creation opportunities***

- The Merger brings together the forensic knowledge of the West End and the asset management skills of two highly respected teams to drive sustained long-term returns through growth in net rental income and capital values.
- The Combined Group intends to drive occupational demand by placing its occupiers at the heart of the business, targeting best-in-class service, providing differentiated destinations, curating an offer of complementary brands and uses and enhancing the public realm to foster vibrant and thriving places for visitors, workers, residents, businesses and communities, appropriate for each of its locations.
- The greater scale resulting from the combination will provide enhanced opportunities over time to evolve the occupier mix through comprehensive leasing strategies, alongside strategic consumer marketing.
- The combination will enhance access to valuable data and insights. The Combined Group will place particular emphasis on collecting and interpreting data to better understand key visitor, consumer and occupier trends and expectations, to inform its strategies through broader and deeper insights from its greater reach. Strong brand recognition of each of its locations, together with leveraging data, occupier insight and a strong social media presence, will have particular value in supporting occupiers to maximise the trading and profitability potential of their businesses.
- Over the long term, Shaftesbury and Capco believe that the Combined Group will have greater opportunity to create value from its complementary ownerships through innovative asset management, careful curation of the retail and hospitality offering, enhanced connectivity, cross-location promotion, and refurbishment and development activities.
- The Combined Group will continue to use the proven skills of each team to identify and work in partnership on high quality public realm schemes, including pedestrianisation, traffic reduction and calming measures, outdoor amenities, greening and lighting. This is expected to encourage further footfall by improving the experience and overall appeal for visitors, local workers, residents and the Combined Group's portfolio's high-profile locations. The footprint of the Combined Group's portfolio potentially enhances the value-creation opportunities from these initiatives.

### ***Shared commitment to positive environmental and social outcomes***

- Shaftesbury and Capco have a shared vision to deliver positive environmental and social outcomes through long-term responsible stewardship and sustainable use of heritage and period buildings in historically important parts of London.
- Taking the best of the expertise of both companies in managing and improving often heritage or period buildings, the Combined Group will continue to adopt the existing approach of both companies to focus on the re-use, re-purposing and ambitious improvement of existing buildings rather than large scale redevelopment. Preserving and adapting existing properties to extend their useful economic lives of properties is an important aspect of minimising the environmental and carbon impact of the Combined Group's business and its exposure to high costs and risks arising from redevelopment.
- The combination will facilitate a broader relationship with the local community, and other key stakeholders, including occupiers, investors, residents and local authorities.
- Through collaboration with stakeholders, adjoining owners and estates and local authorities, the Combined Group will continue to support the communities both in the areas in which it operates and the wider West End.

### ***Strong governance and entrepreneurial management team***

- The Combined Group will maintain the highest standards of corporate governance transparency and stewardship, with a clear articulation of its purpose, culture and values, which will be embedded in the business. A commitment to a responsible culture will be an important factor in the selection of occupiers, suppliers and advisers.
- By combining both companies' strengths, culture and values as well as their proven operating and investment models, the combined management team will take a "best of both" approach with the aim of delivering long-term returns to stakeholders.
- The combined management team has a strong track record and a wealth of experience in improving and managing heritage and period properties in the West End. The team will bring its creative, hands-on, entrepreneurial approach to improving and re-positioning buildings and locations to maximise their income and value potential.
- A key focus of the management team will be the integration and development of the companies' talented teams, embracing an inclusive, innovative and entrepreneurial culture in which employees can thrive, providing greater career development opportunities over time.

### ***Rare opportunity in the listed real estate sector with enhanced global profile***

- The Combined Group will have a strong capital structure with resilience, financial flexibility, efficient access to capital and significant liquidity. The Combined Group's portfolio has a total property value of approximately £5.0 billion as at 31 March 2022.
- The Merger is expected to unlock significant long-term benefits across a range of areas, including the opportunity to enhance the connectivity of Capco's and Shaftesbury's adjacent portfolios. Shaftesbury and Capco believe the Combined Group will be well-positioned to deliver long-term growth in net rental income, capital values and dividends through comprehensive, long-term management of its exceptional portfolio.
- The Combined Group is expected to retain a tax-efficient REIT structure and as such, will be required to distribute a minimum of 90 per cent. of rental profits, calculated by reference to tax rather than accounting rules, as a PID. Notwithstanding this, the Combined Group will adopt a progressive dividend policy with the intention to deliver long-term sustainable total returns to shareholders. Dividend payments will be determined having regard to, inter alia, growth trends in both underlying and cash earnings, which are expected to be delivered through income growth and cost discipline. To the extent that dividends exceed the amount available to distribute as a PID, the balance will be paid as ordinary dividends.
- The Combined Group will also benefit from enhanced access to capital in the global equity and debt capital markets to fund value-accretive acquisition, selective development and asset management opportunities, a substantial free float and weighting in relevant benchmark indices.

### ***Financial impact of the Merger***

- The Merger is expected to generate significant benefits over the long term. Following Completion, incremental asset management opportunities, delivery of a dynamic leasing and marketing strategy across the Combined Group's portfolio, enhanced connectivity of its adjacent locations, and synergies are anticipated to create the opportunity for long-term income, earnings and value growth for shareholders.
- There is significant revenue growth potential over time for the Combined Group as shown by the difference between Annualised Gross Income of approximately £166 million and ERV of approximately £218 million as at 31 March 2022.
- The Combined Group has an estimated EPRA NTA of approximately £3.8 billion and EPRA NTA per share of approximately 208 pence as at 31 March 2022.
- Efficiencies in the Combined Group's operating structure are expected to generate approximately £12 million of pre-tax recurring cost synergies on an annual run-rate basis by the end of the second full year following Completion.
- For Capco Shareholders, the Merger is expected to be earnings accretive immediately and modestly EPRA NTA dilutive by reference to the Shaftesbury share price on 6 May 2022 (albeit broadly EPRA NTA neutral when calculated by reference to the Shaftesbury share price on 1 July 2022), taking into account the Exchange Ratio, estimated transaction costs and the consolidation of the Existing Capco Shareholding into the EPRA NTA of the Combined Group at Shaftesbury's NTA per share rather than share price.
- For Shaftesbury Shareholders, the Merger is expected to be immediately EPRA NTA accretive and modestly earnings dilutive for the first two full years after Completion while the synergies are being realised. Thereafter, the impact on earnings will depend on a number of factors including the extent and timing of the realisation of benefits from the Merger and the future cost of financing.
- The Combined Group will have a strong capital structure with resilience, financial flexibility, efficient access to capital and significant liquidity, with an estimated loan-to-value ("LTV") of approximately 29 per cent. as at 31 March 2022. The Combined Group is expected to have approximately £500 million of available liquidity immediately following Completion.
- Capco has entered into a £576 million Loan Facility Agreement to provide funding certainty in the event that the Shaftesbury Mortgage Bond holders exercise their redemption right in respect of their Shaftesbury Mortgage Bonds following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds is expected to result in increased financing costs for the Combined Group (which are not included in the assessment of synergies). The Combined Group would seek to mitigate such increased finance costs by capitalising on the increased strength of the Combined Group's balance sheet following Completion.

#### **4. Synergies**

The Capco Directors and the Proposed Directors having reviewed and analysed the potential cost synergies of the Merger and, taking into account the factors they can influence, believe that the Combined Group can deliver approximately £12 million of pre-tax recurring cost synergies on an annual run-rate basis.

The run-rate at the end of the first full year following the Effective Date is expected to be approximately 50 per cent. with the full run-rate achieved by the end of the second full year following the Effective Date.

The quantified cost synergies, which are expected to originate from the cost bases of both Capco and Shaftesbury, are expected to be realised primarily from:

- (a) rationalisation of board, senior management and duplicated group functions and public company costs (expected to contribute approximately 50 per cent. of the full run-rate pre-tax cost synergies);
- (b) consolidation of support and property management functions, including third party costs (expected to contribute approximately 44 per cent. of the full run-rate pre-tax cost synergies); and
- (c) reduced financing costs, in respect of existing facilities, relating to commitment, agency and trustee security fees following termination of a duplicate undrawn revolving credit facility in the Combined Group (expected to contribute approximately 6 per cent. of the full run-rate pre-tax cost synergies).

The Capco Directors and the Proposed Directors estimate that the realisation of the quantified cost synergies will result in one-off costs to achieve of approximately £11.4 million, with around 49 per cent. incurred in the

first full year following Completion and the remainder by the end of the second full year following Completion.

Potential areas of dis-synergy expected to arise in connection with the Merger have been considered and were determined by the Capco Directors and the Proposed Directors to be immaterial for the analysis.

The identified cost synergies will accrue as a direct result of the Merger and would not be achieved by either Capco or Shaftesbury as standalone businesses. The identified cost synergies reflect both the beneficial elements and relevant costs.

These statements of identified synergies and estimated savings relate to future actions and circumstances which by their nature involve risks, uncertainties and contingencies. As a consequence, the identified synergies and estimated savings referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

The combination may also create the opportunity to unlock further, future strategic, financial and operating efficiencies which could lead to additional cost savings. These savings could be realised across a number of areas including asset and portfolio level value and income generation, procurement savings given increased scale and the potential to source more flexible and efficient financing, reducing the Combined Group interest costs.

Please refer to Part Twelve (*Quantified Financial Benefits Statement*) of this document for further details of the estimated cost synergies arising from the Merger and the underlying assumptions and bases of preparation. The Capco Directors and the Proposed Directors have confirmed that the Quantified Financial Benefits Statement remains valid. KPMG and Rothschild & Co., in their respective capacities as reporting accountants and financial adviser to the Capco Directors and the Proposed Directors, have also confirmed that the reports they respectively produced in connection with the Quantified Financial Benefit Statement continue to apply as required by Rule 27.2(d) of the Code. Copies of their respective reports are included in Appendix 4 of the Announcement.

## **5. Intentions with regards to directors, management, employees and head office**

### ***Change of name***

It is intended that the Combined Group will be called “Shaftesbury Capital PLC”. A resolution to change the name of Capco to “Shaftesbury Capital PLC”, to take effect on Completion, will be put to Capco Shareholders at the Capco General Meeting.

### ***Board of the Combined Group***

The Combined Group will have a strong governance and leadership structure, with the Board of the Combined Group comprising:

- Jonathan Nicholls, the Non-executive Chairman of Shaftesbury, who will become the Non-executive Chairman of the Combined Group and Chair of the Nomination Committee;
- Ian Hawksworth, Chief Executive of Capco, who will become Chief Executive of the Combined Group;
- Situl Jobanputra, Chief Financial Officer of Capco, who will become Chief Financial Officer of the Combined Group;
- Chris Ward, Chief Financial Officer of Shaftesbury, who will become Chief Operating Officer of the Combined Group;
- Richard Akers, the Senior Independent Director of Shaftesbury, who will become Senior Independent Director of the Combined Group;
- Ruth Anderson, Non-executive Director and Chair of the Audit Committee of Shaftesbury, will join the Board of the Combined Group as Non-executive Director and become Chair of the Audit Committee of the Combined Group;
- Charlotte Boyle, Non-executive Director and Chair of the ESC Committee of Capco, will remain on the Board of the Combined Group as Non-executive Director and remain Chair of the ESC Committee of the Combined Group;
- Helena Coles, Non-executive Director of Shaftesbury, will join the Board of the Combined Group as Non-executive Director;

- Anthony Steains, Non-executive Director and Chair of the Audit Committee of Capco, will remain on the Board of the Combined Group as Non-executive Director; and
- Jennelle Tilling, Non-executive Director and Chair of the Remuneration Committee of Shaftesbury, will join the Board of the Combined Group as Non-executive Director and become Chair of the Remuneration Committee of the Combined Group.

An Executive Committee, which will be responsible for the day-to-day management and operation of the Combined Group, will be established and comprising six members. Each of the Chief Executive, Chief Financial Officer and Chief Operating Officer will be members of the Executive Committee and will be joined on Completion by three further members: Capco's Michelle McGrath will be responsible for the enlarged Covent Garden portfolio including Capco's Covent Garden assets as well as Shaftesbury's assets in Seven Dials, Opera Quarter and Coliseum; Shaftesbury's Andrew Price will be responsible for the Carnaby, Chinatown, Soho and Fitzrovia portfolios; and Shaftesbury's Samantha Bain-Mollison, will be responsible for the Combined Group's leasing.

After 36 years at Shaftesbury, including 11 years as Chief Executive, Brian Bickell will retire on Completion. Executive directors Simon Quayle and Tom Welton, who have been with Shaftesbury for 35 and 33 years respectively, will also leave the business on Completion.

Henry Staunton, Capco's Chairman who has served on the Capco Board for 12 years, will retire on Completion. Jonathan Lane OBE, Non-executive Director, who has served on the Capco Board for three years since March 2019 and previously had been Chief Executive and Chairman of Shaftesbury for 30 years in total from 1986 to 2016, will also retire from Capco's Board on Completion.

The composition of the Board of the Combined Group is expected to comply with the UK Corporate Governance Code and the Board of the Combined Group is expected to have an effective balance of experience and diversity to guide the Combined Group to respond effectively to external market dynamics.

### ***Management, employees and head office***

Details of the proposed board of the Combined Group are set out above.

The Combined Group expects employees across both companies to benefit from the greater opportunities arising from being part of the larger Combined Group following Completion. Shaftesbury and Capco recognise that the combination of the skills and experience of the two companies' management and employee teams will be key to optimising the benefits of the Merger for shareholders and stakeholders, and to ensuring the long-term success of the Combined Group. The Combined Group will aim to retain the best talent of Shaftesbury and Capco across the Combined Group and does not intend to change the overall balance of skills and functions of employees and management across the Combined Group.

Across the Combined Group, there will be duplicated costs and functions. The Combined Group therefore intends to seek operating cost benefits from the rationalisation of the Board and overlapping group functions, together with consolidation of support and property management functions and the removal of duplicated costs. In order to achieve the full potential benefits of the Merger, the Combined Group will undertake a detailed business, operational and administrative review of the Combined Group to assess how it can work most effectively and efficiently. This review is expected to take 12 months following Completion. This could lead to a reduction of approximately 30 per cent. in headcount across the Combined Group, the full extent of which will be dependent on the outcome of this detailed review, including an assessment of the options available to rationalise outsourced services across the businesses, and subject to applicable obligations to inform and consult. At this stage, the specific proposals have not yet been determined, but the Board of the Combined Group will aim to retain the best talent from both of Shaftesbury and Capco, and any such proposals will be carried out through a fair and transparent process in accordance with applicable legal requirements.

The Combined Group intends to safeguard existing statutory and contractual employment rights including in relation to pension rights, following Completion and Capco does not intend to make any material changes in the conditions of employment of the Shaftesbury employees in the period of 12 months following Completion.

Neither Shaftesbury nor Capco have an existing defined benefits pension scheme.

The Combined Group intends to consolidate the head office functions of Shaftesbury and Capco so that they can operate from a single location, subject to any obligations to inform and consult with affected employees. No long-term decision has been taken as to the location of the headquarters of the Combined Group, but, immediately following Completion, the Combined Group intends to use Capco's office in Covent Garden as the primary headquarters, with functions continuing to operate from the Shaftesbury premises for a period of up to

two years following Completion. The Combined Group does not otherwise intend for any redeployment of Shaftesbury's fixed asset base. Owing to the nature of its business, Shaftesbury has no research and development function.

### ***Listing***

Following Completion, the Combined Group will retain Capco's listing on the London Stock Exchange as well as its secondary listing on the JSE.

### ***REIT Status***

Both Shaftesbury and Capco fall within the UK REIT regime and benefit from the tax efficiencies provided by that regime. The Combined Group is expected to fall within the UK REIT regime and the relevant tax measures are expected to continue to apply to the Combined Group.

### ***Post-offer undertakings***

None of the statements in this paragraph 5 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

### ***Views of the Shaftesbury Board***

In considering the intention to recommend the Merger to Shaftesbury Shareholders, the Shaftesbury Board has given due consideration to the intentions of the Combined Group for management and employees. Please see paragraph 6 of Part One (*Letter from the Chairman of Shaftesbury*) for further details.

## **6. Financial effects of the Merger on Shaftesbury Shareholders**

The following table shows, for illustrative purposes only, and on the bases and assumptions set out in the notes below, the financial effects of the Merger on the capital value for a Scheme Shareholder of 1,000 Shaftesbury Shares if the Scheme becomes effective. The table shows the financial effects for both net tangible assets and the capital value for a Scheme Shareholder.

The Merger is expected to be immediately EPRA NTA accretive and modestly earnings dilutive for Shaftesbury Shareholders for the first two full years after Completion while the synergies are being realised. Thereafter, the impact on earnings will depend on a number of factors including the extent and timing of the realisation of benefits from the Merger and the future cost of financing.

### ***Net tangible assets***

|                                                                                          |              |
|------------------------------------------------------------------------------------------|--------------|
| Combined Group estimated net tangible assets per share <sup>(1)</sup>                    | £ 2.08       |
| Combined Group estimated net tangible assets for 1,000 Shaftesbury Shares <sup>(2)</sup> | £6,980       |
| Shaftesbury EPRA NTA per share (as at 31 March 2022) <sup>(3)</sup>                      | £ 6.79       |
| Shaftesbury EPRA NTA for 1,000 Shaftesbury Shares (as at 31 March 2022) <sup>(3)</sup>   | £6,790       |
| <b>Increase in EPRA NTA for 1,000 Shaftesbury Shares</b>                                 | <b>£ 190</b> |
| <b>Representing an increase of (%)</b>                                                   | <b>2.8%</b>  |

### ***Capital value<sup>(4)</sup>***

|                                                                                                                                               |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Capco Share Price                                                                                                                             | £1.622       |
| Number of New Capco Shares received for 1,000 Shaftesbury Shares <sup>(2)</sup>                                                               | £3,356       |
| Market value of consideration received for 1,000 Shaftesbury Shares                                                                           | £5,443       |
| Dividend entitlement up to Completion for 1,000 Shaftesbury Shares <sup>(5)(6)</sup>                                                          | £ 102        |
| Total value of consideration received for 1,000 Shaftesbury and value of dividends entitlement for 1,000 Shaftesbury Shares <sup>(5)(6)</sup> | £5,545       |
| Shaftesbury Share Price                                                                                                                       | £5.770       |
| Market value of 1,000 Shaftesbury Shares                                                                                                      | £5,770       |
| <b>Decrease in capital value for 1,000 Shaftesbury Shares<sup>(7)*</sup></b>                                                                  | <b>£ 225</b> |
| <b>Representing a decrease of (%)</b>                                                                                                         | <b>3.9%</b>  |

### **Notes:**

- (1) The Combined Group's EPRA NTA of approximately £3.8 billion is calculated by the addition of Capco's estimated and unaudited 31 March 2022 EPRA NTA and Shaftesbury's unaudited 31 March 2022 Interim EPRA NTA less the value of Capco's shareholding in Shaftesbury and less the estimated transaction costs of the Merger (as set out in paragraph 9 of Part Eight

(Additional Information on Shaftesbury and Capco) in this document. The Combined Group's EPRA NTA per share of approximately 208 pence per share is equal to the Combined Group's EPRA NTA of approximately £3.8 billion divided by the estimated total issued share capital of the Combined Group of 1,824,998,781 Capco Shares.

- (2) Under the terms of the Merger, the Scheme Shareholders shall be entitled to receive 3.356 New Capco Shares for each Shaftesbury Share held.
- (3) As reported in the interim results of Shaftesbury for the six months ended 31 March 2022.
- (4) Based on the Closing Price of the Shaftesbury and Capco Shares on the day prior to the commencement of the Offer Period.
- (5) Based on the Shaftesbury Interim Dividend of 4.8 pence per Shaftesbury Share in respect of the six months ended 31 March 2022 declared by Shaftesbury on 24 May 2022 and paid on 1 July 2022, and assuming the maximum potential Shaftesbury Full Year Dividend of up to 5.4 pence per Shaftesbury Share in respect of the year ending 30 September 2022 (as further detailed in paragraph 9 of this Part Two).
- (6) Assumes the Merger will take place before 31 December 2022.
- (7) No account has been taken of any potential liability to taxation.

\* Notwithstanding their respective requirements, as REITs, to distribute a minimum of 90 per cent. of rental profits as PID, Capco and Shaftesbury currently adopt different dividend policies. On this basis, income on the Shaftesbury Shares is not readily comparable with income on the Capco Shares. In addition, the Capco dividends prior to Completion include the full pass through of dividend income received in respect of the Shaftesbury Shares held by the Capco Group as at the Latest Practicable Date, but will not apply to the Combined Group. Accordingly, a table showing the financial effect of the Merger on the income position for a Shaftesbury Shareholder is not set out in this section.

## **7. The Scheme and the Meetings**

### ***The Scheme***

It is intended that the Merger will be effected by means of a Court-approved scheme of arrangement between Shaftesbury and the Scheme Shareholders under Part 26 of the Companies Act. The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document.

The Scheme is a legal process under the Companies Act, the purpose of which is to provide for Capco to acquire the entire issued and to be issued ordinary share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding). This would be achieved by the transfer of the Scheme Shares to Capco on the basis set out in this document, in consideration for which the Scheme Shareholders who are on the register of members of Shaftesbury at the Scheme Record Time will be entitled to receive New Capco Shares on the basis set out in paragraph 2 of this Part Two above.

### ***Shaftesbury Meetings***

The Scheme will require, among other things, the approval of Scheme Shareholders at the Court Meeting and Shaftesbury Shareholders at the separate General Meeting, both of which will be held on 29 July 2022 at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT and through the electronic facilities that are being made available via the Online Platform. The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Shaftesbury Shareholders to enable the Shaftesbury Directors to implement the Scheme and to amend the Shaftesbury Articles as described below. The Scheme is set out in full at Part Four (*The Scheme of Arrangement*) of this document.

Notices of both the Court Meeting and the General Meeting are set out in Part Ten (*Notice of Court Meeting*) and Part Eleven (*Notice of General Meeting*) respectively of this document. Entitlement to attend and vote at these meetings and the number of votes which may be cast at each of the Meetings will be determined by reference to the register of members of Shaftesbury at the Voting Record Time.

If the Scheme becomes Effective, which will occur upon delivery of a copy of the Court Order sanctioning the Scheme to the Registrar of Companies, it will be binding on all Shaftesbury Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of the resolutions at such Meetings).

Any Shaftesbury Shares which Capco or any other member of the Capco Group (or their respective nominees) currently hold or may acquire prior to the Court Meeting or the General Meeting (other than the Secured Existing Capco Shareholding) are not Scheme Shares and therefore no member of the Capco Group (or its nominees) is entitled to vote at the Court Meeting in respect of the Shaftesbury Shares held or acquired by it.

The Capco Chargors currently together hold the Secured Existing Capco Shareholding. The Scheme therefore requires the approval at the Court Meeting of Scheme Shareholders (other than the Capco Chargors (and their nominees, if any) which will undertake to be bound by the Scheme) at the Court Meeting to be held on 29 July 2022.

Save as set out in this document, all holders of Scheme Shares whose names appear on the register of members of Shaftesbury at the Voting Record Time, or if the Court Meeting is adjourned, on the register of members at 6.30 p.m. on the date which is two business days before the date set for such adjourned Court Meeting, will be entitled to attend and vote at the Court Meeting, in respect of the Shaftesbury Shares registered in their name at the relevant time.

Save as set out in this document, all holders of Shaftesbury Shares whose names appear on the register of members of Shaftesbury at the Voting Record Time, or if the General Meeting is adjourned, on the register of members at 6.30 p.m. on the date which is two business days before the date set for such adjourned General Meeting, will be entitled to attend and vote at the General Meeting, in respect of the Shaftesbury Shares registered in their name at the relevant time.

### ***Court Meeting***

The Court Meeting has been convened with the permission of the Court for 10.00 a.m. on 29 July 2022 for Scheme Shareholders on the register of members of Shaftesbury at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting (or any adjournment of the Court Meeting), voting will be by poll and each Scheme Shareholder (other than the Capco Chargors (and their nominees if any) which will undertake to be bound by the Scheme) present in person (or remotely via the Online Platform) or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The Court will not grant the Court Order unless the Scheme is approved by Scheme Shareholders at the Court Meeting by the requisite statutory majority. The approval required for the Scheme at the Court Meeting is a majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person (or remotely via the Online Platform) or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by such Scheme Shareholders.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders.**

Whether or not you intend to attend and/or vote at the Meetings in person (or remotely via the Online Platform), you are strongly advised to sign and return your BLUE Form of Proxy, by post or transmit a proxy appointment and voting instruction (electronically, online or through CREST) for the Court Meeting as soon as possible, but in any event at least 48 hours, excluding any part of a day that is not a business day, prior to the Court Meeting. The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described in this document) will not prevent you from attending, asking questions or submitting any objections and voting at the Court Meeting if you are entitled to and wish to do so.

**If the BLUE Form of Proxy for the Court Meeting is not lodged by 10.00 a.m. on 27 July 2022, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or handed to Equiniti or to the Chair of the Court Meeting before the start of the Court Meeting.**

### ***General Meeting***

In addition, the General Meeting has been convened for 10.15 a.m. on 29 July 2022 (or as soon thereafter as the Court Meeting has been concluded or adjourned) to consider and, if thought fit, pass the Special Resolution necessary to implement the Scheme and certain related matters.

The Special Resolution is proposed to:

- (a) authorise the Shaftesbury Directors to take all such actions as are necessary or appropriate for implementing the Scheme; and
- (b) amend the Shaftesbury Articles in the manner described below.

Holders of the Existing Capco Shareholding may vote at the General Meeting.

Voting in person (or remotely via the Online Platform) at the General Meeting will be by poll and each Shaftesbury Shareholder, present remotely or by proxy, will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (in person, remotely or by proxy). Copies of the Shaftesbury Articles and copies of the articles of association as proposed to be amended by the Special Resolution are available for further inspection at Shaftesbury's registered office during normal business hours on a weekday (Saturdays,

Sundays and public holidays excepted) until the close of the General Meeting and will also be available for inspection at the place of the General Meeting for at least 15 minutes prior to, and during, the General Meeting.

**If the YELLOW Form of Proxy for the General Meeting is not lodged by 10.15 a.m. on 27 July 2022 using one of the methods listed above, it will be invalid.**

Shaftesbury will announce the details of the votes at the Meetings as required under the Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and details of the vote will also be published on Shaftesbury's website [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk) once the votes have been counted and verified.

### ***Court Hearing***

Under the Companies Act, the Scheme also requires the sanction of the Court. The Court Hearing to sanction the Scheme is currently expected to take place as soon as reasonably practicable following the satisfaction or waiver of the last of the Conditions to be satisfied or waived. All Scheme Shareholders (other than the Capco Chargors (and their nominees if any) which will undertake to be bound by the Scheme) are entitled to attend the Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme.

Following the sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is currently expected to occur before the end of Q4 2022. Shaftesbury will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

It is intended that, as soon as reasonably practicable after this time, Shaftesbury will become a private limited company under the relevant provisions of the Companies Act.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, including any Scheme Shareholders who did not vote to approve the Scheme or who voted against the Scheme at the Court Meeting.**

Unless the Scheme becomes Effective by no later than the Long Stop Date (or such later date as may be agreed by Shaftesbury and Capco), the Scheme will not become Effective and the Merger will not proceed.

### ***Amendments to the Shaftesbury Articles***

The Special Resolution contains provisions to amend the Shaftesbury Articles to ensure that any Shaftesbury Shares issued (other than to Capco, its nominees or any member of the Capco Group): (i) between the General Meeting and the Scheme Record Time will be subject to the Scheme; and (ii) after the Scheme Record Time will automatically be acquired by Capco (or as Capco may direct) on the same terms as under the Scheme (other than terms as to timing, formalities and the treatment of fractional entitlements). This is important as such Shaftesbury Shares will not be subject to the Scheme itself. These provisions will avoid any person (other than a member of the Capco Group or as otherwise directed by Capco) retaining Shaftesbury Shares after the Scheme has become Effective.

The notice of General Meeting in Part Eleven (*Notice of General Meeting*) of this document seeks the approval of Shaftesbury Shareholders for such amendments.

### ***Entitlement to vote at the Meetings***

Save as set out in this document, each Scheme Shareholder who is entered in the Shaftesbury register of members at the Voting Record Time will be entitled to attend, speak and vote in person (or remotely via the Online Platform) at the Court Meeting (other than the Capco Chargors (and their nominees, if any) which will undertake to be bound by the Scheme). If the Court Meeting is adjourned, only those Scheme Shareholders on the register of members at 6.30 p.m. on the date which is two business days before the date set for the adjourned Court Meeting will be entitled to attend and vote. Each Scheme Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her at the Court Meeting. The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically shall not prevent a Scheme Shareholder from attending, voting and speaking at the Court Meeting, and at any adjournment thereof if such shareholder wishes and is entitled to do so.

Save as set out in this document, each Shaftesbury Shareholder who is entered in the Shaftesbury register of members at the Voting Record Time will be entitled to attend, speak and vote in person (or remotely via the Online Platform) at the General Meeting. If the General Meeting is adjourned, only those Shaftesbury Shareholders on the register of members at 6.30 p.m. on the date which is two business days before the date set

for the adjourned General Meeting will be entitled to attend and vote. Each eligible Shaftesbury Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her at the General Meeting. The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically shall not prevent an eligible Shaftesbury Shareholder from attending, voting and speaking at the General Meeting, and in each case at any adjournment thereof if such shareholder wishes and is entitled to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays. Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Further information on the actions to be taken is set out in paragraph 22 below.

### ***Modifications to the Scheme***

The Scheme contains a provision for Shaftesbury and Capco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

In accordance with the Code, modifications or revisions to the Scheme may only be made: (i) more than 14 days prior to the date of the Meetings (or any later date to which such Meetings are adjourned, or (ii) at a later date, with the consent of the Panel. The implementation of the Merger by way of a Takeover Offer as an alternative to the Scheme is not a modification or revision for the purposes of this paragraph.

## **8. Capco's Exchangeable Bonds**

### ***Background***

On 30 November 2020, Capco issued £275,000,000 2.00 per cent. Secured Exchangeable Bonds due 2026 ("**Capco's Exchangeable Bonds**"). The terms and conditions of Capco's Exchangeable Bonds (the "**Exchangeable Bond Conditions**") are set out in, and Capco's Exchangeable Bonds are constituted by, a trust deed entered into between Capco and BNY Mellon Corporate Trustee Services Limited (the "**Exchangeable Bonds Trustee**") on 30 November 2020 (the "**Exchangeable Bonds Trust Deed**").

### ***Current holding of Shaftesbury Shares by Capco Group***

The Capco Group holds 96,971,003 Shaftesbury Shares as at close of business on the day before the Announcement Date, representing approximately 25.2 per cent. of Shaftesbury's issued share capital at close of business on the day before the Announcement Date

As at close of business on the day before the Announcement Date, 38,008,138 Shaftesbury Shares representing approximately 9.9 per cent. of Shaftesbury's issued share capital at close of business on the day before the Announcement Date (such number of shares which are so secured from time to time being the "**Secured Existing Capco Shares**") are currently secured pursuant to the Exchangeable Bond Conditions (the "**Exchangeable Bond Security**") in favour of the Exchangeable Bonds Trustee for the benefit of itself and the other secured parties under the Exchangeable Bonds (including the holders of the Exchangeable Bonds) (the "**Exchangeable Bond Secured Parties**").

The remaining 58,962,865 Shaftesbury Shares held by the Capco Group, representing approximately 15.3 per cent. of Shaftesbury's issued share capital at close of business on the day before the Announcement Date comprise the Unsecured Existing Capco Shareholding.

### ***Terms of Capco's Exchangeable Bonds***

As noted above, the Secured Existing Capco Shares are currently subject to security granted pursuant to the Exchangeable Bond Security. The Exchangeable Bond Security is constituted by way of first fixed charges given by two companies of the Capco Group, Capco Investment London (No.1) Limited and Capco Investment London (No.2) Limited, which currently hold the Secured Existing Capco Shares (together, the "**Original**

**Chargors**”). The Secured Existing Capco Shares constitute the current “**Exchange Property**” under the Exchangeable Bond Conditions.

The number of Shaftesbury Shares held by the Capco Group which are subject to security pursuant to the Exchangeable Bond Conditions can vary depending on, amongst other things, the amount of dividends declared by Shaftesbury in accordance with the Exchangeable Bond Conditions.

Each holder of Capco’s Exchangeable Bonds has the right, in certain specified circumstances all as more fully described in the terms and conditions of Capco’s Exchangeable Bonds, to exchange its exchangeable bonds for the relevant amount of Secured Existing Capco Shares (and/or other property constituting the Exchange Property at that time) (the “**Exchange Right**”). If a holder of Exchangeable Bonds exercises its Exchange Right, Capco may elect to cash settle the exchange option (a “**Cash Election**”), by paying to the holder of Capco’s Exchangeable Bonds an amount in cash equal to the value of the Secured Existing Capco Shares (and/or other property constituting the Exchange Property at that time) which would otherwise be deliverable, as determined in accordance with the Exchangeable Bond Conditions.

### ***How the Merger impacts Capco’s Exchangeable Bonds***

The Merger will be structured to comply with the Exchangeable Bond Conditions.

In accordance with the terms of the Scheme, it is intended that the Secured Existing Capco Shareholding as at the Scheme Record Time will form part of the Scheme Shares and therefore be subject to the terms of the Scheme, and up to 128,193,087 New Capco Shares will be issued in consideration for the Secured Existing Capco Shareholding (the “**Secured New Capco Shares**”) in accordance with the terms of the Scheme and the terms and conditions of Capco’s Exchangeable Bonds. It is anticipated that the eventual number of Secured New Capco Shares will be determined by the existing number of Shaftesbury Shares comprising the Secured Existing Capco Shareholding as at the Scheme Record Time.

In accordance with the Exchangeable Bond Conditions, the Secured New Capco Shares will replace the Secured Existing Capco Shareholding as the Exchange Property and will be subject to security in favour of the Exchangeable Bond Secured Parties.

In order to facilitate the exchange of the Secured New Capco Shares for the Secured Existing Capco Shareholding, it is intended that the Secured Existing Capco Shareholding will be transferred before Completion (as permitted by the Exchangeable Bond Conditions) from the Original Chargors to a Scottish Limited Partnership, Capco Investment London (No.7) Scottish Limited Partnership (the “**SLP**”), an entity which is wholly controlled by entities within the Capco Group. The SLP will hold the Secured Existing Capco Shareholding and (upon replacement of the Secured Existing Capco Shareholding with the Secured New Capco Shares on Completion) the Secured New Capco Shares subject to a first fixed charge granted by the SLP in favour of the Exchangeable Bond Secured Parties. The Exchange Right of each holder of Capco’s Exchangeable Bonds will, following such change in the Exchange Property, apply in respect of the Secured New Capco Shares.

### ***The Scheme and commitments from SLP***

The Original Chargors (and their nominees, if any) which hold the Secured Existing Capco Shares will not vote at the Court Meeting and will undertake to be bound by the terms of the Scheme.

It is anticipated that the Unsecured Existing Capco Shareholding as at the Scheme Record Time will not be subject to the terms of the Scheme and will continue to be held by subsidiaries of Capco. The entities within the Capco Group which hold the Unsecured Existing Capco Shareholding are not required to vote at the Court Meeting.

It is intended that the SLP and Capco enter into an agreement pursuant to which, inter alia (i) the SLP will provide an undertaking (revocable at the discretion of the SLP (which shall at all times be an entity which is wholly controlled by entities within the Capco Group)) not to exercise its voting rights in respect of the Secured New Capco Shares; (ii) the SLP will agree to deliver Secured New Capco Shares at the direction of Capco to bondholders upon exercise of any Exchange Right, in respect of which Capco has determined not to exercise its Cash Election, and (iii) Capco will have the right to repurchase the Secured New Capco Shares at any time when such shares are permitted to be transferred in accordance with the Exchangeable Bond Conditions (including on maturity of Capco’s Exchangeable Bonds) (the “**Buyback Contract**”). Following the repurchase of the Secured New Capco Shares, the Directors intend that any such Secured New Capco Shares which are not delivered to holders of Exchangeable Bonds pursuant to the exercise of an Exchange Right would either be cancelled or held in treasury.

Capco's entry into the Buyback Contract requires shareholder authorisation under section 694 of the Companies Act 2006. For the purposes of the Companies Act 2006, the Buyback Contract is an 'off-market' purchase contract, where the relevant shares will be purchased otherwise than on a recognised investment exchange. The authority to make off-market purchases pursuant to the Buyback Contract (which is specific to the matters referred to in the Buyback Contract) will expire on the date which is five years after the date on which this shareholder resolution to approve the Buyback Contract is passed (unless renewed, varied or revoked by Capco prior to or on that date).

The Buyback Contract shall cease to apply to any Secured New Capco Shares which are delivered to holders of Capco's Exchangeable Bonds from time to time in settlement of any Exchange Right where Capco has not exercised its Cash Election.

Following Completion, the implied exchange price per New Capco Share in respect of Capco's Exchangeable Bonds will be calculated by reference to the number of New Capco Shares that replace the Shaftesbury Shares comprising the Exchange Property at Completion in accordance with Exchangeable Bond Conditions. The number of Shaftesbury Shares comprising the Exchange Property at Completion will be impacted by the dividends declared by Shaftesbury in the period prior to Completion. Illustratively, if the number of Shaftesbury Shares comprising the Exchange Property at Completion remains the same number as comprising the Exchange Property as at 31 March 2022 (being 38,008,138 Shaftesbury Shares), when replaced with New Capco Shares at the Exchange Ratio the implied exchange price per New Capco Share immediately following Completion will be 216 pence.

The dividends received per share, earnings per share and EPRA NTA per share for shareholders of the Combined Group (other than the holders of the Secured New Capco Shares for so long as they are held by the SLP, an entity which is wholly controlled by entities within the Capco Group) will not currently be affected on a consolidated basis by the Secured New Capco Shares. To ensure compliance with the terms and conditions of Capco's Exchangeable Bonds, it is intended that dividends will be paid on the Secured New Capco Shares on the same basis as all other shares in the Combined Group. Whilst Capco Shares are held as Exchange Property, the Combined Group has agreed not to exercise the voting rights attaching to such Capco Shares. If a holder of Capco's Exchangeable Bonds elects to exercise its exchange rights Capco will have the ability to deliver to such holder the relevant amount of Capco Shares (and/or other property comprising the Exchange Property at that time) per exchangeable bond to be exchanged or, at Capco's election, an amount in cash equal to the value of the relevant Capco Shares (and/or other property comprising the Exchange Property at that time) which would otherwise be deliverable, as determined in accordance with the Exchangeable Bond Conditions. Following delivery of the relevant amount of Capco Shares on exercise of exchange rights to the holder of the exchangeable bonds, such Capco Shares will become voting shares in the hands of the holder of the exchangeable bonds (and such holder will become a Capco shareholder) and, as a consequence, the number of voting shares in the Combined Group would increase.

### ***Options outstanding and impact of the Buyback Contract***

For information, as at the Latest Practicable Date, options and awards in respect of 11,632,475 ordinary shares of £0.25 each in Capco were outstanding under the Capco Share Plan (further described in paragraph 9 of Part XVI (Additional Information) of the Prospectus), representing approximately 1.37 per cent. of Capco's issued ordinary share capital at the Latest Practicable Date, of which options and awards in respect of a maximum of 6,410,625 ordinary shares of £0.25 each in Capco (excluding CSOP Options) are expected to vest or become exercisable before Completion (with the remaining options and awards lapsing), representing approximately 0.75 per cent. of Capco's issued ordinary share capital at the Latest Practicable Date.

The Buyback Contract relates to New Capco Shares which will only be issued on Completion. Assuming the maximum number of New Capco Shares (including the Secured New Capco Shares) for which shareholder authority to allot is being sought are issued on Completion, the entire issued share capital of the Combined Group would be 1,953,191,868 ordinary shares of £0.25 each, including the Secured New Capco Shares) or 1,824,998,781 ordinary shares of £0.25 each (excluding the Secured New Capco Shares). The maximum number of Secured New Capco Shares for which shareholder authority to allot is being sought, being 128,193,087 New Capco Shares, is based on the existing Secured Existing Capco Shareholding at close of business on the day before the Announcement Date, being 38,008,138 Shaftesbury Shares, multiplied by the Exchange Ratio, with additional headroom of 0.5 per cent. (which is contained within the shareholder authority to allot shares in the Capco Resolutions) to account for the fact that the amount of Secured Existing Capco Shares is capable of increasing in accordance with the terms and conditions of Capco's Exchangeable Bonds. Assuming no further shares are issued or repurchased between Completion and the date on which the buyback of shares pursuant to the Buyback Contract occurs and assuming there are no further shares derived from or

distributed by the Combined Group in respect of the Secured New Capco Shares, the outstanding options and awards over Capco Shares under the Capco Share Plan, being in respect of 11,632,475 ordinary shares of £0.25 each in Capco as at the Latest Practicable Date (see above), would represent approximately 0.64 per cent. of the Combined Group's issued ordinary share capital (excluding the Secured New Capco Shares) at the relevant date and the maximum of 6,410,625 ordinary shares of £0.25 each in Capco (excluding CSOP Options) in respect of which such options and awards are expected to vest or become exercisable before Completion (with the remaining options and awards lapsing) would represent 0.35 per cent. of the Combined Group's issued ordinary share capital (excluding the Secured New Capco Shares) at the relevant date.

Assuming the maximum number of Secured New Capco Shares for which shareholder authority is being sought are issued on Completion, the Buyback Contract will enable the Combined Group to repurchase 128,193,087 ordinary shares of £0.25 each of the Combined Group, plus any ordinary shares of £0.25 each of the Combined Group which are derived from or which are distributed by the Combined Group in respect of such shares.

None of what is described in this paragraph 8 in relation to Capco's Exchangeable Bonds impacts the Exchange Ratio, which has been calculated disregarding the Secured Existing Capco Shares and the Unsecured Existing Capco Shareholding.

## **9. Pre-Completion dividends**

The Scheme Shares will be acquired pursuant to the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at the date of the Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

### ***Permitted Shaftesbury Dividends***

In addition to the New Capco Shares that Scheme Shareholders will be entitled to receive in connection with the Merger and the Shaftesbury Interim Dividend (as defined below), the Capco Board has agreed that the Shaftesbury Board will be entitled to pay the Shaftesbury Full Year Dividend (as defined below) and a Shaftesbury Equalisation Dividend (as defined below), as applicable (together with the Shaftesbury Interim Dividend, the "**Permitted Shaftesbury Dividends**"), if and to the extent declared and paid in accordance with the terms set out in this document, in each case without any adjustment to the Exchange Ratio under the terms of the Merger.

The Shaftesbury Board paid the interim dividend of 4.8 pence per Shaftesbury Share to Shaftesbury Shareholders in respect of the six months ended 31 March 2022 declared by Shaftesbury on 24 May 2022 (the "**Shaftesbury Interim Dividend**") on 1 July 2022.

In addition, the Shaftesbury Board may declare and pay a dividend in respect of the year ending 30 September 2022 of up to 5.4 pence per Shaftesbury Share (the "**Shaftesbury Full Year Dividend**").

Shaftesbury Shareholders on the register of members as at close of business on the earlier of (i) the normal record date for Shaftesbury's full year-end dividend, expected to be in January 2023 and (ii) the Business Day prior to the Scheme Record Time, would be entitled to receive the Shaftesbury Full Year Dividend.

The Shaftesbury Full Year Dividend would then be paid on the earlier date of: (i) the normal payment date for Shaftesbury's year-end dividend expected to be in February 2023; and (ii) a date within 30 Business Days after the record date for the Shaftesbury Full Year Dividend and, in any event prior to payment of the Capco Pro Rata Second Interim Dividend (as defined below).

Each of the Shaftesbury Board and the Capco Board have agreed that the Shaftesbury Full Year Dividend is to be declared before the Capco Pro Rata Second Interim Dividend is declared and paid before the Capco Pro Rata Second Interim Dividend is paid to allow for the dividend amount received by Capco in respect of the Shaftesbury Shares held by Capco on the record date for the Shaftesbury Full Year Dividend to be included in the amount of the Capco Pro Rata Second Interim Dividend to be paid to Capco Shareholders.

If any dividend and/or other distribution and/or other return of capital or value (a "**Return of Value**") is announced, declared, made, payable or paid in respect of the Shaftesbury Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Shaftesbury Dividends (an "**Excess Shaftesbury Dividend**"), Capco reserves the right to put Capco Shareholders and Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) in the same economic position as they would have been if any such Excess Shaftesbury Dividend had not been paid. This is expected to be achieved by Capco paying the Capco

Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time an equalisation dividend per Capco Share equal to (i) the amount of the relevant Excess Shaftesbury Dividend (expressed on a pence per Shaftesbury Share basis) divided by (ii) the Exchange Ratio (a “**Capco Equalisation Dividend**”).

The Capco Equalisation Dividend, to the extent paid, will be inclusive of Capco’s share of the Excess Shaftesbury Dividend and no further payment to Capco Shareholders in respect of Capco’s share of the Excess Shaftesbury Dividend will be made. A Capco Equalisation Dividend will, if applicable, also constitute a Permitted Capco Dividend (as defined below).

### ***Permitted Capco Dividends***

The Shaftesbury Board has agreed that the Capco Board will be entitled to pay the Capco FY21 Final Dividend (as defined below), the Capco First Interim Dividend (as defined below), the Capco Pro Rata Second Interim Dividend (as defined below) and a Capco Equalisation Dividend, as applicable (together, the “**Permitted Capco Dividends**”), if and to the extent declared and paid in accordance with the terms set out in this document, in each case without any adjustment to the Exchange Ratio under the terms of the Merger.

The Board of Capco shall be entitled to pay a final dividend of 1.0 pence per Capco Share to Capco Shareholders in respect of the year ended 31 December 2021 declared by Capco on 23 February 2022 (the “**Capco FY21 Final Dividend**”) and expected to be paid on 8 July 2022.

In addition to the Capco FY21 Final Dividend, the Capco Board may declare and pay the following dividends:

- an interim dividend in respect of the six months ending 30 June 2022 of up to 0.8 pence per Capco Share (the “**Capco First Interim Dividend**”), expected to be paid in September 2022. The Capco First Interim Dividend will include the pass through of the Shaftesbury Interim Dividend received by Capco from Shaftesbury in respect of its holding of Shaftesbury Shares as at the record date for the Shaftesbury Interim Dividend; and
- a dividend of up to 1.0 pence per Capco Share in respect of the period from 1 July 2022 to 30 September 2022 (the “**Capco Pro Rata Second Interim Dividend**”). The Capco Pro Rata Second Interim Dividend would be paid within 30 Business Days after the record date for the Capco Pro Rata Second Interim Dividend. The Capco Pro Rata Second Interim Dividend will include the pass through of the Shaftesbury Full Year Dividend received by Capco in respect of its holding of Shaftesbury Shares as at the record date for the Shaftesbury Full Year Dividend.

Capco Shareholders on the register of members as at close of business on 10 June 2022 will be entitled to receive the Capco FY21 Final Dividend. Capco Shareholders on the register of members as at close of business on the normal record date for Capco’s interim dividend expected to be in August 2022 will be entitled to receive the Capco First Interim Dividend. Capco Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time will be entitled to receive the Capco Pro Rata Second Interim Dividend.

As noted above, each of the Shaftesbury Board and the Capco Board have agreed that the Shaftesbury Full Year Dividend is to be declared before the Capco Pro Rata Second Interim Dividend is declared and paid before the Capco Pro Rata Second Interim Dividend is paid to allow for the dividend amount received by Capco in respect of the Shaftesbury Shares held by Capco on the record date for the Shaftesbury Full Year Dividend to be included in the amount of the Capco Pro Rata Second Interim Dividend to be paid to Capco Shareholders.

If any Return of Value is announced, declared, made, payable or paid in respect of the Capco Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Capco Dividends (an “**Excess Capco Dividend**”), Shaftesbury reserves the right to put Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) and Capco Shareholders in the same economic position as they would have been if any such Excess Capco Dividend had not been paid. This is expected to be achieved by Shaftesbury paying the Shaftesbury Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time an equalisation dividend per Shaftesbury Share equal to (i) the amount of the relevant Excess Capco Dividend (expressed on a pence per Capco Share basis) multiplied by (ii) the Exchange Ratio (a “**Shaftesbury Equalisation Dividend**”). To the extent that a Shaftesbury Equalisation Dividend is declared or paid, the Capco Board will not declare or pay the applicable pass through of the Shaftesbury Equalisation Dividend paid to Capco Shareholders by way of dividend or other distribution until after Completion.

In the event that Completion does not occur by the end of 2022, the Boards of Capco and Shaftesbury expect to put in place additional arrangements to facilitate the ongoing payment of ordinary course dividends to both sets of shareholders in the period up to Completion.

#### **10. Alternative means of implementing the Merger**

Capco reserves the right, subject to the prior consent of the Panel and the terms of the Co-operation Agreement, to elect to implement the acquisition of the Shaftesbury Shares by way of a Takeover Offer. In such event, such takeover offer will be implemented on the same terms (subject to appropriate amendments to reflect the change in method of effecting the Merger), so far as applicable, as those which would apply to the Scheme.

Furthermore, if such offer is made and sufficient acceptances of such offer are received, when aggregated with Shaftesbury Shares otherwise acquired by Capco, it is the intention of Capco to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Shaftesbury Shares to which such offer relates (which, for the avoidance of doubt, shall exclude the Unsecured Existing Capco Shareholding). It is also intended that Shaftesbury will make an application to the FCA for the cancellation of the listing of Shaftesbury Shares on the premium listing segment of the Official List and for the cancellation of trading of the Shaftesbury Shares on the London Stock Exchange's Main Market for listed securities, which are in each case expected to take effect on the Business Day after the Effective Date.

#### **11. Offer-related Arrangements and other arrangements**

Summaries of the offer-related arrangements and other arrangements entered into in connection with the Merger are set out in paragraph 7.3 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document. The relevant agreements have been made available on Capco's website (at [www.capitalandcounties.com](http://www.capitalandcounties.com)) and on Shaftesbury's website (at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk)).

#### **12. Capco Shareholder Approval and Prospectus**

As a result of its size, the Merger constitutes a Class 1 Transaction for the purposes of the Listing Rules. Accordingly, Capco is required to seek the approval of Capco Shareholders for the Merger at the Capco General Meeting which has been convened for 11.15 a.m. on 29 July 2022 at the offices of Herbert Smith Freehills LLP. The Merger will also be conditional on the approval of Capco Shareholders of the issuance and allotment of the New Capco Shares at the Capco General Meeting.

The issue of New Capco Shares to Norges Bank as part of the Merger will also constitute a related party transaction between Capco and Norges Bank for the purposes of the Listing Rules (the "**Related Party Transaction**"). Accordingly, the Merger will also be conditional on the approval of the Capco Shareholders, excluding Norges Bank, of the Related Party Transaction at the Capco General Meeting.

On the same date of this document, Capco will post to Capco Shareholders a circular summarising the background to and reasons for the Merger which includes a notice convening the Capco General Meeting on 29 July 2022.

On the same date of this document, Capco will publish a Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible) in connection with the admission of the New Capco Shares, which will be available on Capco's website at [www.capitalandcounties.com](http://www.capitalandcounties.com) and contains further information on Capco and the New Capco Shares. Copies of each of the Prospectus and Circular will also be made available on Shaftesbury's website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).

The Merger constitutes a reverse takeover by Capco of Shaftesbury for the purposes of the Code. The Capco board, which has been so advised by Rothschild & Co, UBS and Jefferies as to the financial terms of the Merger, unanimously considers the terms of the Merger to be fair and reasonable. In providing each of its financial advice to the Capco Board, each of Rothschild & Co, UBS and Jefferies has taken into account the commercial assessments of the Capco Board. Rothschild & Co is providing independent financial advice to the Capco Board for the purposes of Rule 3 of the Code.

The Capco Directors have recommended unanimously that Capco Shareholders vote in favour of the Capco Resolutions, as all Capco Directors who hold Capco Shares have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 952,777 Capco Shares (representing approximately 0.11 per cent. of the issued share capital of Capco as at the Latest Practicable Date) and in respect of which votes can be cast in favour of all of the Capco Resolutions.

### **13. The Shaftesbury Directors and the Effect of the Scheme on their Interests**

The names of the Shaftesbury Directors and details of their interests in the ordinary share capital of Shaftesbury are set out in Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

In common with options and awards held by other participants in the Shaftesbury Share Plans, options held by the Shaftesbury Directors under each of the Shaftesbury Share Plans will vest or become exercisable prior to or upon sanction of the Scheme (in accordance with the rules of the relevant share plan, including the time apportionment provisions and by applying performance conditions where applicable). Appropriate proposals under Rule 15 of the Code will also be made to the Shaftesbury Directors, where applicable. Further details are set out in paragraph 20 of this Part Two and, in respect of options held by the Shaftesbury Directors, in paragraphs 3.3 and 3.4 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

Shaftesbury and Capco have received irrevocable undertakings to vote or procure votes in favour of the resolutions relating to the Scheme at the Meetings (or, in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) from the Shaftesbury Directors, in each case in respect of Shaftesbury Shares currently registered or beneficially held by them as well as any further Shaftesbury Shares which they become the registered or beneficial owners of (save, to the extent applicable, for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme). These irrevocable commitments are in respect of, in aggregate, 2,519,849 Scheme Shares, representing approximately 0.66 per cent. of the existing issued ordinary share capital of Shaftesbury on the Latest Practicable Date.

Details of the service contracts (including termination provisions) of the executive directors of Shaftesbury, the letters of appointment of the non-executive directors of Shaftesbury and the effect of the Merger thereon are set out in Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

Save as set out in this document, the effect of the Scheme on the interests of Shaftesbury Directors does not differ from its effect on the like interests of any other Scheme Shareholder.

### **14. Irrevocable Undertakings Received from the Capco Directors**

In addition to the irrevocable undertakings received from the Shaftesbury Directors, Shaftesbury and Capco have also received irrevocable undertakings from the Capco Directors to vote (or to procure votes) in favour of the Capco Resolutions proposed at the Capco General Meeting in respect of the 952,777 Capco Shares currently registered or beneficially held in aggregate by them, as well as any further Capco Shares which they become the registered or beneficial owners of, representing in aggregate approximately 0.11 per cent. of Capco's issued share capital as at the Latest Practicable Date.

### **15. New Capco Shares**

The New Capco Shares will, when issued, be in registered form and, subject to the provisions of the Regulations and Strate, the Directors and Proposed Directors may permit the holding of New Capco Shares in uncertificated form and title to the New Capco Shares to be transferred by means of a relevant system (as defined in the Regulations) and uncertificated Capco Shares on the SA Register will be transferred by means of the Strate system.

The New Capco Shares will have the same rights in all respects as the Capco Shares currently in existence (including the right to receive all dividends and other distributions (other than, if applicable, any Permitted Capco Dividends) declared after the Scheme Record Time. The Capco Shares are currently listed on the premium listing segment of the Official List and traded on the Main Market. Capco Shares have a secondary inward listing, and are traded, on the Main Board of the JSE. No application has been made or is currently intended to be made for the Capco Shares or the New Capco Shares to be admitted to listing or trading on any other exchange.

### **16. De-Listing of Shaftesbury Shares and Listing of New Capco Shares**

#### ***De-Listing of Shaftesbury Shares***

Shaftesbury Shares may only be traded on the London Stock Exchange until immediately prior to the Scheme Record Time which is expected to be at 6.00 p.m. on the Business Day immediately after the Court Hearing to sanction the Scheme. Shortly before the Scheme becomes Effective, Shaftesbury will make an application to the FCA for the cancellation of the listing of Shaftesbury Shares on the premium listing segment of the Official List and for the cancellation of trading of the Shaftesbury Shares on the London Stock Exchange's Main

Market for listed securities, which are in each case expected to take effect on the Effective Date. No transfers of Shaftesbury Shares will be registered after the date on which dealings in Shaftesbury Shares on the Main Market of the London Stock Exchange cease other than to Capco (or as Capco may otherwise direct) pursuant to the Shaftesbury Articles, as proposed to be amended by Special Resolution at the General Meeting as described in paragraph 7 above.

On the Effective Date, share certificates in respect of Scheme Shares will cease to be valid. Such share certificates should be destroyed or, at the request of Shaftesbury, delivered up to Shaftesbury, or to any person appointed by Shaftesbury to receive the same. In addition, from the Business Day after the Scheme Record Time, each holding of Shaftesbury Shares credited to any stock account in CREST will be disabled and all Shaftesbury Shares will be removed from CREST in due course.

### ***Listing of New Capco Shares***

It is intended that applications will be made to: (i) the FCA and to the London Stock Exchange for the New Capco Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities; and (ii) the JSE for the secondary (inward) listing and admission to trading of the New Capco Shares on the Main Board of the JSE. It is expected that Admission will become effective, and that dealings for normal settlement in the New Capco Shares will commence on the London Stock Exchange, at 8.00 a.m. (London time) and on the JSE at 8.00 a.m. (Johannesburg time) on the Effective Date.

### **17. Settlement of consideration**

Subject to the Scheme becoming Effective (and except as provided in Part Six (*Additional Information for Overseas Shareholders*) of this document), settlement of the New Capco Shares to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

#### ***Settlement in respect of Shaftesbury Shares held in uncertificated form (that is, in CREST)***

The Capco Directors will apply for the New Capco Shares to be admitted to CREST so that settlement of transactions in New Capco Shares following Admission can take place in uncertificated form within the CREST system. For Scheme Shareholders who held their Shaftesbury Shares in uncertificated form at the Scheme Record Time, New Capco Shares to which the Scheme Shareholder is entitled will be issued in uncertificated form through CREST. The ISIN number for the New Capco Shares will be GB00B62G9D36. Link Group on behalf of Capco will procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholders with such Scheme Shareholder's entitlement to such New Capco Shares as soon as practicable after the Scheme becomes Effective and in any event within 14 days of the Effective Date.

Shaftesbury Shares held in uncertificated form will be disabled in CREST as at 7.30 a.m. on the business day immediately following the day Scheme Record Time.

In the case of Scheme Shareholders who hold Shaftesbury Shares in uncertificated form at the Scheme Record Time and who are entitled to payment in respect of fractions of New Capco Shares (other than any Scheme Shareholders who are treated as Restricted Overseas Persons), Shaftesbury shall procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that Capco reserves the right to make payment of the said sums by cheque as set out in the paragraph below if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this paragraph.

Fractions of New Capco Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Scheme Effective Time to New Capco Shares shall be aggregated and Capco shall procure that the maximum whole number of New Capco Shares resulting therefrom shall be allotted and issued to a person appointed by Capco to hold such New Capco Shares on behalf of the relevant Scheme Shareholders. Capco shall procure that such New Capco Shares are sold in the market as soon as practicable after the Scheme Effective Time and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of the Scheme.

Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £1.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under the Merger, but shall be retained for the benefit of the Combined Group.

In the case of Scheme Shareholders who hold Shaftesbury Shares in uncertificated form at the Scheme Record Time and are treated as Restricted Overseas Persons, Shaftesbury shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively. However, in relation to fractions of New Capco Shares, individual entitlements to amounts of less than £1.00 (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) will not be paid to the relevant Scheme Shareholders, but shall be retained by Capco.

Capco reserves the right to issue New Capco Shares to any or all Scheme Shareholders who hold Shaftesbury Shares in uncertificated form at the Scheme Record Time in the manner referred to below if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system in accordance with this paragraph.

All remittances sent through post will be sent at the risk of the person(s) entitled thereto.

***Settlement in respect of Shaftesbury Shares held in certificated form (that is, not in CREST)***

New Capco Shares will be allotted and issued to those Scheme Shareholders who hold their Shaftesbury Shares in certificated form at the Scheme Record Time. Pending the despatch of share certificates for New Capco Shares, issues of New Capco Shares will be certified against the register of members of Capco.

In the case of Scheme Shareholders who hold Shaftesbury Shares in certificated form at the Scheme Record Time and who are either entitled to payment in respect of fractions of New Capco Shares or are treated as Restricted Overseas Persons, Capco shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively. However, in relation to fractions of New Capco Shares, individual entitlements to amounts of less than £1.00 (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) will not be paid to the relevant Scheme Shareholders, but shall be retained by Capco for its benefit.

All documents and remittances sent through the post will be sent at the risk of the person(s) entitled thereto.

***Settlement in respect of Shaftesbury Shares acquired by employees (including directors) under the Shaftesbury Share Plans***

Scheme Shares acquired by employees of the Shaftesbury Group on or around the same time as the Court's sanction of the Scheme pursuant to the exercise of options or settlement of awards under the Shaftesbury Share Plans shall be held in uncertificated form by a nominee. New Capco Shares issued in respect of such Scheme Shares shall be subject to such arrangements as are required to effect any sell-to-cover or similar arrangements to satisfy any income tax and/or employee's National Insurance contributions liabilities (or any similar tax or employee's social security contribution in the UK or any other jurisdiction) arising on the acquisition of the relevant Scheme Shares. Further details will be included in the letters to be sent to such persons, including where applicable under Rule 15 of the Code.

***Mandates and communication preferences***

Under the terms of the Scheme, all mandates and other instructions, including communication preferences given to Shaftesbury by Shaftesbury Shareholders and in force at the Scheme Record Time shall, unless and until revoked, be deemed as from the Effective Date to be valid and effective mandates or instructions to Capco in relation to the New Capco Shares, except to the extent that a Shaftesbury Shareholder already holds Capco Shares at the Scheme Record Time (and Link is able to match such holdings), in which case any mandates and instructions in relation to those existing Capco Shares will also apply to the New Capco Shares received by that Shaftesbury Shareholder under the terms of the Scheme. If you do not wish any mandates and other instructions, including communications preferences that you have given to Capco, to apply to your New Capco Shares, please contact Equiniti on the Shareholder Helpline before the Scheme Record Time to amend or withdraw such mandates or instructions.

Except with the consent of the Panel, settlement of the consideration to which any Shaftesbury Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Capco might otherwise be, or claim to be, entitled against such Shaftesbury Shareholder.

## **18. United Kingdom and United States Taxation**

The Merger will be effected by Capco (and/or its nominee(s)) acquiring all of the issued and to be issued ordinary shares in the share capital of Shaftesbury, excluding Shaftesbury Shares already held by Capco which are not secured under Capco's Exchangeable Bonds.

Your attention is drawn to Part Seven (*United Kingdom and United States Taxation*) of this document relating to United Kingdom and United States taxation which contains a summary of limited aspects of the UK and US tax treatment of the Scheme. Although this document contains certain tax-related information, it does not constitute tax advice and does not purport to be a complete analysis of all potential UK and US tax consequences of the Scheme or disposing of Shaftesbury Shares.

If you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the UK or the US, you should consult an appropriately qualified independent professional adviser immediately.

## **19. Overseas Shareholders**

Overseas Shareholders should refer to Part Six (*Additional Information for Overseas Shareholders*) of this document, which contains important information relevant to such holders.

Unless otherwise determined by Capco or required by the Code, and permitted by applicable law and regulation, the Merger will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction.

Accordingly, copies of certain documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

## **20. Shaftesbury Share Plans**

Holders of options or other awards over Shaftesbury Shares under the Shaftesbury Share Plans will be contacted separately regarding the effect of the Merger on their rights, and appropriate proposals will be made and communicated directly to such participants in accordance with Rule 15 of the Code, where applicable, shortly following the date of this document.

In summary, and without prejudice to the communications that will be made directly to relevant Shaftesbury Share Plan participants, it is intended that:

- (a) Of the 3,790,301 Shaftesbury Shares under subsisting options and awards which have been granted under the Shaftesbury Long-Term Incentive Plan and the Shaftesbury Deferred Share Bonus Plan as at the Latest Practicable Date, the Shaftesbury Remuneration Committee has determined (in accordance with the rules of the relevant Shaftesbury Share Plan, including the time apportionment provisions and by applying performance conditions where applicable) that options and awards over up to 2,048,976 Shaftesbury Shares (equivalent to approximately 6,876,363 New Capco Shares at the Exchange Ratio) may vest or be exercisable upon or prior to sanction of the Scheme. Unvested or unexercised options and awards will lapse no more than one month after the Court Order sanctioning the Scheme. On the exercise of options under the Shaftesbury Long-Term Incentive Plan and the Shaftesbury Deferred Share Bonus Plan, participants will receive an additional cash payment by way of dividend equivalent in accordance with the rules of the Shaftesbury Long-Term Incentive Plan and the Shaftesbury Deferred Share Bonus Plan (as applicable).
- (b) Certain conditional awards granted under the Shaftesbury Long-Term Incentive Plan, held by certain employees below board level, will not vest in full (and will lapse to the extent not vested). Shaftesbury intends that future cash bonuses will, subject to leaver provisions, be paid to the individuals who formerly held these awards in an amount equal to the value of the Shaftesbury Shares to which the unvested portion of the award related, together with cash dividend equivalents. For this purpose, the value of Shaftesbury Shares shall be based on the one month average share price for Shaftesbury Shares prior to the Effective Date.

- (c) Options under the Shaftesbury Sharesave Scheme become exercisable upon sanction of the Scheme, but would lose the tax advantages offered by the legislation governing the Shaftesbury Sharesave Scheme if exercised. Capco has therefore agreed to offer participants the opportunity to exchange their existing options over Shaftesbury Shares for equivalent options over Capco Shares in order to protect those tax advantages.

## **21. Risk factors**

Shaftesbury Shareholders should consider fully and carefully the risk factors associated with the Combined Group and the Merger which are included in the Prospectus. Your attention is drawn to the “Risk Factors” section of the Prospectus, which contains, *inter alia*, further information on Shaftesbury, Capco and the New Capco Shares. The Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible), which will be published and which will be available on Capco’s website, [www.capitalandcounties.com](http://www.capitalandcounties.com), contains further information on Capco and the New Capco Shares. A copy of the Prospectus will also be made available on Shaftesbury’s website, [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).

## **22. Actions to be Taken**

Shaftesbury Shareholders will find enclosed with this document a BLUE Form of Proxy to be used in connection with the Court Meeting and a YELLOW Form of Proxy to be used in connection with the General Meeting. If you hold Shaftesbury Shares in CREST, you may instead appoint a proxy by completing and transmitting a CREST Proxy Instruction to Shaftesbury’s Registrar.

### ***Attendance at the Court Meeting***

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are strongly advised to sign and return your BLUE Form of Proxy, by post or transmit a proxy appointment and voting instruction (electronically, online or through CREST) for the Court Meeting as soon as possible but in any event by no later than 10.00 a.m. on 27 July 2022 (or, in the case of any adjournments, no later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day).

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described in this document) will not prevent you from attending, asking questions or submitting objections and voting at the Court Meeting if you are entitled to and wish to do so.

**If the BLUE Form of Proxy for the Court Meeting is not lodged by 10.00 a.m. on 27 July 2022, it may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or handed to Equiniti or to the Chair of the Court Meeting before the start of the Court Meeting. In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 10.15 a.m. on 27 July 2022 (or, in the case of any adjournments, no later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day) using one of the methods listed above, it will be invalid.**

Your attention is drawn to pages xi to xii (*Actions to be Taken to Vote on the Merger*) of this document, which set out in detail the action you should take in relation to the Merger and the Scheme.

### ***Shareholder Helpline***

If you have any questions relating to this document, the Meetings, how to complete or submit the Forms of Proxy please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate). The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **23. Further Information**

The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Further information regarding Shaftesbury and Capco is set out in Part Eight (*Additional Information on*

*Shaftesbury and Capco*) of this document. Documents published and available for inspection are listed in paragraph 15 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document.

Yours faithfully,

**Evercore Partners International LLP**

**Blackdown Partners Limited**

## **PART THREE**

### **CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE MERGER**

#### **Part A: Conditions of the Merger and the Scheme**

##### **Scheme approval**

1. The Merger is conditional upon: the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before 11.59 p.m. on the Long Stop Date or such later date (if any) as Shaftesbury and Capco may agree and (if required) the Court may allow.
2. The Scheme is conditional on:
  - (a)
    - (i) its approval by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable, unless all members of any such class have consented to be bound by the Scheme) on the register of members at the Voting Record Time present and voting (and who are entitled to vote), either in person or by proxy, at the Court Meeting (or at any separate class meeting which may be required by the Court), or at any adjournment thereof, representing not less than 75 per cent. in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted by such Scheme Shareholders; and
    - (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting set out in the expected timetable of principal events on pages xiv to xv of this document (or such later date (if any) as Shaftesbury and Capco may, with the consent of the Panel, agree and the Court may allow);
  - (b)
    - (i) all resolutions required to approve and implement the Scheme, including a special resolution to amend the articles of association of Shaftesbury to provide that (among other things), if the Merger becomes Effective, any Shaftesbury Shares issued to any person on or after the Scheme Record Time (including in satisfaction of an option exercised under one of the Shaftesbury Share Plans) will be automatically transferred to Capco in consideration for the issue of Capco Shares in accordance with the Exchange Ratio as if those Shaftesbury Shares had been Scheme Shares, being duly passed by the requisite majority or majorities of the Shaftesbury Shareholders at the General Meeting, or at any adjournment thereof; and
    - (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting set out in the expected timetable of principal events on pages xiv to xv of this document (or such later date (if any) as Shaftesbury and Capco may, with the consent of the Panel, agree and the Court may approve, if such approval is required);
  - (c)
    - (i) the sanction of the Scheme by the Court (with or without modifications, on terms reasonably acceptable to Shaftesbury and Capco) and an office copy of the Court Order being delivered for registration to the Registrar of Companies; and
    - (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Meeting set out in the expected timetable of principal events on pages xiv to xv set out in this document (or such later date (if any) as Shaftesbury and Capco may, with the consent of the Panel, agree and the Court may approve, if such approval is required).

##### **Additional Conditions to the Scheme**

3. Subject to the requirements of the Panel, the Merger is conditional on the following Conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme effective will not be taken unless such Conditions (as amended, if relevant) have been so satisfied or, where applicable, waived:

##### **Admission of New Capco Shares**

- (a)
  - (i) the FCA having acknowledged to Capco or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Capco Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (for the purpose of this paragraph, “**listing conditions**”)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and

- (ii) the London Stock Exchange having acknowledged to Capco or its agent (and such acknowledgement not having been withdrawn) that the New Capco Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities;
- (b) Capco or its agent having received confirmation from the JSE (and such confirmation not having been withdrawn) that: (i) the application for the secondary listing of the New Capco Shares on the Main Board of the JSE has been approved, subject to the satisfaction of any conditions customary to transactions of this nature to which such approval is expressed to be subject (for the purpose of this paragraph, "**JSE listing conditions**"); and (ii) that the New Capco Shares will, subject to the satisfaction of the JSE listing conditions, be admitted to trading on the Main Board of the JSE on or shortly after the Effective Date;

#### **Capco Shareholder approval**

- (c) the passing at the Capco General Meeting (or at any adjournment thereof) of the Capco Resolutions by the requisite majority of Capco Shareholders (which, in respect of the Related Party Transaction, shall exclude Norges Bank), such resolutions to include (but not being limited to) resolutions to authorise the allotment of New Capco Shares pursuant to the Merger, approve the Merger as a Class 1 Transaction under the Listing Rules and approve the Related Party Transaction (such resolutions to be set out in full in the Circular in due course);

#### **CMA Phase 1 clearance**

- (d) the CMA issuing a decision that it is not the CMA's intention to make a Phase 2 CMA Reference, with such a decision being issued on an unconditional basis or else conditional on the CMA's acceptance of undertakings in lieu under Section 73 EA 2002 which are reasonably satisfactory to Shaftesbury and Capco (or the applicable time period for the CMA to issue such a decision having expired without it having done so and without it having made a Phase 2 CMA Reference);

#### **Regulatory clearances and third party clearances**

- (e) no Third Party having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, order or decision or taken any other steps (and in each case, not having withdrawn the same) (in each case which would be material in the context of the Wider Shaftesbury Group or the Wider Capco Group in each case taken as a whole) and there not continuing to be outstanding any statute, regulation, order or decision, which would or might reasonably be expected to:
  - (i) make the Merger or the acquisition of the Shaftesbury Shares, or control of Shaftesbury by Capco, void, illegal or unenforceable under the laws of any relevant jurisdiction or otherwise restrict, restrain, prohibit or delay to a material extent or otherwise materially interfere with the implementation thereof, or impose material additional conditions or obligations with respect thereto, or require material amendment thereof or otherwise challenge or interfere therewith the Merger or the acquisition of any of the Shaftesbury Shares, or control of Shaftesbury by Capco;
  - (ii) require or prevent the divestiture by any member of the Wider Shaftesbury Group or by any member of the Wider Capco Group of all or any material portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses or own any of their assets or property (in any case to an extent which is material in the context of the Wider Shaftesbury Group or the Wider Capco Group, as the case may be, taken as a whole);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Shaftesbury Group or the Wider Capco Group to acquire or to hold or to exercise effectively any rights of ownership of shares or loans or securities convertible into shares in any member of the Wider Shaftesbury Group or of the Wider Capco Group held or owned by it or to exercise management control over any member of the Wider Shaftesbury Group or of the Wider Capco Group, in each case to an extent which is material in the context of the Wider Shaftesbury Group or the Wider Capco Group, as the case may be, taken as a whole;
  - (iv) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Capco Group or the Wider Shaftesbury Group to acquire or offer to acquire any

shares or other securities in any member of the Wider Shaftesbury Group (other than in connection with the implementation of the Merger); or

- (v) otherwise materially and adversely affect the assets, business, profits or prospects of any member of the Wider Capco Group or of any member of the Wider Shaftesbury Group (in any case to an extent which is material in the context of the Wider Shaftesbury Group or the Wider Capco Group, as the case may be, taken as a whole);

and all applicable waiting and other time periods (including extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference having expired, lapsed or been terminated;

#### **Notifications, waiting periods and Authorisations**

- (f) all notifications, filings or applications which are reasonably considered necessary by both Shaftesbury and Capco having been made, all applicable waiting periods (including any extensions thereof) under any applicable legislation or regulations of any jurisdiction having expired, lapsed or been terminated, in each case in respect of the Merger and the acquisition of any Shaftesbury Shares, or of control of Shaftesbury, by Capco, and all Authorisations reasonably considered necessary by both Shaftesbury and Capco in any jurisdiction for, or in respect of, the Merger and the proposed acquisition of any Shaftesbury Shares, or of control of Shaftesbury, by Capco and to carry on the business of any member of the Wider Capco Group or of the Wider Shaftesbury Group having been obtained, in terms and in a form satisfactory to Shaftesbury and Capco, from all appropriate Third Parties and from any persons or bodies with whom any member of the Wider Capco Group or the Wider Shaftesbury Group has entered into contractual arrangements and all such Authorisations remaining in full force and effect at the time at which the Merger becomes Effective and Capco having no knowledge of an intention or proposal to revoke, suspend or modify or not to renew any of the same and all necessary statutory or regulatory obligations in any jurisdiction having been complied with where, in each case absence of such Authorisation would have a material adverse effect on the Wider Shaftesbury Group or the Wider Capco Group in each case taken as a whole;

#### **Certain matters arising as a result of any arrangement, agreement, etc.**

- (g) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit or other instrument to which any member of the Wider Shaftesbury Group is a party or by or to which any such member or any of their assets is or may be bound, entitled or be subject to and which, in consequence of the Merger or the acquisition or proposed acquisition of any Shaftesbury Shares, or control of Shaftesbury, by Capco or otherwise, would or might reasonably be expected to result in, to an extent in any such case which is material in the context of the Wider Shaftesbury Group taken as a whole:
  - (i) any monies borrowed by, or other indebtedness actual or contingent of, any such member of the Wider Shaftesbury Group being or becoming repayable or being capable of being declared immediately or prior to its or their stated maturity or the ability of any such member to borrow monies or incur any indebtedness being inhibited or becoming capable of being withdrawn;
  - (ii) the creation, save in the ordinary course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member or any such security (whenever arising or having arisen) being enforced or becoming enforceable;
  - (iii) any such arrangement, agreement, licence or instrument being terminated or adversely modified or any action being taken of an adverse nature or any obligation or liability arising thereunder;
  - (iv) any assets of any such member being disposed of or charged, or right arising under which any such asset could be required to be disposed of or charged, other than in the ordinary course of business;

- (v) the interest or business of any such member of the Wider Shaftesbury Group in or with any firm or body or person, or any agreements or arrangements relating to such interest or business, being terminated or adversely modified or affected;
  - (vi) any such member ceasing to be able to carry on business under any name under which it presently does so;
  - (vii) the creation of liabilities (actual or contingent) by any such member other than trade creditors or other liabilities incurred in the ordinary course of business; or
  - (viii) the financial or trading position of any such member being prejudiced or adversely affected,
- and no event having occurred which, under any provision of any arrangement, agreement, licence or other instrument to which any member of the Wider Shaftesbury Group is a party, or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in (i) to (viii) of this Condition (g);

**Certain events occurring since 31 March 2022**

- (h) except as Disclosed, no member of the Wider Shaftesbury Group having, since 31 March 2022:
  - (i) issued, agreed to issue or authorised the issue of additional shares or securities of any class, or securities convertible into, or exchangeable for or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities (save as between Shaftesbury and wholly-owned subsidiaries of Shaftesbury and save for options, awards or Shaftesbury Shares granted (in each case in the ordinary course), and for any Shaftesbury Shares allotted or issued upon exercise of options or vesting of awards granted under the Shaftesbury Share Plans), or redeemed, purchased or reduced any part of its share capital;
  - (ii) sold or transferred or agreed to sell or transfer any Treasury Shares;
  - (iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution other than to Shaftesbury or a wholly-owned subsidiary of Shaftesbury (other than the Permitted Shaftesbury Dividends);
  - (iv) save for intra-Shaftesbury Group transactions or pursuant to the Merger, agreed, authorised, proposed or announced its intention to propose any merger or demerger or acquisition or disposal of assets or shares which are material in the context of the Wider Shaftesbury Group taken as a whole (other than in the ordinary course of trading) or to any material change in its share or loan capital;
  - (v) save for intra-Shaftesbury Group transactions, issued, authorised or proposed the issue of any debentures or incurred any indebtedness or contingent liability which is material in the context of the Wider Shaftesbury Group taken as a whole;
  - (vi) save for intra-Shaftesbury Group transactions acquired or disposed of or transferred, mortgaged or encumbered any asset or any right, title or interest in any asset (other than in the ordinary course of trading) in a manner which is material in the context of the Wider Shaftesbury Group taken as a whole;
  - (vii) entered into or varied or announced its intention to enter into or vary any contract, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term or unusual nature or involves or could involve an obligation of a nature or magnitude, and in either case which is material in the context of the Wider Shaftesbury Group taken as a whole;
  - (viii) (other than in respect of a member of the Wider Shaftesbury Group which is dormant and was solvent at the time) entered into or proposed or announced its intention to enter into any reconstruction, amalgamation, transaction or arrangement (otherwise than in the ordinary course of business) which is material in the context of the Wider Shaftesbury Group taken as a whole;
  - (ix) (other than in respect of a member of the Wider Shaftesbury Group which is dormant and was solvent at the time) taken any action nor having had any steps taken or legal proceedings started or threatened against it for its winding-up or dissolution or for it to enter into any arrangement or composition for the benefit of its creditors, or for the appointment

of a receiver, administrator, trustee or similar officer of it or any of its assets (or any analogous proceedings or appointment in any overseas jurisdiction);

- (x) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xi) entered into or varied or made any offer to enter into or vary the terms of any service agreement or arrangement with any of the directors of Shaftesbury otherwise than in the ordinary course of business and consistent with past practice and Shaftesbury's remuneration policy;
- (xii) waived, compromised or settled any claim which is material in the context of the Wider Shaftesbury Group taken as a whole; or
- (xiii) entered into or made an offer (which remains open for acceptance) to enter into any agreement, arrangement or commitment or passed any resolution with respect to any of the transactions or events referred to in this Condition (h);

**No material adverse change**

- (i) since 31 March 2022, except as Disclosed:
  - (i) there having been no adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider Shaftesbury Group or the Wider Capco Group which, in any such case, is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the Wider Shaftesbury Group or Wider Capco Group and no enquiry or investigation by or complaint or reference to any Third Party against or in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group having been threatened, announced or instituted or remaining outstanding in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group which in any such case, has, had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole; and
  - (iii) no contingent or other liability in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group having arisen or been incurred which might reasonably be expected to adversely affect any member of the Wider Shaftesbury Group or the Wider Capco Group in a manner which is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (j) Capco not having discovered that, save as Disclosed:
  - (i) the financial, business or other information concerning the Wider Shaftesbury Group which has been disclosed at any time by or on behalf of any member of the Wider Shaftesbury Group whether publicly (by the delivery of an announcement to a Regulatory Information Service) or to Capco or its professional advisers, either contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading;
  - (ii) any member of the Wider Shaftesbury Group is subject to any liability, contingent or otherwise, which is material in the context of the Wider Shaftesbury Group taken as a whole;
  - (iii) any past or present member of the Wider Shaftesbury Group has not complied with all applicable legislation or regulations of any jurisdiction or any notice or requirement of any Third Party with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health which non-compliance would be likely to give rise to any liability (whether

actual or contingent) on the part of any member of the Wider Shaftesbury Group in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole;

- (iv) there has been a disposal, spillage, emission, discharge or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health on, or from, any land or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Shaftesbury Group, or in which any such member may now or previously have had an interest, which would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Shaftesbury Group in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole; or
- (v) there is or is likely to be any obligation or liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Shaftesbury Group or in which any such member may now or previously have had an interest under any environmental legislation or regulation or notice, circular or order of any Third Party in any jurisdiction in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole.

#### **Part B: Waiver and invocation of Conditions**

1. The Conditions contained in paragraphs 1 to 3 inclusive above, and the full terms and conditions set out in this document, must be fulfilled, be determined by Capco to be or remain satisfied or (if capable of waiver) be waived by Capco by 11.59 p.m. on the date immediately preceding the Court Hearing, failing which the Scheme shall lapse.
2. To the extent permitted by law and subject to the requirements of the Panel, Capco reserves the right to waive, in whole or in part, all or any of the Conditions above, and to proceed with the Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions above, except for (i) Conditions 1, 2(a)(i), 2(b)(i), 2(c)(i), and 3(a)–3(c) (inclusive), which cannot be waived and (ii) Condition 3(d) which can only be waived with the consent of Shaftesbury and Capco. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Capco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition, waived the relevant deadlines or agreed with Shaftesbury to extend the deadline in relation to the relevant Condition.
3. Neither Capco nor Shaftesbury shall be under any obligation to waive or treat as fulfilled any of the Conditions capable of waiver by a date earlier than the latest date specified for the fulfilment thereof, notwithstanding that the other Conditions of the Merger may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Code, Capco may only invoke a Condition to the Merger so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Capco in the context of the Merger. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
5. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Capco.
6. The Conditions set out in paragraph 1 (subject to Rule 12), paragraph 2 and paragraphs 3(a),(b) and (c) in **Part A** of this Part Three (and, if applicable, any offer acceptance condition adopted on the basis specified in paragraph 1 of **Part C** of this Part Three if the Merger is implemented by way of a Takeover Offer)) are not subject to Rule 13.5(a) of the Code.

#### **Part C: Implementation by way of a Takeover Offer**

1. Capco reserves the right to elect to implement the Merger by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement as an alternative to the Scheme. In such event, such offer will (unless otherwise determined by Capco and subject to the consent of the Panel) be implemented on the same terms and conditions, so far as applicable and subject to the terms of the Co-operation Agreement, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Merger, which may include (without limitation and subject to the consent of the Panel and subject and without prejudice to the terms of the Co-operation Agreement

for so long as it is continuing) an acceptance condition that is set at 90 per cent. (or such lesser percentage as Capco may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent.) of the voting rights then exercisable at a general meeting of Shaftesbury, including, for this purpose, any such voting rights attaching to Shaftesbury Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances, and to any Treasury Shares which are unconditionally transferred or sold by Shaftesbury, before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. Further, if sufficient acceptances of such offer are received and/or sufficient Shaftesbury Shares are otherwise acquired, it is the intention of Capco to apply the provisions of the Companies Act to acquire compulsorily any outstanding Shaftesbury Shares to which such offer relates.

2. In the event that the Merger is implemented by way of a Takeover Offer, the Shaftesbury Shares acquired shall be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

#### **Part D: Certain further terms of the Merger**

1. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
2. If Capco is required by the Panel to make an offer for Shaftesbury Shares under the provisions of Rule 9 of the Code, Capco may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.
3. The Scheme and the Merger and any dispute or claim arising out of, or in connection with, them (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the jurisdiction of the Courts of England. The Merger will be made on and subject to the Conditions and further terms set out in this Part Three and to the full terms and conditions set out in this document. The Merger will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.
4. The Shaftesbury Shares will be acquired under the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made with a record date after the Scheme Record Time save for any Permitted Shaftesbury Dividends.
5. The availability of the New Capco Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
6. The New Capco Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the issued ordinary shares in Capco, including the right to receive in full all dividends and other distributions, if any, declared, made or paid with a record date after the Scheme Record Time (other than Permitted Capco Dividends). Applications will be made to: (i) the FCA for the New Capco Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Capco Shares to be admitted to trading on the Main Market; and (ii) the JSE for the secondary listing and admission to trading of the New Capco Shares on the Main Board of the JSE.
7. The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
8. Fractions of New Capco Shares will not be allotted or issued pursuant to the Merger, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Capco Shares and all fractions of New Capco Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to the Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny) save that individual entitlements to amounts of less than £1.00 will be retained for the benefit of the Combined Group.

## PART FOUR THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2022-001870

IN THE MATTER OF SHAFTESBURY PLC  
and  
IN THE MATTER OF THE COMPANIES ACT 2006  
SCHEME OF ARRANGEMENT  
(under Part 26 of the Companies Act 2006)  
between  
SHAFTESBURY PLC  
AND  
THE HOLDERS OF THE SCHEME SHARES  
(as defined below)

### PRELIMINARY

1. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

- “Announcement”** . . . . . the announcement made on 16 June 2022 in relation to the Merger pursuant to Rule 2.7 of the Code;
- “Announcement Date”** . . . . . means the date of the Announcement;
- “business day”** . . . . . any day (other than a Saturday, Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;
- “Capco”** . . . . . Capital & Counties Properties PLC, a public company incorporated in England and Wales with registered number 07145051;
- “Capco Chargors”** . . . . . Capco Investment London (No.1) Limited and Capco Investment London (No.2), who together hold the Secured Existing Capco Shareholding;
- “Capco Equalisation Dividend”** . . . . . has the meaning given in Clause 3.3;
- “Capco’s Exchangeable Bonds”** . . . . . the £275,000,000 2.00 per cent. Secured Exchangeable Bonds due 2026 issued by Capco on 30 November 2020, as constituted by the Exchangeable Bonds Trust Deed;
- “Capco First Interim Dividend”** . . . . . a dividend of up to 0.8 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on the normal record date for Capco’s interim dividend, expected to be in August 2022, in respect of the six months ended 30 June 2022;
- “Capco FY21 Final Dividend”** . . . . . the final dividend of 1.0 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on 10 June 2022 in respect of the year ended 31 December 2021 and expected to be paid on 8 July 2022;

|                                                           |                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Capco Group”</b> . . . . .                            | Capco and its subsidiary undertakings from time to time (and, where the context so requires or admits, each of them) which shall, for the avoidance of doubt, include the Shaftesbury Group following completion of the Merger;                                               |
| <b>“Capco Pro Rata Second Interim Dividend”</b> . . . . . | a dividend of up to 1.0 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time in respect of the period from 1 July 2022 to 30 September 2022;            |
| <b>“Capco Shares”</b> . . . . .                           | the ordinary shares of nominal value 25 pence each in the capital of Capco;                                                                                                                                                                                                   |
| <b>“certificated” or “in certificated form”</b> . . . . . | in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST);                                                                                                                                                                               |
| <b>“Code”</b> . . . . .                                   | the City Code on Takeovers and Mergers;                                                                                                                                                                                                                                       |
| <b>“Companies Act”</b> . . . . .                          | the Companies Act 2006, as amended;                                                                                                                                                                                                                                           |
| <b>“Conditions”</b> . . . . .                             | the conditions to the implementation of the Merger, as set out in Part Three ( <i>Conditions to the Implementation of the Scheme and the Merger</i> ) of the Scheme Document;                                                                                                 |
| <b>“Consideration”</b> . . . . .                          | the consideration due to Scheme Shareholders pursuant to Clause 3.1;                                                                                                                                                                                                          |
| <b>“Court”</b> . . . . .                                  | Her Majesty’s High Court of Justice in England and Wales;                                                                                                                                                                                                                     |
| <b>“Court Hearing”</b> . . . . .                          | the hearing of the Court at which the Court Order will be sought by Shaftesbury;                                                                                                                                                                                              |
| <b>“Court Meeting”</b> . . . . .                          | the meeting of Scheme Shareholders (and any adjournment of such meeting) convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;                 |
| <b>“Court Order”</b> . . . . .                            | the order of the Court sanctioning this Scheme under section 899 of the Companies Act;                                                                                                                                                                                        |
| <b>“CREST”</b> . . . . .                                  | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the Regulations) of which Euroclear is the Operator (as defined in the Regulations); |
| <b>“Effective”</b> . . . . .                              | this Scheme, having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies;                                                                                                                                               |
| <b>“Effective Date”</b> . . . . .                         | the date on which this Scheme becomes Effective in accordance with its terms;                                                                                                                                                                                                 |
| <b>“Encumbrances”</b> . . . . .                           | all mortgages, pledges, liens, charges, encumbrances, equitable rights, rights of pre-emption, assignments, hypothecations or any other third party rights of any nature whatsoever;                                                                                          |
| <b>“Euroclear”</b> . . . . .                              | Euroclear UK & International Limited;                                                                                                                                                                                                                                         |
| <b>“Excess Capco Dividend”</b> . . . . .                  | has the meaning given in Clause 3.2(c);                                                                                                                                                                                                                                       |
| <b>“Excess Shaftesbury Dividend”</b> . . . . .            | has the meaning given in Clause 3.6;                                                                                                                                                                                                                                          |
| <b>“Exchange Ratio”</b> . . . . .                         | the exchange ratio of 3.356 New Capco Shares in exchange for each Shaftesbury Share;                                                                                                                                                                                          |

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Exchangeable Bond Conditions”</b> . . . . .      | the terms and conditions of Capco’s Exchangeable Bonds set out in the Exchangeable Bonds Trust Deed;                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Exchangeable Bond Secured Parties”</b> . . . . . | Exchangeable Bonds Trustee for the benefit of itself and the other secured parties under Capco’s Exchangeable Bonds (including the holders of Capco’s Exchangeable Bonds);                                                                                                                                                                                                                                                                                                              |
| <b>“Exchangeable Bonds Trust Deed”</b> . . . . .     | the trust deed entered into between Capco and the Exchangeable Bonds Trustee on 30 November 2020 constituting Capco’s Exchangeable Bonds and which sets out the Exchangeable Bond Conditions;                                                                                                                                                                                                                                                                                           |
| <b>“Exchangeable Bonds Trustee”</b> . . . . .        | BNY Mellon Corporate Trustee Services Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Excluded Shares”</b> . . . . .                   | <p>(a) Unsecured Existing Capco Shareholding;</p> <p>(b) any other Shaftesbury Shares beneficially owned by Capco or any other member of the Capco Group;</p> <p>(c) any Shaftesbury Shares held in treasury by Shaftesbury; and</p> <p>(d) any other Shaftesbury Shares which Shaftesbury and Capco agree will not be subject to the Scheme,</p> <p>but, for the avoidance of doubt, in the case of items (b) to (d) inclusive, excluding the Secured Existing Capco Shareholding;</p> |
| <b>“Existing Capco Shareholding”</b> . . . . .       | the 96,971,003 Shaftesbury Shares that Capco Group holds in aggregate as at the close of business on the Latest Practicable Date;                                                                                                                                                                                                                                                                                                                                                       |
| <b>“holder”</b> . . . . .                            | a registered holder and includes any person(s) entitled by transmission;                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Latest Practicable Date”</b> . . . . .           | 5 July 2022, being the latest practicable date prior to the publication of this document;                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Link”</b> . . . . .                              | Link Group, 10 <sup>th</sup> Floor Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom;                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Merger”</b> . . . . .                            | the proposed acquisition by Capco of the entire issued and to be issued share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding) to be implemented by the Scheme or, should Capco so elect with the consent of the Panel and subject to the terms of the Co-operation Agreement, by means of a Takeover Offer;                                                                                                                                                |
| <b>“New Capco Shares”</b> . . . . .                  | the new Capco Shares to be allotted pursuant to the Merger;                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Panel”</b> . . . . .                             | the U.K. Panel on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Permitted Capco Dividends”</b> . . . . .         | the Capco FY21 Final Dividend, the Capco First Interim Dividend, the Capco Pro Rata Second Interim Dividend and a Capco Equalisation Dividend, as applicable;                                                                                                                                                                                                                                                                                                                           |
| <b>“Permitted Shaftesbury Dividends”</b> . . . . .   | the Shaftesbury Interim Dividend, the Shaftesbury Full Year Dividend and a Shaftesbury Equalisation Dividend, as applicable;                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Registrar of Companies”</b> . . . . .            | the registrar of companies in England and Wales;                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Regulations”</b> . . . . .                       | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;                                                                                                                                                                                                                                                                                                                                                                                                              |

|                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Regulatory Information Service”</b> . . . . .      | an information service authorised from time to time by the Financial Conduct Authority for the purposes of disseminating regulatory announcements;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Restricted Jurisdictions”</b> . . . . .            | any jurisdiction where local laws or regulations may result in a significant risk of legal or regulatory exposure if information concerning the Merger were made available in that jurisdiction;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Return of Value”</b> . . . . .                     | any dividend and/or other distribution and/or other return of capital or value;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Scheme”</b> . . . . .                              | this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Shaftesbury and Capco each agree and which is approved or imposed by the Court;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Scheme Document”</b> . . . . .                     | the document in respect of the Scheme sent by Shaftesbury to Shaftesbury Shareholders and persons with information rights, of which this Scheme forms a part;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Scheme Record Time”</b> . . . . .                  | 6.00 p.m. on the business day immediately after the Court Hearing;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Scheme Shareholder”</b> . . . . .                  | holders of Scheme Shares at any relevant date or time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Scheme Shares”</b> . . . . .                       | all Shaftesbury Shares which are: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time;</li> <li>(b) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time but prior to the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time,</li> </ul> and, in each case, excluding any Excluded Shares; |
| <b>“Secured Existing Capco Shareholding”</b> . . . . . | the Shaftesbury Shares comprising part of the Existing Capco Shareholding which are subject to security in accordance with the Exchangeable Bond Conditions in favour of the Exchangeable Bond Secured Parties, being 38,008,138 Shaftesbury Shares at close of business on the day before the Announcement Date;                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Shaftesbury” or the “Company”</b> . . . . .        | Shaftesbury PLC, a public company incorporated in England and Wales with registered number 01999238;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Shaftesbury Equalisation Dividend”</b> . . . . .   | has the meaning given in Clause 3.2(c);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Shaftesbury Full Year Dividend”</b> . . . . .      | has the meaning given in Clause 3.2(b);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Shaftesbury Interim Dividend”</b> . . . . .        | has the meaning given in Clause 3.2(a);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Shaftesbury Shareholders”</b> . . . . .            | the holders of Shaftesbury Shares from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Shaftesbury Shares”</b> . . . . .                  | the ordinary shares of nominal value of 25 pence each in the capital of Shaftesbury;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

- “Shaftesbury’s Registrar”** . . . . . Equiniti Limited;
- “uncertificated”** or in **“uncertificated form”** . . . . . in relation to a Scheme Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;
- “Unsecured Existing Capco Shareholding”** . . . . . the Shaftesbury Shares comprising part of the Existing Capco Shareholding held, as at close of business on the Latest Practicable Date, by certain subsidiaries of Capco which are not subject to security in accordance with the Exchangeable Bond Conditions, being 58,962,865 Shaftesbury Shares as at close of business on the day before the Announcement Date; and
- “Voting Record Time”** . . . . . 6.30 p.m. on the day which is two business days prior to the date of the Court Meeting or any adjournment thereof (as the case may be).
- (a) All references in this Scheme to GBP, Pounds Sterling, pence or £ are to the lawful currency of the United Kingdom.
  - (b) References to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme.
  - (c) The issued share capital of Shaftesbury as at the Latest Practicable Date was 384,214,860 divided into ordinary shares of 25 pence each, all of which were credited as fully paid. Shaftesbury does not hold any shares in treasury.
  - (d) As at the Latest Practicable Date, the Capco Group holds 96,971,003 Shaftesbury Shares, which represents a total of 25.2 per cent. of the entire issued share capital of Shaftesbury. At close of business on the day before the Announcement Date, 38,008,138 of these Shaftesbury Shares, representing approximately 9.9 per cent. of the entire issued share capital of Shaftesbury at close of business on the day before the Announcement Date, comprise the Secured Existing Capco Shareholding and are held by the Capco Chargors.
  - (e) The Scheme requires the approval of Scheme Shareholders (other than the Capco Chargors (and their nominees, if any) which undertake to be bound by the Scheme) at the Court Meeting to be held on 29 July 2022.
  - (f) The purpose of the Scheme is to provide for the transfer of the Scheme Shares to Capco in consideration for the allotment of New Capco Shares to the Scheme Shareholders.
  - (g) Capco and the Capco Chargors have, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by Counsel at the hearing to sanction this Scheme, to consent to the Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
  - (h) References to times are to London time.

## 2. Transfer of Scheme Shares

- 2.1 Upon and with effect from the Effective Date, Capco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid with full title guarantee, free from all Encumbrances, and together with all rights at the Effective Date or thereafter attached thereto, including (without limitation) the right to receive and retain all dividends and other distributions (if any) announced, declared, made or paid in respect of the Scheme Shares by reference to a record date on or after the Scheme Record Time, other than any Permitted Shaftesbury Dividends.
- 2.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to Capco (and/or its nominee(s)) by means of a form or forms of transfer or other instrument or instruction of transfer and, to give effect to such transfers, any person may be appointed by Capco as attorney and/or agent, and is hereby authorised on behalf of the relevant holder of Scheme Shares, to execute and deliver as transferor such form of transfer or other instrument of transfer (whether as a deed or otherwise), or to give any instruction to transfer, in respect of such Scheme Shares and every such form, instrument or instruction of transfer so executed shall be effective as if it had been executed or given by the holder or holders of the

Scheme Shares thereby transferred. Each such form or other instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall be transferred to Capco (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant only to such instruction, form or instrument of transfer.

- 2.3 With effect from the Effective Date and pending the transfer of the Scheme Shares pursuant to Clauses 2.1 and 2.2 above, each Scheme Shareholder irrevocably:
- (a) appoints Capco and/or any one or more of its directors or agents and/or its nominee(s) as its attorney and/or agent and/or otherwise to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges attaching to its Scheme Shares;
  - (b) appoints Capco and/or any one or more of its directors or agents (and/or its nominee(s)) as its attorney and/or agent to sign on its behalf any documents, and do any such thing, as may in the opinion of Capco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attached to the relevant Scheme Shares (including, without limited, an authority to sign any consent to short notice of a general or separate class meeting of Shaftesbury as attorney or agent for, or on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of such Scheme Shares appointing any person nominated by Capco and/or any one or more of its directors or agents to attend general and separate class meetings of Shaftesbury (or any adjournments thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
  - (c) authorises Shaftesbury and/or its agents to send to Capco any notice, circular, warrant or other document or communication which may be required to be sent to such Scheme Shareholder as a member of Shaftesbury in respect of their Scheme Shares.
- 2.4 Shaftesbury shall, subject to the stamping of the relevant form of transfer or other instrument or instruction of transfer, register, or procure the registration of, any transfer(s) of Scheme Shares effected in accordance with clauses 2.1 or 2.2 of this Scheme.

### **3. Consideration for the transfer of Scheme Shares**

- 3.1 In consideration for the transfer of the Scheme Shares to Capco (or its nominee(s)) as provided in Clause 2.2 above, Capco shall (on the terms of and subject to the remaining provisions of this Scheme) allot and issue New Capco Shares to (or for the account of) each Scheme Shareholder (as appearing in the register of members of the Company at the Scheme Record Time) on the following basis:

#### **3.356 New Capco Shares for each Shaftesbury Share held**

- 3.2 The Shaftesbury Shareholders shall be entitled to receive and retain, without any consequential reduction in the Consideration payable by Capco:
- (a) the interim dividend of 4.8 pence per Shaftesbury Share in respect of the six months ended 31 March 2022 declared by Shaftesbury on 24 May 2022 (the “**Shaftesbury Interim Dividend**”) and paid on 1 July 2022;
  - (b) any dividend that the Shaftesbury Board may declare and pay in respect of the year ending 30 September 2022 of up to 5.4 pence per Shaftesbury Share (the “**Shaftesbury Full Year Dividend**”) and which would be paid on the earlier date of: (i) the normal payment date for Shaftesbury's year-end dividend expected to be in February 2023; and (ii) a date which is within 30 Business Days after the record date for the Shaftesbury Full Year Dividend and, in any event prior to payment of the Capco Pro Rata Second Interim Dividend (as defined below); and
  - (c) any Shaftesbury Equalisation Dividend (as defined below) that the Shaftesbury Board may declare and pay,
- (the Shaftesbury Interim Dividend, Shaftesbury Full Year Dividend and Shaftesbury Equalisation Dividend together the “**Permitted Shaftesbury Dividends**”).
- 3.3 If any Return of Value is announced, declared, made, payable or paid in respect of the Capco Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Capco Dividends (an “**Excess**

**Capco Dividend**”), Shaftesbury reserves the right to put Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) and Capco Shareholders in the same economic position as they would have been if any such Excess Capco Dividend had not been paid. This is expected to be achieved by Shaftesbury paying the Shaftesbury Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time an equalisation dividend per Shaftesbury Share equal to (i) the amount of the relevant Excess Capco Dividend (expressed on a pence per Capco Share basis) multiplied by (ii) the Exchange Ratio (a “**Shaftesbury Equalisation Dividend**”). To the extent that a Shaftesbury Equalisation Dividend is declared or paid, the Capco Board will not declare or pay the applicable pass through of the Shaftesbury Equalisation Dividend paid to Capco Shareholders by way of dividend or other distribution until after Completion.

- 3.4 Shaftesbury Shareholders on the register of members as at close of business on the earlier of (i) the normal record date for Shaftesbury’s full year-end dividend, expected to be in January 2023; and (ii) the Business Day prior to the Scheme Record Time, would be entitled to receive the Shaftesbury Full Year Dividend.
- 3.5 Each of the Shaftesbury Board and Capco Board have agreed that the Shaftesbury Full Year Dividend is to be declared before the Capco Pro Rata Second Interim Dividend is declared and paid before the Capco Pro Rata Second Interim Dividend is paid. This will allow for the amount of the Shaftesbury Full Year Dividend received by Capco in respect of the Shaftesbury Shares held by the Capco Group on the record date for the Shaftesbury Full Year Dividend to be included in the Capco Pro Rata Second Interim Dividend to be paid to Capco Shareholders.
- 3.6 If any Return of Value is announced, declared, made, payable or paid in respect of the Shaftesbury Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Shaftesbury Dividends (an “**Excess Shaftesbury Dividend**”), Capco reserves the right to put Capco Shareholders and Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) in the same economic position as they would have been if any such Excess Shaftesbury Dividend had not been paid. This is expected to be achieved by Capco paying the Capco Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time an equalisation dividend per Capco Share equal to (i) the amount of the relevant Excess Shaftesbury Dividend (expressed on a pence per Shaftesbury Share basis) divided by (ii) the Exchange Ratio (a “**Capco Equalisation Dividend**”). The Capco Equalisation Dividend, to the extent paid, will be inclusive of Capco’s share of the Excess Shaftesbury Dividend and no further payment to Capco Shareholders in respect of Capco’s share of the Excess Shaftesbury Dividend will be made.
- 3.7 In the event that Completion does not occur by the end of 2022, the Board of Capco and Shaftesbury expect to put in place additional arrangements to facilitate the ongoing payment of ordinary course dividends to both sets of shareholders in the period running up to Completion.
- 3.8 The New Capco Shares to be issued and allotted pursuant to Clause 3 and the remaining provisions of this Scheme (subject to those provisions) shall be issued free from Encumbrances, credited as fully paid and will rank *pari passu* in all respects with the Capco Shares in issue at the time the New Capco Shares are issued, including in relation to the right to receive notice of, and to attend and vote at, general meetings of Capco, the right to receive and retain any dividends and other distributions declared, made or paid by reference to a record date falling after the Scheme Record Time (other than, if applicable, any Permitted Capco Dividends) and to participate in the assets of Capco upon a return of capital whether on a winding-up of Capco or otherwise.

#### **4. Fractional Entitlements**

- 4.1 Notwithstanding Clause 3, fractions of New Capco Shares will not be allotted or issued to Scheme Shareholders pursuant to the Scheme. Instead, the fractional entitlements of Scheme Shareholders at the Scheme Effective Time to New Capco Shares shall be aggregated and Capco shall procure that the maximum whole number of New Capco Shares resulting therefrom shall be allotted and issued to a person appointed by Capco to hold such New Capco Shares on behalf of the relevant Scheme Shareholders. Capco shall procure that such New Capco Shares are sold in the market as soon as practicable after the Scheme Effective Time and that the net proceeds of the sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Scheme Shareholders (rounded down to the nearest penny) in accordance with the provisions of Clause 4.

- 4.2 Any individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £1.00 shall not be paid to the relevant Scheme Shareholders who would otherwise be entitled to them under the Merger, but shall be retained for the benefit of the Combined Group.
- 4.3 For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of the Company by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.
- 4.4 The person appointed by Capco in accordance with Clause 4.1 shall be authorised to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he or she may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of Shaftesbury, Capco or the persons so appointed shall have any liability for any loss or damage arising as a result of any determination made, or the timing or terms of any sale, pursuant to Clause 4.1.

## **5. Share Certificates and Cancellation of CREST Entitlements**

- 5.1 With effect from, or as soon as reasonably practicable after the Effective Date:
  - (a) all certificates representing Shaftesbury Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every holder of Shaftesbury Shares shall be bound by the request of Shaftesbury to deliver up the same to Shaftesbury, or, as it may direct, to destroy the same;
  - (b) Euroclear shall be instructed to cancel the entitlements to Shaftesbury Shares of holders of Shaftesbury Shares in uncertificated form and Shaftesbury's Registrar shall be authorised to rematerialise entitlements to such shares; and
  - (c) subject to completion of such form of transfer or other instrument or instruction of transfer as may be required in accordance with Clause 2.2 above, and to the stamping of such form of transfer or other instrument or instruction of transfer (to the extent required), appropriate entries will be made in the register of members of Shaftesbury to reflect the transfer of the Scheme Shares to Capco (and/or its nominee(s)).
- 5.2 As soon as practicable after the Effective Date, and in any event no later than 14 days after the Effective Date, Capco shall:
  - (a) subject to the provisions of Clause 6 (with respect to relevant overseas shareholders) and Clause 4 (with respect to fractional entitlements), allot and issue the New Capco Shares which it is required to allot and issue to Scheme Shareholders pursuant to Clause 3, in the case of Scheme Shares which, at the Scheme Record Time, are in certificated form, procure the despatch of share certificates for such New Capco Shares to the persons entitled thereto in accordance with Clause 5.3;
  - (b) subject to the provisions of Clause 6 (with respect to relevant overseas shareholders) and Clause 4 (with respect to fractional entitlements), allot and issue the New Capco Shares which it is required to allot and issue to Scheme Shareholders pursuant to Clause 3, in the case of Scheme Shares which, at the Scheme Record Time, are in uncertificated form through CREST, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such New Capco Shares, provided that Capco reserves the right to settle all or part of such consideration in the manner set out in Clause 5.2(a) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 5.2(b);
  - (c) in the case of New Capco Shares sold pursuant to this Clause 5 (including any fractions sold pursuant to Clause 4 which are associated therewith), procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively;
  - (d) in the case of New Capco Shares sold pursuant to this Clause 5 and issued in respect of Scheme Shares, which, at the Scheme Record Time, are in certificated form, procure the despatch to the persons entitled thereto of cheques for the sums payable to them, respectively; and
  - (e) in the case of New Capco Shares sold pursuant to this Clause 5 and issued in respect of Scheme Shares, which, at the Scheme Record Time, are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them, respectively, provided that Capco reserves the right to make payment of the said sums by

cheque as set out in Clause 5.2(d) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this Clause 5.2(e).

- 5.3 All deliveries of share certificates and/or cheques pursuant to this Scheme shall be effected by sending the same by first class post (or international standard post, if overseas) in prepaid envelopes (or by such other method as may be approved by the Panel) addressed to the person entitled thereto to their address as appearing in the register of members of Shaftesbury or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of Shaftesbury, Capco or any person or nominee appointed by Capco in accordance with Clause 4 or Clause 6, or their respective agents, shall be responsible for any loss or delay in the transmission or delivery of any share certificates or cheques sent in accordance with this Clause 5, which shall be sent at the risk of the persons entitled thereto.
- 5.4 All cheques shall be in sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the monies represented thereby (except that, in the case of joint holders, Capco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding at the Scheme Record Time).
- 5.5 The provisions of this Clause 5 shall be subject to any condition or prohibition imposed by law.

## **6. Overseas shareholders**

- 6.1 The provisions of Clause 3, Clause 5.2(a) and Clause 5.2(b) shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder who is resident, located or has a registered address in a jurisdiction outside the United Kingdom, or whom Capco reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, Capco is advised that the law of a country or territory outside the United Kingdom:

- (a) precludes the allotment, issue and/or delivery to that Scheme Shareholder of New Capco Shares; or
- (b) precludes the matters referred to in Clause 6.1(a), except after compliance by the Company or Capco (as the case may be) with any governmental or other consent or any registration, filing or other formality with which Shaftesbury and/or Capco is unable to comply or compliance with which Shaftesbury and/or Capco (as the case may be) regards as unduly onerous,

then Capco may, in its sole discretion, determine that such New Capco Shares shall not be allotted, issued and delivered to such Scheme Shareholder but shall instead be allotted, issued and delivered to a person appointed by Capco for such Scheme Shareholder on terms that such person shall, as soon as practicable following the Effective Date, sell the New Capco Shares so issued.

- 6.2 Any sale under Clause 6.1 shall be carried out at the best price which can reasonably be obtained at the time of sale, and the net proceeds of such sale shall be paid to such Scheme Shareholder in accordance with the provisions of Clause 5.
- 6.3 Neither Capco nor Shaftesbury will be liable to any Scheme Shareholder for any determination made pursuant to this Clause 6 or for any omission or denial made hereunder.

## **7. Dividend and other mandates**

All mandates and other instructions, including communications preferences, which have been given to Shaftesbury by Scheme Shareholders in respect of some or all of their Scheme Shares and which remain in force at the Scheme Record Time in respect of their Scheme Shares shall, unless and until revoked or amended, be deemed as from the Scheme Effective Time to be valid and effective mandates and/or instructions (as applicable) to Capco in relation to the New Capco Shares issued in respect thereof, except to the extent that a Scheme Shareholder already holds one or more Capco Shares at the Scheme Record Time (and Link is able to match such holding), in which case any mandates and instructions in relation to those existing Capco Shares will also apply to the New Capco Shares received by that Scheme Shareholder.

## **8. Operation of this Scheme**

- 8.1 This Scheme shall become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.

8.2 Unless this Scheme has become Effective on or before 30 April 2023 or such later date (if any) as Shaftesbury and Capco may agree and (if required) the Panel and the Court may allow, this Scheme shall never become Effective.

## **9. Modification**

Shaftesbury and Capco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Code.

## **10. Governing Law**

This Scheme and all rights and obligations arising out of or in connection with it, are governed by English law. The rules of the Code will apply to this Scheme on the basis provided in the Code.

Dated: 7 July 2022

## PART FIVE FINANCIAL INFORMATION

### 1. Capco Group Financial Information incorporated by reference

The following sets out the financial information in respect of the Capco Group as required by Rule 24.3 of the Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code. They are available in “read-only” format on Capco’s website at [www.capitalandcounties.com](http://www.capitalandcounties.com), for printing, reviewing and downloading and, for the avoidance of doubt, only those sections of the sources specifically referred to below are incorporated by reference into this document.

| <u>Information incorporated by reference</u>                   | <u>Hyperlinks</u>                                                                                                                                                                                                     | <u>Pages</u> |
|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Annual Report and Accounts for the year ended 31 December 2021 | <a href="https://www.capitalandcounties.com/sites/default/files/reports/pdf/capco_-_2021_annual_report.pdf">https://www.capitalandcounties.com/sites/default/files/reports/pdf/capco_-_2021_annual_report.pdf</a>     | 133 to 202   |
| Annual Report and Accounts for the year ended 31 December 2020 | <a href="https://www.capitalandcounties.com/sites/default/files/reports/pdf/cap068-full_web_pdf_210329_0.pdf">https://www.capitalandcounties.com/sites/default/files/reports/pdf/cap068-full_web_pdf_210329_0.pdf</a> | 118 to 188   |

### 2. Effect of Scheme becoming Effective on the Capco Group

The earnings, assets and liabilities of the Combined Group will include the consolidated earnings, assets and liabilities of both the Shaftesbury Group and Capco Group from the Effective Date.

### 3. Shaftesbury Group Financial Information incorporated by reference

The following sets out the financial information in respect of the Shaftesbury Group as required by Rule 24.3 of the Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code. They are available in “read-only” format, on Shaftesbury’s website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk), for printing, reviewing and downloading and, for the avoidance of doubt, only those sections of the sources specifically referred to below are incorporated by reference into this document.

| <u>Information incorporated by reference</u>                    | <u>Hyperlinks</u>                                                                                                                                                                                                                                                                                                                                   | <u>Pages</u> |
|-----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 2022 Half Year Results for the six months ended 31 March 2022   | <a href="https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/Investor-Relations/Results-reports-presentations/2021/Interims-31-3-22-Final.pdf.downloadasset.pdf">https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/Investor-Relations/Results-reports-presentations/2021/Interims-31-3-22-Final.pdf.downloadasset.pdf</a> | 21–41        |
| Annual Report and Accounts for the year ended 30 September 2021 | <a href="https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/annual-report-updates-2021/Shftesbury%202021-AR.pdf.downloadasset.pdf">https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/annual-report-updates-2021/Shftesbury%202021-AR.pdf.downloadasset.pdf</a>                                                           | 166–190      |
| Annual Report and Accounts for the year ended 30 September 2020 | <a href="https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/Investor-Relations/annual-report-2020/Shaftesbury%20Annual%20Report%202020.pdf.downloadasset.pdf">https://www.shaftesbury.co.uk/content/dam/shaftesbury/corporate/Investor-Relations/annual-report-2020/Shaftesbury%20Annual%20Report%202020.pdf.downloadasset.pdf</a>     | 128–151      |

### 4. Hard copies

A person who has received this document may request a hard copy of any documents or information incorporated by reference into this document.

Recipients of this document may request hard copies of the above referenced financial information relating to Shaftesbury by contacting Shaftesbury’s Registrar, Equiniti, at Aspect House, Spencer Road, Lancing BN99 6DA or, between 8.30 a.m. and 5.30 p.m. Monday to Friday (except English and Welsh public holidays), on the Shareholder Helpline on +44 (0)371 384 2050 (calls from within the UK are charged at the standard geographic rate and will vary by provider; calls from outside the UK will be charged at the applicable international rate).

## **5. No incorporation of website information**

Save as expressly referred to in this document, neither the content of the Shaftesbury website or the Capco website, nor the content of any website accessible from hyperlinks on the Shaftesbury website or the Capco website, is incorporated into, or forms part of, this document.

## PART SIX

### ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

#### 1. General

This document has been prepared for the purposes of complying with English law, the Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions other than England.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Merger and the allotment and issue of the New Capco Shares, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

This document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

**Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.**

The availability of the Scheme and the Merger to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should inform themselves about and should observe any applicable legal or regulatory requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Shaftesbury Shares with respect to the Scheme at the Meetings, or to appoint another person as proxy, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such Restricted Jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person or any other failure to satisfy any applicable laws, regulations or requirements.

Unless otherwise determined by Capco or required by the Code, and permitted by applicable law and regulation, the Merger will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction.

Accordingly, copies of certain documents relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of New Capco Shares under the Merger to Scheme Shareholders who are resident in a Restricted Jurisdiction may be affected by the laws of such jurisdictions. The New Capco Shares to be issued pursuant to the Scheme have not been and will not be registered under the U.S. Securities Act or under the relevant securities laws of any state or other jurisdiction of the United States or the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in relation to the New Capco Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, the New Capco Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly into or within the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements and otherwise in compliance with all applicable laws). Accordingly, the Scheme contains provisions under which, in certain circumstances no New Capco Shares shall be allotted and issued to any such Scheme Shareholder.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.

## **2. U.S. Securities Law**

Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the law of England and Wales. Neither the proxy solicitation nor the tender offer rules under the U.S. Exchange Act will apply to the Scheme. Moreover the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the U.S. proxy solicitation rules and tender offer rules. Financial information included in this document has been prepared in accordance with accounting standards applicable in the UK and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with U.S. GAAP. U.S. GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom.

The New Capco Shares to be issued pursuant to the Merger have not been registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. The New Capco Shares to be issued pursuant to the Merger will be issued pursuant to the exemption from registration provided by Section 3(a)(10) under the U.S. Securities Act.

However, if Capco were to elect to implement the Merger by means of a Takeover Offer in accordance with the terms of the Cooperation Agreement or otherwise in a manner that is not exempt from the registration requirements of the U.S. Securities Act and determines to extend the Takeover Offer into the U.S., such Takeover Offer will be made in compliance with all applicable laws and regulations, including Section 14(e) of the U.S. Exchange Act and Regulation 14E thereunder. Such a Takeover Offer would be made in the United States by Capco and no one else. In addition to any such Takeover Offer, Capco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Shaftesbury outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the U.S. Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

The New Capco Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and persons who receive securities under the Merger (other than “affiliates” as described in the paragraph below) may resell them without restriction under the U.S. Securities Act.

Under U.S. securities laws, persons who are or will be deemed to be affiliates (as defined under the U.S. Securities Act) of the Company or Shaftesbury prior to, or of the Company after, the date of Admission may not resell the New Capco Shares received in connection with the Merger without registration under the U.S. Securities Act, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Whether a person is an affiliate of a company for such purposes depends upon the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders. Investors who believe they may be affiliates for the purposes of the U.S. Securities Act should consult their own legal advisers prior to any resale of New Capco Shares received in connection with the Merger.

Neither the SEC nor any securities commission of any state or other jurisdiction of the United States has approved the New Capco Shares to be issued in connection with the Merger, passed upon the fairness of the Merger or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Shaftesbury and Capco are each organised under the laws of England and Wales. All of the officers and directors of Shaftesbury and Capco are residents of countries other than the United States. It may therefore be difficult for U.S. investors to enforce their rights and any claim arising out of U.S. securities law. It may not be possible to sue Shaftesbury and Capco (or their officers and directors) in a non-U.S. court for violations of U.S. securities laws. It may be difficult to compel Capco, Shaftesbury and their respective affiliates to subject themselves to the jurisdiction and judgment of a US court.

For the purposes of qualifying for the exemption from the registration requirements of the U.S. Securities Act afforded by Section 3(a)(10) thereof, Shaftesbury will advise the Court that its sanctioning of the Scheme will be relied upon by Shaftesbury and Capco as an approval of the Scheme following a hearing on its fairness which all Scheme Shareholders are entitled to attend, in person or through counsel, to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such Scheme Shareholders.

**Each US investor is urged to consult his, her or its independent professional adviser immediately regarding the tax consequences of the Merger.**

## PART SEVEN

### UNITED KINGDOM AND UNITED STATES TAXATION

**This Part Seven (*United Kingdom and United States Taxation*) relates generally to certain categories of Shaftesbury Shareholders who are resident in the United Kingdom and United States. Shaftesbury Shareholders or prospective Shaftesbury Shareholders who are resident or otherwise subject to taxation in a jurisdiction other than the United Kingdom or United States should consult their own professional advisers immediately.**

#### **1. United Kingdom Taxation**

The summary comments set out below are based on current United Kingdom tax law as applied in England and Wales and what is understood to be HM Revenue & Customs (“**HMRC**”) practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. They are intended as a general guide to certain limited aspects of the UK tax treatment of Shaftesbury Shareholders in respect of the Merger and apply only to Shaftesbury Shareholders resident and, in the case of an individual, domiciled for tax purposes in, and only in, the United Kingdom and to whom “split year” treatment does not apply (except insofar as express reference is made to the treatment of non-United Kingdom residents), who hold shares in Shaftesbury as an investment (otherwise than through an individual savings account or a pension arrangement) and who are the absolute beneficial owners thereof (“**UK Holders**” and each a “**UK Holder**”). Certain categories of Shaftesbury Shareholders, including (but not limited to) dealers in securities, those subject to UK tax on the remittance basis, those carrying on certain financial or insurance activities, those subject to specific tax regimes or benefiting from certain reliefs and exemptions, those connected with Shaftesbury or the Shaftesbury Group and those for whom the Shaftesbury Shares are employment-related securities may be subject to special rules and this summary does not apply to such shareholders.

The discussion does not address any possible tax consequences relating to an investment in New Capco Shares. For information on the UK tax consequences of: (i) a subsequent disposal of all or any New Capco Shares acquired under the Scheme or otherwise; and (ii) dividends paid in respect of any New Capco Shares, please see section 12 of Part VIII of the Prospectus (for which Capco, the Capco Directors and the Proposed Directors are responsible).

Shaftesbury Shareholders or prospective Shaftesbury Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

#### *UK tax on capital gains*

A UK Holder’s liability to UK tax on capital gains will depend on the individual circumstances of such UK Holder and on the form of consideration received for their Shaftesbury Shares, as described below.

A Shaftesbury Shareholder who is not resident in the UK will generally be within the charge to UK tax on capital gains in respect of a disposal of their Shaftesbury Shares, subject to the availability of any relief under an applicable double tax treaty, and accordingly, the summary below in relation to UK Holders is also potentially applicable to Shaftesbury Shareholders who are not resident in the UK.

##### **(i) Receipt of New Capco Shares**

To the extent that a UK Holder receives New Capco Shares in exchange for his/her Shaftesbury Shares and does not hold (either alone or together with persons connected with him/her) more than 5 per cent. of, or of any class of, shares in or debentures of Shaftesbury, he/she will not be treated as having made a disposal of his/her Shaftesbury Shares. Instead, the New Capco Shares will be treated as the same asset as those Shaftesbury Shares and acquired at the same time and for the same consideration as those shares. Accordingly, except as provided below, such a UK Holder will not be subject to a liability to UK tax on capital gains on the exchange of their Shaftesbury Shares for New Capco Shares.

A UK Holder who holds (either alone or together with persons connected with him/her) more than 5 per cent. of, or of any class of, shares in or debentures of Shaftesbury will be eligible for the above treatment only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is an avoidance of liability to UK capital gains tax or corporation tax. UK Holders are advised that clearance has been obtained under section 138 of the Taxation of

Chargeable Gains Act 1992 that HMRC is satisfied that the Scheme will be effected for bona fide commercial reasons and will not form part of any such scheme or arrangements.

(ii) Cash

To the extent that a UK Holder receives cash for his/her Shaftesbury Shares in respect of fractional entitlements to New Capco Shares, that UK Holder will, except in the circumstances set out in the next paragraph, be treated as disposing of Shaftesbury Shares which may, depending on the shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses), give rise to a liability to UK tax on capital gains.

If a UK Holder receives cash (in respect of fractional entitlements to New Capco Shares) in addition to New Capco Shares, in circumstances where the amount of cash received is small in comparison with the value of his/her Shaftesbury Shares and the base cost attributable to his/her Shaftesbury Shares is equal to or greater than the amount of such cash received, the UK Holder will not be treated as having disposed of the Shaftesbury Shares in respect of which the cash was received. Instead, an amount equal to the amount of such cash will be deducted from the base cost of his/her New Capco Shares for the purposes of computing any chargeable gain or allowable loss on a future disposal of the New Capco Shares.

Under current HMRC practice, any cash payment of £3,000 or less or (if greater) which is 5 per cent. or less of the market value of a UK Holder's holding of Shaftesbury Shares should generally be treated as small for these purposes.

*Taxation of Dividends*

Shaftesbury may pay dividends as either a PID or a normal dividend ("**Non-PID**"), or a combination of both. A dividend paid by Shaftesbury to Shaftesbury Shareholders after the Effective Date can still be treated as a PID to the extent that it is paid out of the tax exempt profits of the property rental business of the Shaftesbury Group.

*Taxation of PIDs*

Subject to certain exceptions summarised below, Shaftesbury is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a scrip dividend). Shaftesbury will provide Shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

Shareholders should note that, in certain circumstances, Shaftesbury is not required to withhold income tax at source from a PID. These circumstances include where Shaftesbury reasonably believes that the person beneficially entitled to the PID is: (i) a company resident for tax purposes in the United Kingdom; (ii) a company resident for tax purposes outside the United Kingdom which carries on a trade through a permanent establishment in the United Kingdom and which is required to bring the PID into account in computing the chargeable profits of that permanent establishment for UK corporation tax purposes; or (iii) an entity which falls within an exempt category, such as a charity or local authority. They also include where Shaftesbury reasonably believes that the PID is paid to the scheme administrator of a UK registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an individual savings account, the plan manager of a personal equity plan, or the account provider for a child trust fund, in each case, provided Shaftesbury reasonably believes that the PID will be applied for purposes of the relevant scheme, account plan or fund in respect of which the recipient has duties. In order to pay a PID without withholding tax, Shaftesbury will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose, Shaftesbury will require such Shareholders to submit a valid claim form. Shareholders should note that Shaftesbury may seek recovery from Shareholders if the statements made in their claim form are incorrect and Shaftesbury suffers tax as a result. Shaftesbury will, in some circumstances, suffer tax if its reasonable belief as to the status of a Shareholder turns out to have been mistaken.

Where tax has been withheld at source by Shaftesbury from the payment of a PID, Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their receipt of a PID at their applicable marginal rate, incur no further liability on their receipt of a PID, or be entitled to claim repayment of some or all of the tax withheld on their receipt of a PID. Shareholders who are corporate entities within the charge to UK corporation tax will generally be liable to pay corporation tax in respect of their receipt of a PID and, in the unlikely event that income tax is withheld at source, the tax withheld can be set against their liability to corporation tax in the accounting period in which the PID is received.

For Shareholders that are not resident in the United Kingdom, it is not possible to make a claim under a double taxation convention for a PID to be paid by Shaftesbury gross or at a reduced rate. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident and the ability of the Shareholder to secure the benefits of the relevant articles of the relevant double taxation convention. Shareholders who are not resident for tax purposes in the United Kingdom should obtain their own tax advice concerning tax liabilities on PIDs received from Shaftesbury.

#### *Individual Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a UK property business for income tax purposes (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any PID from any other company to which Part 12 of the Corporation Tax Act (“CTA”) 2010 applies (i.e. any other REIT), treated as a separate UK property business. Income from any other UK property business carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder’s separate UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder’s UK property business. A Shareholder who is subject to income tax at the basic rate will be liable to pay income tax at 20 per cent. on the PID. Higher rate and additional rate taxpayers will be taxable at the respective prevailing rates (currently 40 per cent. and 45 per cent., respectively). A credit will be available in respect of the basic rate withheld by Shaftesbury on the PID (see further above).

Currently, neither the Nil Rate Amount (as defined below) nor any property income allowance is available in respect of income tax on PIDs.

#### *Corporate Shareholders*

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as the profit of a property business (as defined in Part 4 of the CTA 2009). A PID is, together with any PID from any other company to which Part 12 of CTA 2010 applies (i.e. any other REIT), treated as a separate Part 4 property business. Income from any other Part 4 property business carried on by the relevant Shareholder must be accounted for separately. This means that any surplus expenses from a Shareholder’s different Part 4 property business cannot be offset against a PID as part of a single calculation of the relevant Shareholder’s property business profits.

A Shareholder within the charge to corporation tax will generally be subject to corporation tax at the prevailing rates applicable to the respective investor. The current rate of UK corporation tax is 19 per cent.

Prospective non-UK tax resident Shareholders should consult their own professional advisers on any non-UK tax implications of receiving PIDs which may arise in their relevant jurisdiction.

#### *Taxation of Non-PIDs*

Shaftesbury is not required to withhold tax at source from any Non-PIDs that it makes.

A UK Holder’s liability to tax on such dividends received will depend on the individual circumstances of that Shareholder:

#### *Individual Shareholders*

The general tax treatment of Non-PIDs paid by Shaftesbury to Shareholders who are individuals resident and domiciled in the United Kingdom for UK tax purposes is as follows:

- non-PIDs paid by Shaftesbury do not carry a tax credit;
- all Non-PIDs received by an individual Shareholder from Shaftesbury (or from other sources) will, except to the extent that they are earned through an individual savings account (ISA), self-invested pension plan (SIPP) or other regime which exempts the dividends from tax, form part of the Shareholder’s total income for income tax purposes and will represent the highest part of that income;
- a nil rate of income tax applies to the first £2,000 (for the tax year 2022-2023) of taxable dividend income (including from Non-PIDs) received by an individual Shareholder in a tax year (the “**Nil Rate Amount**”), regardless of what tax rate would otherwise apply to that dividend income;

- any taxable dividend income received by an individual Shareholder in a tax year in excess of the Nil Rate Amount is taxed at special rates, as set out below; and
- where a Shareholder's taxable dividend income for a tax year exceeds the Nil Rate Amount, the excess amount (the "**Relevant Dividend Income**") will be subject to income tax:
- at the rate of 8.75 per cent. to the extent that the Relevant Dividend Income falls below the threshold for the higher rate of income tax;
- at the rate of 33.75 per cent. to the extent that the Relevant Dividend Income falls above the threshold for the higher rate of income tax but below the threshold for the additional rate of income tax; and
- at the rate of 39.35 per cent. to the extent that the Relevant Dividend Income falls above the threshold for the additional rate of income tax.

In determining whether and, if so, to what extent the Relevant Dividend Income falls above or below the threshold for the higher rate of income tax or, as the case may be, the additional rate of income tax, the Shareholder's total taxable dividend income for the tax year in question (including the part within the Nil Rate Amount) will, as noted above, be treated as the highest part of the Shareholder's total income for income tax purposes.

#### *Corporate Shareholders*

A Shareholder within the charge to UK corporation tax which is a "small company" (for the purposes of UK taxation of dividends) will not generally be subject to tax on Non-PIDs from Shaftesbury, provided certain conditions are met, including an anti-avoidance condition.

Other Shareholders within the charge to UK corporation tax will not be subject to tax on Non-PIDs from Shaftesbury so long as the dividends fall within an exempt class and certain conditions are met. Examples of dividends that are within an exempt class include: (i) dividends paid on shares that are "ordinary shares" (that is, shares that do not carry any present or future preferential right to dividends or to the payer's assets on its winding up) and which are not redeemable, and (ii) dividends paid to a person holding less than 10 per cent. of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made) and who is entitled to less than 10 per cent. of the profits available for distribution and would be entitled to less than 10 per cent. of the assets available for distribution on a winding-up. These exemptions are subject to anti-avoidance rules.

#### *UK stamp duty and stamp duty reserve tax ("SDRT")*

No UK stamp duty or SDRT should generally be payable by UK Holders on the exchange of their Scheme Shares for New Capco Shares and/or cash under the Scheme.

## **2. United States taxation**

The following is a summary of U.S. federal income tax considerations of the Merger to U.S. Holders (as defined below) of Shaftesbury Shares. This discussion applies only to Shaftesbury Shares that are held as "capital assets" within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**") (generally, property held for investment).

The following does not purport to be a complete analysis of all potential tax considerations arising in connection with the Merger. The effects and considerations of other U.S. federal tax laws, such as estate and gift tax laws, alternative minimum tax or Medicare contribution tax consequences and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Internal Revenue Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect the tax consequences discussed below. Neither Capco nor Shaftesbury has sought nor will seek any rulings from the U.S. Internal Revenue Service (the "**IRS**") regarding the matters discussed below. There can be no assurance the IRS will not take or a court will not sustain a contrary position to that discussed below regarding the tax consequences discussed below.

This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- banks, insurance companies, and certain other financial institutions;
- regulated investment companies and real estate investment trusts;
- brokers, dealers or traders in securities;
- traders in securities that elect to mark to market;
- tax-exempt organizations or governmental organizations;
- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding Shaftesbury Shares as part of a hedge, straddle, constructive sale, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to Shaftesbury Shares being taken into account in an applicable financial statement;
- persons that actually, constructively or by attribution own 5 per cent. or more (by vote or value) of the outstanding Shaftesbury Shares or New Capco Shares;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships or other flowthrough entities for U.S. federal income tax purposes (and investors therein);
- persons subject to the "base erosion and anti-abuse" tax;
- U.S. Holders having a functional currency other than the U.S. dollar;
- persons who hold or received Shaftesbury Shares pursuant to the exercise of any employee share option or otherwise as compensation; and
- tax-qualified retirement plans.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds Shaftesbury Shares, the tax treatment of an owner of such entity will depend on the status of the owner, the activities of the entity or arrangement and certain determinations made at the owner level. Accordingly, entities or arrangements treated as partnerships for U.S. federal income tax purposes and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

**THE U.S. FEDERAL INCOME TAX TREATMENT OF THE MERGER DEPENDS ON DETERMINATIONS OF FACT AND INTERPRETATIONS OF COMPLEX PROVISIONS OF U.S. FEDERAL INCOME TAX LAW FOR WHICH NO CLEAR PRECEDENT OR AUTHORITY MAY BE AVAILABLE. IN ADDITION, THE U.S. FEDERAL INCOME TAX TREATMENT OF THE MERGER TO ANY PARTICULAR HOLDER WILL DEPEND ON THE HOLDER'S PARTICULAR TAX CIRCUMSTANCES. YOU SHOULD CONSULT YOUR TAX ADVISOR REGARDING THE U.S. FEDERAL, STATE, AND LOCAL, AND NON U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE MERGER TO YOU, IN LIGHT OF YOUR PARTICULAR INVESTMENT OR TAX CIRCUMSTANCES.**

For purposes of this discussion, a "U.S. Holder" is any beneficial owner of Shaftesbury Shares that is for U.S. federal income tax purposes: an individual who is a citizen or resident of the United States; a corporation (or other entity taxable as a corporation) created or organized under the laws of the United States, any state thereof, or the District of Columbia; an estate, the income of which is subject to U.S. federal income tax regardless of its source; or a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Internal Revenue Code), or (2) has a valid election in effect to be treated as a "United States person" (within the meaning of Section 7701(a)(30) of the Internal Revenue Code) for U.S. federal income tax purposes.

*Tax Consequences to U.S. Holders if the Merger Qualifies as a “Reorganization” Under Section 368(a) of the Internal Revenue Code*

In general, the Merger may qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code if Capco is treated as acquiring Shaftesbury Shares solely in exchange for New Capco Shares (other than cash paid in lieu of fractional New Capco Shares) and if certain additional requirements are met. There are factual and legal uncertainties as to whether the Merger will qualify as a reorganization, and neither Capco nor Shaftesbury has received an opinion of counsel that the Merger will qualify as a reorganization. In addition, neither Capco nor Shaftesbury intends to request a ruling from the IRS regarding the U.S. federal income tax treatment of the Merger. Accordingly, no assurance can be given that the Merger will qualify as a reorganization or that IRS will not challenge the treatment of the Merger as a reorganization or that a court would not sustain such a challenge by the IRS.

If the Merger qualifies as a reorganization under Section 368(a) of the Internal Revenue Code, subject to the discussion below under the heading “Potential Application of the PFIC Rules,” the U.S. federal income tax consequences of the Merger to a U.S. Holder should be as follows:

- a U.S. Holder generally will not recognize gain or loss upon the receipt of New Capco Shares in exchange for its Shaftesbury Shares, except with respect to cash paid in lieu of a fractional New Capco Share as discussed below.
- A U.S. Holder will have an aggregate tax basis in the New Capco Shares received by a U.S. Holder in the Merger equal to the aggregate adjusted tax basis of the Shaftesbury Shares surrendered in exchange therefor, reduced by the portion of the U.S. Holder’s tax basis in its Shaftesbury Shares surrendered in the Merger that is allocable to a fractional New Capco Share deemed received as described below.
- The holding period of the New Capco Shares received by a U.S. Holder in the Merger (including any fractional New Capco Share deemed received as described below) generally will include the period during which the Shaftesbury Shares exchanged therefor were held by such U.S. Holder.
- Any cash received by a U.S. Holder in the Merger in lieu of a fractional New Capco Share will be treated as if such fractional share had been issued in connection with the Merger and then redeemed by Capco, and such U.S. Holder generally will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the U.S. dollar value of the amount of the U.K. currency received and the U.S. Holder’s tax basis in such fractional share. Such capital gain will be long-term capital gain or loss if the U.S. Holder’s holding period in respect of such fractional shares is greater than one year.

*Tax Consequences to U.S. Holders if the Merger Does Not Qualify as a “Reorganization” Under Section 368(a) of the Internal Revenue Code*

If any requirement for Section 368(a) is not met with respect to the Merger, a U.S. Holder of Shaftesbury Shares generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the sum of the fair market value of New Capco Shares received by such U.S. Holder in the Merger and the U.S. dollar value of the amount of the U.K. currency received in lieu of a fractional New Capco Share and (ii) such U.S. Holder’s tax basis in the Shaftesbury Shares surrendered by such U.S. Holder in the Merger. Any gain or loss so recognized will generally be long-term capital gain or loss if the U.S. Holder has held the Shaftesbury Shares for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) currently are eligible for preferential U.S. federal income tax rates. However, the deductibility of capital losses is subject to limitations. A U.S. Holder’s holding period in the New Capco Shares received in the Merger would not include the holding period for the Shaftesbury Shares surrendered in exchange therefor.

*Potential Application of the PFIC Rules*

A U.S. Holder of Shaftesbury Shares could be subject to special, adverse tax rules in respect of the exchange of such U.S. Holder’s Shaftesbury Shares pursuant to the Merger if Shaftesbury was classified as a passive foreign investment company (a “PFIC”) within the meaning of Section 1297(a) of the Internal Revenue Code for any tax year during which such U.S. Holder holds or held its Shaftesbury Shares. In general, a non-US company such as Shaftesbury is a PFIC in any taxable year in which, after taking into account the income and assets of certain 25 per cent. or more owned subsidiaries, either (i) at least 75 per cent. of its gross income is passive income or (ii) at least 50 per cent. of the quarterly average market value of its assets is attributable to assets that produce or are held to produce passive income. Passive income for this purpose generally includes dividends, interest, royalties, certain rent and gains from commodities and securities transactions, as well as

gain from sale of assets that produce such income. However, rents derived in the active conduct of a trade or business from unrelated persons generally are considered active income for purposes of determining PFIC status. The application of the PFIC rules, and in particular the rules relating to classification of rental income as active, are unclear, and Shaftesbury has not made a determination as to whether it is or has ever been a PFIC. If Shaftesbury were classified as a PFIC at any time during a U.S. Holder's holding period for such Shaftesbury Shares, the PFIC rules may apply to adversely affect the tax consequences of the Merger to such U.S. Holder even if the Merger otherwise qualifies as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. Specifically, section 1291(f) of the Internal Revenue Code requires that, to the extent provided in Treasury Regulations, a U.S. person who disposes of Shares in a PFIC must recognize gain notwithstanding any other provision of the Internal Revenue Code. Proposed U.S. Treasury Regulations may require gain recognition to U.S. Holders of Shaftesbury Shares in connection with the Merger if the U.S. Holder had not timely made, a valid "mark-to-market election" under Section 1296 of the Internal Revenue Code, with respect to such Shaftesbury Shares. If Shaftesbury is treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own Shares in any of Shaftesbury's subsidiaries that are also PFICS. However, an election for mark-to-market treatment would likely not be available with respect to any such subsidiaries. The tax on a U.S. Holder's gain that is required to be recognised under the Proposed U.S. Treasury Regulations would be imposed based on special "excess distribution rules". Under these rules, the recognized gain would not be treated as capital gain. Instead, a U.S. Holder would be treated as if such U.S. Holder had realized such gain ratably over such U.S. Holder's holding period for the Shaftesbury Shares. Amounts allocated to the year of the Merger and to years before Shaftesbury became a PFIC would be taxed as ordinary income and amounts allocated to each other year would be taxed at the highest rate applicable to individuals or corporations, as appropriate, in effect for such year to which the gain is allocated, together with an interest charge in respect of the tax attributable to each such year.

The proposed U.S. Treasury Regulations provide an exception to the requirement that a U.S. Holder recognize gain if both Shaftesbury was classified as a PFIC at any time during the U.S. Holder's holding period for such Shaftesbury Shares and Capco is a PFIC for the taxable year that includes the Merger. If such exception applies and the Merger qualifies as a reorganization, the U.S. Holder's tax consequences would be as described above under "Tax Consequences to U.S. Holders if the Merger Qualifies as a "Reorganization" Under Section 368(a) of the Internal Revenue Code."

The proposed U.S. Treasury Regulations discussed above were proposed in 1992 and have not been adopted in final form. The proposed U.S. Treasury Regulations generally state that they are to be effective for transactions occurring on or after April 11, 1992. It is uncertain whether the IRS would consider the proposed U.S. Treasury Regulations to be effective for purposes of determining the U.S. federal income tax treatment of the Merger and it is difficult to predict whether, in what form and with what effective date, final Treasury Regulations under Section 1291(f) of the Internal Revenue Code will be adopted.

If the Merger does not qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code and Shaftesbury is treated as a PFIC at any time during the U.S. Holder's holding period for its Shaftesbury Shares, any gain recognized by the U.S. Holder upon the exchange of its Shaftesbury Shares for New Capco Shares would be subject to the special "excess distribution rules" discussed above.

**THE RULES DEALING WITH PFICS IN THE CONTEXT OF THE MERGER ARE VERY COMPLEX AND ARE IMPACTED BY VARIOUS FACTORS. ALL U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE CONSEQUENCES TO THEM OF THE PFIC RULES, WHETHER A QEF ELECTION, A MARK-TO-MARKET ELECTION OR ANY OTHER ELECTION IS AVAILABLE, THE CONSEQUENCES TO THEM OF ANY SUCH ELECTION, AND THE IMPACT OF ANY PROPOSED OR FINAL PFIC TREASURY REGULATIONS.**

#### *Backup Withholding, Information Reporting*

If a U.S. Holder's Shaftesbury Shares are held in, the New Capco Shares are received in, or any cash paid in lieu of fractional New Capco Shares is made to an account in the United States or through certain U.S.-related financial intermediaries, there may be reporting to the IRS required under applicable U.S. Treasury regulations.

Payments that are subject to information reporting may also be subject to backup withholding if a U.S. Holder fails to comply with all applicable taxpayer identification and certification requirements (generally by providing the relevant paying agent or intermediary with an IRS Form W-9).

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is provided to the IRS in a timely fashion.

## PART EIGHT

### ADDITIONAL INFORMATION ON SHAFTESBURY AND CAPCO

#### 1. Responsibility

- 1.1 The Shaftesbury Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraph 1.2 of this Part Eight (*Additional Information on Shaftesbury and Capco*). To the best of the knowledge and belief of the Shaftesbury Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Capco Directors, whose names are set out in paragraph 2.2 below accept responsibility for the information contained in this document (including any expressions of opinion) relating to Capco, the Capco Group, the Capco Directors and their respective immediate families and related trusts, including but not limited to the synergy potential of the Merger (including the information (and expressions of opinion) contained in the Quantified Financial Benefits Statement set out in Part Twelve (*Quantified Financial Benefits Statement*) to this document for which, for the avoidance of doubt, the Proposed Directors of the Combined Group are also responsible). To the best of the knowledge and belief of the Capco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Shaftesbury Directors and their respective positions are:

| <u>Name</u>                 | <u>Position</u>                    |
|-----------------------------|------------------------------------|
| Jonathan Nicholls . . . . . | Chairman                           |
| Brian Bickell . . . . .     | Chief Executive Officer            |
| Chris Ward . . . . .        | Chief Financial Officer            |
| Simon Quayle . . . . .      | Executive Director                 |
| Tom Welton . . . . .        | Executive Director                 |
| Richard Akers . . . . .     | Senior Independent Director        |
| Ruth Anderson . . . . .     | Independent Non-Executive Director |
| Helena Coles . . . . .      | Independent Non-Executive Director |
| Jenelle Tilling . . . . .   | Independent Non-Executive Director |

The registered office of Shaftesbury and the business address of each of the Shaftesbury Directors is 22 Ganton Street, Carnaby, London, United Kingdom, W1F 7FD.

The company secretary of Shaftesbury is Desna Martin.

- 2.2 The Capco Directors and their respective positions are:

| <u>Name</u>                 | <u>Position</u>                    |
|-----------------------------|------------------------------------|
| Henry Staunton . . . . .    | Chairman                           |
| Ian Hawksworth . . . . .    | Chief Executive                    |
| Situl Jobanputra . . . . .  | Chief Financial Officer            |
| Michelle McGrath . . . . .  | Executive Director                 |
| Anthony Steains . . . . .   | Senior Independent Director        |
| Charlotte Boyle . . . . .   | Independent Non-Executive Director |
| Jonathan Lane OBE . . . . . | Independent Non-Executive Director |

The registered office of Capco and the business address of each of the Capco Directors is Regal House, 14 James Street, London WC2E 8BU. Capco is registered as an external company with registration number 2010/003387/10 in South Africa.

The company secretary of Capco is Ruth Pavey.

### 3. Disclosures in respect of Shaftesbury and Capco securities

3.1 For the purposes of this paragraph 3, paragraph 4 and paragraph 11 of this Part Eight:

- (a) “**acting in concert**” has the meaning given to it in the Code;
- (b) “**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (c) “**dealing**” has the meaning given to it in the Code;
- (d) “**derivative**” has the meaning given to it in the Code;
- (e) “**disclosure period**” means the period beginning on 7 May 2021 (being the date that is 12 months before the commencement of the offer period) and ending on the Latest Practicable Date;
- (f) “**interest**” or “**interests**” in relevant securities shall have the meaning given to it in the Code and references to interests of the Capco Directors or interests of the Shaftesbury Directors in relevant securities shall include all interests of any other person whose interests in shares the Capco Directors or, as the case may be, the Shaftesbury Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (g) “**offer period**” means the period commencing on 7 May 2022 and ending on the Latest Practicable Date;
- (h) “**relevant Capco securities**” means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of Capco, including equity share capital of Capco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (i) “**relevant Shaftesbury securities**” means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Shaftesbury including equity share capital of Shaftesbury (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

### Interests and Dealings in Relevant Shaftesbury Securities

#### Shaftesbury

3.2 As at the Latest Practicable Date, the Shaftesbury Directors, their close relatives and related trusts held the following interests in, or rights to subscribe in respect of, relevant Shaftesbury securities (other than options and awards under the Shaftesbury Share Plans, which are disclosed at paragraph 3.3 below) and are expected to have up to the following interests immediately prior to the Effective Date:

| Name              | Interests as at the Latest Practicable Date |                                             | Interests immediately prior to the Effective Date <sup>(4)(5)</sup> |                                                                                                                                                                                                     |                                                                            |                                                     |
|-------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------|
|                   | Number of Shaftesbury Shares                | Percentage of existing issued share capital | Number of Shaftesbury Shares                                        | Number of Shaftesbury Shares for which Capco Shares issued in exchange assumed to be sold to cover income tax and/or employee social security contributions (“Sell to Cover Shares”) <sup>(6)</sup> | Number of Shaftesbury Shares excluding Sell to Cover Shares <sup>(6)</sup> | Percentage of issued and to be issued share capital |
| Jonathan Nicholls | 57,500                                      | 0.015%                                      | 57,500                                                              | N/A                                                                                                                                                                                                 | 57,500                                                                     | 0.015%                                              |
| Brian Bickell     | 1,336,539 <sup>(1)</sup>                    | 0.348%                                      | 1,658,614                                                           | 144,934                                                                                                                                                                                             | 1,513,680                                                                  | 0.393%                                              |
| Chris Ward        | 223,471 <sup>(7)</sup>                      | 0.058%                                      | 456,691                                                             | 112,529                                                                                                                                                                                             | 344,162                                                                    | 0.089%                                              |
| Simon Quayle      | 1,154,139                                   | 0.300%                                      | 1,381,231                                                           | 109,572                                                                                                                                                                                             | 1,271,659                                                                  | 0.330%                                              |
| Tom Welton        | 942,007 <sup>(3)</sup>                      | 0.245%                                      | 1,169,099                                                           | 109,572                                                                                                                                                                                             | 1,059,527                                                                  | 0.275%                                              |
| Richard Akers     | 14,896                                      | 0.004%                                      | 14,896                                                              | N/A                                                                                                                                                                                                 | 14,896                                                                     | 0.004%                                              |
| Ruth Anderson     | 5,000                                       | 0.001%                                      | 5,000                                                               | N/A                                                                                                                                                                                                 | 5,000                                                                      | 0.001%                                              |
| Helena Coles      | 0                                           | 0.000%                                      | 0                                                                   | N/A                                                                                                                                                                                                 | 0                                                                          | 0.000%                                              |
| Jennelle Tilling  | 12,500                                      | 0.003%                                      | 12,500                                                              | N/A                                                                                                                                                                                                 | 12,500                                                                     | 0.003%                                              |

#### Notes:

- (1) Brian Bickell holds 836,539 Shaftesbury Shares and a person closely associated with Brian Bickell holds 500,000 Shaftesbury Shares.
- (2) Chris Ward holds 127,104 Shaftesbury Shares and a person closely associated with Chris Ward holds 96,367 Shaftesbury Shares.
- (3) Tom Welton holds 312,171 Shaftesbury Shares and a person closely associated with Tom Welton holds 629,836.

- (4) Assuming that the holdings at the Latest Practicable Date do not change other than in connection with the exercise of options under the Shaftesbury Share Plans; awards and options under the Shaftesbury Share Plans (including those of the Executive Directors as set out in paragraph 3.3 below) vest and become exercisable in line with the determination of the Shaftesbury Remuneration Committee of the maximum vesting level for such awards and options made in connection with setting the Exchange Ratio as referred to in paragraph 20(a) of Part Two of this document; and that participants in the Shaftesbury Long-Term Incentive Plan and Shaftesbury Deferred Share Bonus Plan (including the Executive Directors) exercise their vested options under such schemes upon or prior to Sanction of the Scheme to the greatest extent possible (and that such options are settled prior to the Scheme Record Time), and that no participants in the Shaftesbury Sharesave Scheme exercise any options between the Latest Practicable Date and the Effective Date.
- (5) Following the Effective Date, Capco Shares issued in exchange for Shaftesbury Shares acquired by the Executive Directors pursuant to the exercise of their options under the Shaftesbury Long-Term Incentive Plan and Shaftesbury Deferred Share Bonus Plan upon the Sanction of the Scheme shall be subject to such arrangements as are required to effect any sell-to-cover or similar arrangements to satisfy any income tax and/or employee's National Insurance contributions liabilities (or any similar tax or employee's social security contribution in the UK or any other jurisdiction) arising in connection with the exercise of such options.
- (6) Assuming a combined rate of income tax and employee's social security contributions of 48.25 per cent. (or, in the case of Brian Bickell, a rate of income tax of 45 per cent.), that no dealing or other costs or expenses apply in respect of such sell-to-cover arrangements, and that all relevant options under the Shaftesbury Share Plans are exercised to the fullest extent upon the Sanction of the Scheme. These calculations exclude the effect of fractional interests in Capco Shares and any fluctuations in the share price of Shaftesbury Shares and/or Capco Shares between the acquisition of Shaftesbury Shares upon the exercise of options under the Shaftesbury Share Plans and the disposal of Capco Shares following the Effective Date under sell-to-cover arrangements, which may result in a greater or fewer number of Capco Shares being sold in practice.
- (7) Following the vesting and exercise of awards and options under the Shaftesbury Long-Term Incentive Plan and the Shaftesbury Deferred Share Bonus Plan, there are no further deferral or holding requirements imposed by the rules of those plans. However, in order to provide alignment with the Capco's executive directors, Chris Ward has agreed to post-vesting holding periods for: (a) 40 per cent. of the New CapCo Shares he will receive as consideration for the sale of the Shaftesbury Shares he will acquire pursuant to the exercise of his options under the Shaftesbury Deferred Share Bonus Plan on sanction of the Scheme by the Court (net of any New Capco Shares sold to fund the cost of tax and employee social security contributions upon acquisition of such Shaftesbury Shares), such holding period to run until the original vesting date for such options; and (b) 50 per cent. of the New Capco Shares he will receive as consideration for the sale of the Shaftesbury Shares he will acquire pursuant to the exercise of his options under the Shaftesbury Long-Term Incentive Plan on sanction of the Scheme by the Court (net of any New Capco Shares sold to fund the cost of tax and employee social security contributions upon acquisition of such Shaftesbury Shares), such holding period to run for two years following the Effective Date.

3.3 As at the Latest Practicable Date, the following options over relevant Shaftesbury securities had been granted to the Shaftesbury Directors and were outstanding under the Shaftesbury Share Plans (other than the Shaftesbury Sharesave Scheme):

| Name                    | Share Plan                            | Option exercise price (£) | Number of Shaftesbury Shares underlying option | Date of grant    |
|-------------------------|---------------------------------------|---------------------------|------------------------------------------------|------------------|
| Brian Bickell . . . . . | Shaftesbury Long-Term Incentive Plan  | Nil                       | 73,598                                         | 12 December 2019 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 121,057                                        | 22 December 2020 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 176,805                                        | 7 February 2022  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 46,255                                         | 3 December 2018  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 49,128                                         | 12 December 2019 |
| Simon Quayle . . . . .  | Shaftesbury Deferred Share Bonus Plan | Nil                       | 107,858                                        | 22 June 2022     |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 51,868                                         | 12 December 2019 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 85,316                                         | 22 December 2020 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 124,593                                        | 7 February 2022  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 32,656                                         | 3 December 2018  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 34,678                                         | 12 December 2019 |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 76,014                                         | 22 June 2022     |
| Tom Welton . . . . .    | Shaftesbury Long-Term Incentive Plan  | Nil                       | 51,868                                         | 12 December 2019 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 85,316                                         | 22 December 2020 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 124,593                                        | 7 February 2022  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 32,656                                         | 3 December 2018  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 34,678                                         | 12 December 2019 |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 76,014                                         | 22 June 2022     |
| Chris Ward . . . . .    | Shaftesbury Long-Term Incentive Plan  | Nil                       | 53,973                                         | 12 December 2019 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 88,775                                         | 22 December 2020 |
|                         | Shaftesbury Long-Term Incentive Plan  | Nil                       | 129,635                                        | 7 February 2022  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 32,287                                         | 3 December 2018  |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 34,678                                         | 12 December 2019 |
|                         | Shaftesbury Deferred Share Bonus Plan | Nil                       | 79,096                                         | 22 June 2022     |

- 3.4 As at the Latest Practicable Date, the following options over relevant Shaftesbury securities had been granted to the Shaftesbury Directors and were outstanding under the Shaftesbury Sharesave Scheme:

| <u>Name</u>             | <u>Share Plan</u>            | <u>Option exercise price (£)</u> | <u>Number of Shaftesbury Shares underlying option</u> | <u>Date of grant</u> | <u>Exercise period/vesting date</u> |
|-------------------------|------------------------------|----------------------------------|-------------------------------------------------------|----------------------|-------------------------------------|
| Brian Bickell . . . . . | Shaftesbury Sharesave Scheme | £6.4895                          | 2,310                                                 | 28 June 2019         | 1 August 2024                       |
| Simon Quayle . . . . .  | Shaftesbury Sharesave Scheme | £6.4895                          | 2,310                                                 | 28 June 2019         | 1 August 2024                       |
| Tom Welton . . . . .    | Shaftesbury Sharesave Scheme | £6.4895                          | 2,310                                                 | 28 June 2019         | 1 August 2024                       |
| Chris Ward . . . . .    | Shaftesbury Sharesave Scheme | £6.4895                          | 1,386                                                 | 28 June 2019         | 1 August 2022                       |
|                         | Shaftesbury Sharesave Scheme | £4.6102                          | 3,252                                                 | 9 July 2020          | 1 August 2025                       |

- 3.5 As at the Latest Practicable Date, the Shaftesbury EBT held the following interests in, or rights to subscribe in respect of, relevant Shaftesbury securities:

| <u>Name</u>               | <u>Number of Shaftesbury Shares</u> | <u>Percentage of existing issued share capital</u> |
|---------------------------|-------------------------------------|----------------------------------------------------|
| Shaftesbury EBT . . . . . | 1,078,123                           | 0.3%                                               |

**Note:**

- (1) Subject always to Shaftesbury's ability to make recommendations to the trustee of the Shaftesbury EBT to use any unallocated Shaftesbury Shares held in the Shaftesbury EBT to satisfy awards in the normal course prior to the Effective Date, the trustee of the Shaftesbury EBT will be requested to use the Shaftesbury Shares that it holds to satisfy outstanding awards under the Shaftesbury Deferred Share Bonus Plan and, as to any remainder, awards under the Shaftesbury Long-Term Incentive Plan as far as possible in priority to Shaftesbury issuing Shaftesbury Shares to satisfy such awards.

- 3.6 During the offer period, the following dealing in relevant Shaftesbury Securities by Shaftesbury Directors, their close relatives, related trusts and their connected persons has taken place:

| <u>Name</u>             | <u>Date(s)</u> | <u>Nature of Dealings</u>                                                                                               | <u>Number of Shaftesbury Shares</u> | <u>Price</u> |
|-------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------|
| Brian Bickell . . . . . | 22 June 2022   | Grant of an option under the Shaftesbury Deferred Share Bonus Plan in respect of the deferral of the 2021 annual bonus. | 107,858                             | Nil          |
| Simon Quayle . . . . .  | 22 June 2022   | Grant of an option under the Shaftesbury Deferred Share Bonus Plan in respect of the deferral of the 2021 annual bonus. | 76,014                              | Nil          |
| Tom Welton . . . . .    | 22 June 2022   | Grant of an option under the Shaftesbury Deferred Share Bonus Plan in respect of the deferral of the 2021 annual bonus. | 76,014                              | Nil          |
| Chris Ward . . . . .    | 22 June 2022   | Grant of an option under the Shaftesbury Deferred Share Bonus Plan in respect of the deferral of the 2021 annual bonus. | 79,096                              | Nil          |

- 3.7 Save as disclosed above, as at the close of business on the Latest Practicable Date, neither Shaftesbury, nor any Shaftesbury Director, nor, so far as Shaftesbury is aware, any person acting in concert (within the meaning of the Code) with it, nor any person with whom Shaftesbury or any person acting in concert with Shaftesbury has an arrangement has: (i) any interest in or right to subscribe for any relevant Shaftesbury securities; (ii) any short positions in respect of relevant Shaftesbury securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Shaftesbury securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

- 3.8 Other than dealings made pursuant to the Shaftesbury Share Plans as detailed in paragraph 3.6 above and the irrevocable undertakings described in paragraph 8.1 of this Part Eight, during the offer period, no dealings in relevant Shaftesbury securities by Shaftesbury Directors, their close relatives, related trusts and their connected persons have taken place.
- 3.9 Save as disclosed above, during the offer period, no dealings in relevant Shaftesbury securities by persons acting in concert with Shaftesbury have taken place.

### **Capco**

#### **3.10 As at the Latest Practicable Date:**

- (a) 96,971,003 Shaftesbury Shares in aggregate are held by or on behalf of certain members of the Capco Group, which represents approximately 25.2 per cent. of Shaftesbury's issued share capital.
- (b) 373,169 Shaftesbury Shares in aggregate are held by or on behalf of certain members of HSBC's group, which represents approximately 0.097 per cent. of Shaftesbury's issued share capital.
- (c) Save as set out above, as at the close of business on the Latest Practicable Date, neither Capco nor any Capco Director, nor, so far as Capco is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has an arrangement has: (i) any interest in or right to subscribe for any relevant Shaftesbury securities, (ii) any short positions in respect of relevant Shaftesbury securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Shaftesbury securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

- 3.11 The following dealings in relevant Shaftesbury securities by persons acting in concert with Capco have taken place during the disclosure period:

### **UBS**

| <u>Date</u>                 | <u>Party</u>                | <u>Transaction</u> | <u>Number of Shaftesbury Shares</u> | <u>Price per Shaftesbury Share</u> |
|-----------------------------|-----------------------------|--------------------|-------------------------------------|------------------------------------|
| 17 September 2021 . . . . . | UBS Financial Services Inc. | Sale of shares     | 3,499                               | 8.4377 USD                         |
| 4 October 2021 . . . . .    | UBS Financial Services Inc. | Sale of shares     | 675                                 | 8.3469 USD                         |

### **BNP Paribas London Branch**

| <u>Date / Period (From/To)</u>  | <u>Party</u>              | <u>Transaction</u> | <u>Number of Shaftesbury Shares</u> | <u>Lowest Price per Shaftesbury Share (GBP)</u> | <u>Highest Price per Shaftesbury Share (GBP)</u> |
|---------------------------------|---------------------------|--------------------|-------------------------------------|-------------------------------------------------|--------------------------------------------------|
| 07/05/2022–16/06/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 259,450                             | £5.2665                                         | £6.0550                                          |
| 07/05/2022–16/06/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 467,304                             | £5.2903                                         | £6.0632                                          |
| 07/04/2022–06/05/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 43,958                              | £5.7400                                         | £6.2150                                          |
| 07/04/2022–06/05/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 270,109                             | £5.7400                                         | £6.1661                                          |
| 07/03/2022–06/04/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 286,671                             | £5.3300                                         | £6.2850                                          |
| 07/03/2022–06/04/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 254,845                             | £5.3850                                         | £6.2700                                          |
| 07/02/2022–06/03/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 205,700                             | £5.3800                                         | £6.1008                                          |
| 07/02/2022–06/03/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 183,439                             | £5.4250                                         | £6.0920                                          |
| 07/11/2021–06/02/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 242,034                             | £5.8750                                         | £6.6200                                          |
| 07/11/2021–06/02/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 404,808                             | £5.8350                                         | £6.5850                                          |

| Date / Period (From/To)         | Party                     | Transaction        | Number of Shaftesbury Shares | Lowest Price per Shaftesbury Share (GBP) | Highest Price per Shaftesbury Share (GBP) |
|---------------------------------|---------------------------|--------------------|------------------------------|------------------------------------------|-------------------------------------------|
| 07/08/2021–06/11/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 415,354                      | £5.9950                                  | £6.6000                                   |
| 07/08/2021–06/11/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 378,234                      | £5.9950                                  | £6.6000                                   |
| 07/05/2021–06/08/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 518,423                      | £5.6935                                  | £6.4100                                   |
| 07/05/2021–06/08/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 571,253                      | £5.6950                                  | £6.5239                                   |

3.12 During the disclosure period, no dealings in relevant Shaftesbury securities by Capco or Capco Directors, their close relatives, related trusts and their connected persons have taken place.

3.13 Save as disclosed above, during the disclosure period, no dealings in relevant Shaftesbury securities by persons acting in concert with Capco have taken place.

### ***Interests and Dealings in Relevant Capco Securities***

#### ***Shaftesbury***

3.14 As at the Latest Practicable Date, neither Shaftesbury, nor any Shaftesbury Director, nor, so far as Shaftesbury is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has an arrangement has: (i) any interest in or right to subscribe for any relevant Capco securities; (ii) any short positions in respect of relevant Capco securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Capco securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).

3.15 During the offer period, no dealings in relevant Capco securities by Shaftesbury or Shaftesbury Directors, their close relatives, related trusts and their connected persons have taken place.

3.16 During the offer period, no dealings in relevant Capco securities by persons acting in concert with Shaftesbury have taken place.

#### ***Capco***

3.17 As at the Latest Practicable Date, the Capco Directors, their close relatives and related trusts (who are all presumed to be acting in concert with Capco for the purposes of the Code) held the following interests in, or rights to subscribe in respect of, relevant Capco securities and expected to have up to the following interests immediately prior to the Effective Date:

#### ***Issued Share Capital***

| Name                                         | Interests as at the Latest Practicable Date |                                             | Interests immediately prior to the Effective Date <sup>(6)(7)</sup> |                                                                                                              |                                                                                                                             |                                                     |
|----------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
|                                              | Number of Capco Shares                      | Percentage of existing issued share capital | Number of Capco Shares                                              | Number of Capco Shares sold to cover income tax and/or employee social security contributions <sup>(8)</sup> | Net number of Capco Shares after sales to cover income tax and/or employee social security contributions <sup>(8)(10)</sup> | Percentage of issued and to be issued share capital |
| Henry Staunton <sup>(1)</sup> . . . . .      | 350,000                                     | 0.041%                                      | 350,000                                                             | n/a                                                                                                          | 350,000                                                                                                                     | 0.041%                                              |
| Ian Hawksworth <sup>(2)(9)</sup> . . . . .   | 909,492                                     | 0.107%                                      | 3,263,457                                                           | 1,135,789                                                                                                    | 2,127,668                                                                                                                   | 0.248%                                              |
| Situl Jobanputra <sup>(3)(9)</sup> . . . . . | 100,000                                     | 0.012%                                      | 1,629,773                                                           | 738,116                                                                                                      | 891,657                                                                                                                     | 0.104%                                              |
| Michelle McGrath . . . . .                   | 40,000                                      | 0.005%                                      | 1,104,483                                                           | 513,614                                                                                                      | 590,869                                                                                                                     | 0.069%                                              |
| Anthony Steains <sup>(4)</sup> . . . . .     | 0                                           | 0.000%                                      | 0                                                                   | n/a                                                                                                          | 0                                                                                                                           | 0.000%                                              |
| Charlotte Boyle <sup>(4)</sup> . . . . .     | 15,052                                      | 0.002%                                      | 15,052                                                              | n/a                                                                                                          | 15,052                                                                                                                      | 0.002%                                              |
| Jonathan Lane OBE <sup>(5)</sup> . . . . .   | 250,000                                     | 0.029%                                      | 250,000                                                             | n/a                                                                                                          | 250,000                                                                                                                     | 0.029%                                              |

#### **Notes:**

(1) Henry Staunton holds no Capco Shares, and a person closely associated with Henry Staunton holds 350,000 Capco Shares.

- (2) Ian Hawksworth holds 811,575 Capco Shares and a person closely associated with Ian Hawksworth holds 97,917 Capco Shares.
- (3) Situl Jobanputra holds 62,500 Capco Shares and a person closely associated with Situl Jobanputra holds 37,500 Capco Shares.
- (4) Charlotte Boyle holds 15,052 Capco Shares jointly with a person closely associated with Charlotte Boyle.
- (5) Jonathan Lane OBE holds 23,650 Capco Shares and a person closely associated with Jonathan Lane holds 226,350 Capco Shares.
- (6) Assuming that the holdings at the Latest Practicable Date do not change other than in connection with the exercise of options under the Capco Share Plan; options under the Capco Share Plan vest and become exercisable in line with the determination of the Capco Remuneration Committee of the vesting level for such options made in connection with setting the Exchange Ratio; and participants in the Capco Share Plan (including the executive directors) exercise their options to the fullest extent (excluding CSOP Options) and such options are settled prior to the Effective Date.
- (7) Capco Shares acquired by the executive directors of Capco pursuant to the exercise of their options under the Capco Share Plan shall be subject to such arrangements as are required to effect any sell-to-cover or similar arrangements to satisfy any income tax and/or employee's National Insurance contributions liabilities (or any similar tax or employee's social security contribution in the UK or any other jurisdiction) arising in connection with the exercise of such options.
- (8) Assuming a combined rate of income tax and employee's social security contributions of 48.25 per cent., that no dealing or other costs or expenses apply in respect of such sell-to-cover arrangements, and that all relevant options under the Capco Share Plan are exercised to the fullest extent. These calculations exclude the effect of any fluctuations in the share price of Capco Shares between the acquisition of Capco Shares upon the exercise of options under the Capco Share Plan and the disposal of Capco Shares under sell-to-cover arrangements, which may result in a greater or fewer number of Capco Shares being sold in practice.
- (9) Shares acquired immediately prior to the Effective Date include 176,403 shares and 87,275 shares subject to Bonus Deferral Awards awarded to Ian Hawksworth and Situl Jobanputra respectively, which were vested but unexercised as at the Latest Practicable Date.
- (10) Capco Directors are required: (a) to retain shares acquired pursuant to the exercise of Bonus Deferral Awards that vest in connection with the Merger (net of shares sold to fund the cost of tax and employee social security contributions) until the original vesting date; and (b) to retain at least 50 per cent. of shares acquired pursuant to the exercise of options under the Capco Share Plan that vest in connection with the Merger (net of shares sold to fund the cost of tax and employee social security contributions) for two years following the Effective Date.

3.18 As at the Latest Practicable Date, the following options over relevant Capco securities had been granted to the Capco Directors and were outstanding under the Capco Share Plans

| Name                       | Share Plan                          | Option/award exercise price (£) | Number of ordinary shares underlying option/award | Year of grant |
|----------------------------|-------------------------------------|---------------------------------|---------------------------------------------------|---------------|
| Ian Hawksworth . . . . .   | Bonus Deferral Award <sup>(1)</sup> | Nil                             | 29,528                                            | 2017          |
|                            | Bonus Deferral Award <sup>(1)</sup> | Nil                             | 102,153                                           | 2018          |
|                            | Bonus Deferral Award <sup>(1)</sup> | Nil                             | 44,722                                            | 2019          |
|                            | PSP Option                          | Nil                             | 1,112,490                                         | 2020          |
|                            | Bonus Deferral Award                | Nil                             | 192,450                                           | 2020          |
|                            | PSP Option                          | Nil                             | 1,143,129                                         | 2021          |
|                            | PSP Option                          | Nil                             | 1,221,945                                         | 2022          |
|                            | Bonus Deferral Award                | Nil                             | 171,782                                           | 2022          |
| Situl Jobanputra . . . . . | Bonus Deferral Award <sup>(1)</sup> | Nil                             | 58,289                                            | 2018          |
|                            | Bonus Deferral Award <sup>(1)</sup> | Nil                             | 28,986                                            | 2019          |
|                            | PSP Option                          | Nil                             | 738,763                                           | 2020          |
|                            | Bonus Deferral Award                | Nil                             | 124,161                                           | 2020          |
|                            | PSP Option                          | Nil                             | 759,109                                           | 2021          |
|                            | PSP Option                          | Nil                             | 811,597                                           | 2022          |
|                            | Bonus Deferral Award                | Nil                             | 114,074                                           | 2022          |
|                            | PSP Option                          | Nil                             | 514,030                                           | 2020          |
| Michelle McGrath . . . . . | PSP Option                          | Nil                             | 616,218                                           | 2021          |
|                            | PSP Option                          | Nil                             | 682,397                                           | 2022          |
|                            | Bonus Deferral Award                | Nil                             | 92,601                                            | 2022          |
|                            |                                     |                                 |                                                   |               |

**Notes:**

- (1) Vested but unexercised at the Latest Practicable Date.
- (2) Under the Capco Share Plan, Capco's executive directors have been granted nil-cost options over Capco Shares subject to performance conditions ("**PSP Options**") and nil-cost options over Capco Shares not subject to performance conditions representing the deferral of a proportion of bonuses earned under Capco's annual bonus arrangements ("**Bonus Deferral Awards**").

- 3.19 Save as disclosed above, as at the close of business on the Latest Practicable Date, neither Capco nor any Capco Director, nor, so far as Capco is aware, any person acting in concert (within the meaning of the Code) with it nor any person with whom it or any person acting in concert with it has an arrangement has: (i) any interest in or right to subscribe for any relevant Capco securities; (ii) any short positions in respect of relevant Capco securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) borrowed or lent any relevant Capco securities (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code).
- 3.20 Save for in respect of the irrevocable undertakings referred to in paragraph 8 below, during the offer period, no dealings in relevant Capco securities by Capco Directors, their close relatives, related trusts and their connected persons have taken place.
- 3.21 Save for in respect of the irrevocable undertakings referred to in paragraph 8 below, and other than dealings made pursuant to the Capco Share Plan as detailed below, during the disclosure period, no dealings in relevant Capco securities by Capco or Capco Directors, their close relatives, related trusts and their connected persons have taken place:

| <i>Name</i>                | <i>Date(s)</i>   | <i>Nature of Dealings</i>                                                                                       | <i>Number of Capco Shares</i> | <i>Price</i> |
|----------------------------|------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|
| Ian Hawksworth . . . . .   | 28 February 2022 | Grant of a PSP Option under the Capco Share Plan.                                                               | 1,221,945                     | Nil          |
| Situl Jobanputra . . . . . | 28 February 2022 | Grant of a PSP Option under the Capco Share Plan.                                                               | 811,597                       | Nil          |
| Michelle McGrath . . . . . | 28 February 2022 | Grant of a PSP Option under the Capco Share Plan.                                                               | 682,397                       | Nil          |
| Ian Hawksworth . . . . .   | 28 February 2022 | Grant of a Bonus Deferral Award under the Capco Share Plan in respect of the deferral of the 2021 annual bonus. | 171,782                       | Nil          |
| Situl Jobanputra . . . . . | 28 February 2022 | Grant of a Bonus Deferral Award under the Capco Share Plan in respect of the deferral of the 2021 annual bonus. | 114,074                       | Nil          |
| Michelle McGrath . . . . . | 28 February 2022 | Grant of a Bonus Deferral Award under the Capco Share Plan in respect of the deferral of the 2021 annual bonus. | 92,601                        | Nil          |

- 3.22 The following dealings in relevant Capco securities by persons acting in concert with Capco have taken place during the disclosure period:

| <i>Date Period (From/To)</i>    | <i>Party</i>              | <i>Transaction</i> | <i>Number of Capco Shares</i> | <i>Lowest Price per Capco Share (GBP)</i> | <i>Highest Price per Capco Share (GBP)</i> |
|---------------------------------|---------------------------|--------------------|-------------------------------|-------------------------------------------|--------------------------------------------|
| 07/05/2022–16/06/2022 . . . . . | BNP Paribas London Branch | Purchase of sales  | 662570                        | £1.4702                                   | £1.6500                                    |
| 07/05/2022–16/06/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 902207                        | £1.4550                                   | £1.6840                                    |
| 07/04/2022–06/05/2022 . . . . . | BNP Paribas London Branch | Purchase of sales  | 280581                        | £1.5730                                   | £1.7370                                    |
| 07/04/2022–06/05/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 459253                        | £1.5730                                   | £1.7220                                    |
| 07/03/2022–06/04/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 876888                        | £1.4280                                   | £1.7790                                    |
| 07/03/2022–06/04/2022 . . . . . | BNP Paribas London Branch | Sale of shares     | 466280                        | £1.4270                                   | £1.7737                                    |
| 07/02/2022–06/03/2022 . . . . . | BNP Paribas London Branch | Purchase of shares | 412862                        | £1.5660                                   | £1.7330                                    |

| <u>Date Period (From/To)</u>    | <u>Party</u>                 | <u>Transaction</u>    | <u>Number of<br/>Capco<br/>Shares</u> | <u>Lowest<br/>Price per<br/>Capco<br/>Share<br/>(GBP)</u> | <u>Highest<br/>Price<br/>per<br/>Capco<br/>Share<br/>(GBP)</u> |
|---------------------------------|------------------------------|-----------------------|---------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------|
| 07/02/2022–06/03/2022 . . . . . | BNP Paribas<br>London Branch | Sale of<br>shares     | 834551                                | £1.5110                                                   | £1.7330                                                        |
| 07/11/2021–06/02/2022 . . . . . | BNP Paribas<br>London Branch | Purchase<br>of shares | 618973                                | £1.5808                                                   | £1.7930                                                        |
| 07/11/2021–06/02/2022 . . . . . | BNP Paribas<br>London Branch | Sale of<br>shares     | 897837                                | £1.5720                                                   | £1.7930                                                        |
| 07/08/2021–06/11/2022 . . . . . | BNP Paribas<br>London Branch | Purchase<br>of shares | 781945                                | £1.5690                                                   | £1.7880                                                        |
| 07/08/2021–06/11/2022 . . . . . | BNP Paribas<br>London Branch | Sale of<br>shares     | 1218264                               | £1.5640                                                   | £1.7720                                                        |
| 07/05/2021–06/08/2022 . . . . . | BNP Paribas<br>London Branch | Purchase<br>of shares | 475669                                | £1.6130                                                   | £1.8510                                                        |
| 07/05/2021–06/08/2022 . . . . . | BNP Paribas<br>London Branch | Sale of<br>shares     | 382302                                | £1.6070                                                   | £1.8510                                                        |

3.23 Save as disclosed above, during the disclosure period, no dealings in relevant Capco securities by persons acting in concert with Capco have taken place.

#### 4. **Interests and Dealings—General**

4.1 Save as disclosed in paragraph 3 above, as at the Latest Practicable Date:

- (a) no member of the Shaftesbury Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities nor has any member of the Shaftesbury Group dealt for value in any relevant Shaftesbury securities during the offer period;
- (b) no member of the Shaftesbury Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities nor has any member of the Shaftesbury Group dealt for value in any relevant Capco securities during the offer period;
- (c) none of the Shaftesbury Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities during the offer period;
- (d) none of the Shaftesbury Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities during the offer period;
- (e) no person deemed to be acting in concert with Shaftesbury had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities, during the offer period;
- (f) no person deemed to be acting in concert with Shaftesbury had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities, during the offer period;
- (g) no person who has an arrangement with Shaftesbury had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities during the offer period;

- (h) no person who has an arrangement with Shaftesbury had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities during the offer period;
- (i) neither Shaftesbury, nor any person acting in concert with it, has borrowed or lent any relevant Shaftesbury securities, save for any borrowed shares which have been either on-lent or sold; and
- (j) neither Shaftesbury, nor any person acting in concert with it, has borrowed or lent any relevant Capco securities, save for any borrowed shares which have been either on-lent or sold.

4.2 Save as disclosed in paragraph 3 above, as at the Latest Practicable Date:

- (a) no member of the Capco Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities nor has any member of the Capco Group dealt for value in any relevant Shaftesbury securities during the disclosure period;
- (b) no member of the Capco Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities nor has any member of the Capco Group dealt for value in any relevant Capco securities during the disclosure period;
- (c) none of the Capco Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities during the disclosure period;
- (d) none of the Capco Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities during the disclosure period;
- (e) no person deemed to be acting in concert with Capco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities, during the disclosure period;
- (f) no person deemed to be acting in concert with Capco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities, during the disclosure period;
- (g) no person who has an arrangement with Capco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Shaftesbury securities, nor has any such person dealt for value in any relevant Shaftesbury securities during the disclosure period;
- (h) no person who has an arrangement with Capco had any interest in, right to subscribe in respect of, or any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of relevant Capco securities, nor has any such person dealt for value in any relevant Capco securities during the disclosure period;
- (i) neither Capco nor any person acting in concert with it, has borrowed or lent any relevant Shaftesbury securities, save for any borrowed shares which have been either on-lent or sold; and
- (j) neither Capco nor any person acting in concert with it, has borrowed or lent any relevant Capco securities, save for any borrowed shares which have been either on-lent or sold.

4.3 Save as disclosed in this document, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the resolutions to be proposed at the General Meeting.

4.4 Save as disclosed in this document, as at the Latest Practicable Date, none of: (i) Capco or any person acting in concert with Capco; or (ii) Shaftesbury or any person acting in concert with Shaftesbury, has, in either case, any arrangement in relation to relevant securities.

- 4.5 Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Capco or any person acting in concert with it and any of the Shaftesbury Directors or the recent directors, shareholders or recent shareholders of Shaftesbury having any connection with or dependence upon or which is conditional upon the Merger.
- 4.6 Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any Shaftesbury Shares to be acquired by Capco pursuant to the Scheme will be transferred to any other person, however Capco reserves the right to transfer any such shares to any member of the Capco Group.
- 4.7 No relevant securities of Shaftesbury have been redeemed or purchased by Shaftesbury during the disclosure period.
- 4.8 No relevant securities of Capco have been redeemed or purchased by Capco during the disclosure period.

## **5. Directors' service contracts and emoluments**

It is expected that Capco's current executive directors will each receive an increase in basic salary following the Effective Date to reflect the increased scope of their roles within the Combined Group. Details will be set out in the Combined Group's first directors' remuneration report following the Effective Date. The Capco Remuneration Committee has determined that outstanding awards held by Capco's executive directors under the Capco Share Plan will vest and become exercisable as a result of the Merger (as permitted by the rules of the Capco Share Plan, including the time apportionment provisions, and by applying performance conditions, where applicable, and with post-vesting holding of Shares). No other agreement, arrangement or understanding (including any compensation arrangement) exists between Capco or any party acting in concert with Capco and any of the directors, recent directors, shareholders or recent shareholders of Shaftesbury which has any connection with, or dependence on, or which is conditional upon the outcome of the Merger.

### ***Shaftesbury Directors' service contracts and emoluments***

Save as below, there are no service contracts in force between a Shaftesbury Director or a proposed Shaftesbury Director and any of member of the Shaftesbury Group. It is expected that Chris Ward will also receive an increase in basic salary following the Effective Date to reflect the increased scope of his role within the Combined Group.

#### **5.1 *Executive Directors***

The particulars of the executive Shaftesbury Directors' service contracts between relevant members of the Shaftesbury Group are set out below. No such contract has been entered into or amended during the six months preceding publication of this document.

##### ***Brian Bickell***

Brian Bickell's service contract, dated 6 June 2011 provides for his appointment to commence on 1 October 2011 and continue (subject to the provisions of the service contract) until terminated either by him or Shaftesbury giving to the other not less than 12 months' prior notice in writing.

Mr Bickell is entitled to a basic salary of GBP 543,000 per annum (subject to the appropriate usual deductions for tax and national insurance contributions) and reimbursement for properly and reasonably incurred business expenses incurred in the proper performance of his duties.

Mr Bickell is also eligible to participate in such profit sharing, share incentive, share option, bonus or phantom option schemes as Shaftesbury operates, and an annual bonus of such amount, if any, as the Shaftesbury Board may determine from time to time. Pursuant to the terms of his service contract, Shaftesbury pays employer's pension contributions equal to 25 per cent. of Mr Bickell's annual base salary (which will reduce to 17.5 per cent. of base salary with effect from 1 October 2022).

Benefits available to Mr Bickell include medical insurance, permanent health insurance, life assurance particulars, and a company car or a car allowance.

Shaftesbury may, by summary notice, terminate Mr Bickell's employment immediately and without compensation in certain prescribed scenarios, including if Mr Bickell commits any serious breach or repeats or continues (after warning) any material breach of his duties or commits any act of serious misconduct. In addition, Shaftesbury may terminate Mr Bickell's employment with immediate effect

by: (i) giving him written notice; and (ii) paying him (a) a termination payment equivalent to up to 12 months' base salary in lieu of notice and (b) a sum representing the cost to Shaftesbury of providing pension, medical insurance, permanent health insurance and life assurance, which shall be paid in equal monthly instalments and subject to mitigation and may be subject to signing a settlement agreement. Mr Bickell is also subject to certain customary confidentiality obligations and certain customary post-termination restrictive covenants.

#### ***Chris Ward***

Chris Ward's service contract, dated 30 October 2011 provides for his appointment to commence from 9 January 2012 and continue (subject to the provisions of the service agreement) until terminated either by him or Shaftesbury giving to the other not less than 12 months' prior notice in writing.

Mr Ward is entitled to a basic salary of GBP 398,000 per annum (subject to the usual deductions for tax and national insurance contributions required by law) and reimbursement for all properly and reasonably incurred expenses and directly related to the performance of his duties.

Pursuant to the terms of his service contract, Shaftesbury pays employer's pension contributions equal to 25 per cent. of his annual base salary (which will reduce to 17.5 per cent. of base salary with effect from 1 October 2022).

Benefits available to Mr Ward include medical insurance, permanent health insurance, life assurance, and a company car or a car allowance.

Shaftesbury may, by summary notice, terminate Mr Ward's employment immediately and without compensation in certain prescribed scenarios, including if Mr Ward commits any serious breach or repeats or continues (after warning) any material breach of his duties or commits any act of serious misconduct. In addition, Shaftesbury may terminate Mr Ward's employment with immediate effect by: (i) giving him written notice; and (ii) paying him (a) a termination payment equivalent to up to 12 months' base salary in lieu of notice and (b) a sum representing the cost to Shaftesbury of providing pension, medical insurance, permanent health insurance and life assurance, which shall be paid in equal monthly instalments subject to mitigation and may be subject to signing a settlement agreement. Mr Ward is also subject to certain customary confidentiality obligations and certain customary post-termination restrictive covenants.

#### ***Simon Quayle***

Simon Quayle's service contract, dated 8 October 1997, as amended from time to time, provides for his appointment as an executive director (which commenced on 1 October 1997) and to continue (subject to the provisions of the service agreement) until terminated either by him or Shaftesbury giving to the other not less than 12 months' prior notice in writing.

Mr Quayle is entitled to a basic salary of GBP 383,000 per annum (subject to the usual deductions for tax and national insurance contributions required by law) and reimbursement for all properly and reasonably incurred expenses and directly related to the performance of his duties. Shaftesbury pays employer's pension contributions equal to 25 per cent. of Mr Quayle's annual base salary (which will reduce to 17.5 per cent. of base salary with effect from 1 October 2022).

Benefits available to Mr Quayle include private medical expenses insurance, permanent health insurance, life assurance and a company car or car allowance.

Shaftesbury may terminate Mr Quayle's employment with immediate effect: (i) giving him written notice; and (ii) paying him a termination payment equivalent to up to 12 months' base salary in lieu of notice. Shaftesbury may also terminate Mr Quayle's employment immediately by summary notice and without making any such payment in certain prescribed scenarios, including if Mr Quayle commits any material breach or non-observance of any of the conditions of his service contract or commits any act of serious misconduct. Mr Quayle is also subject to certain customary confidentiality obligations and certain customary post-termination restrictive covenants.

#### ***Tom Welton***

Tom Welton's service contract, dated 8 October 1997, as amended from time to time, provides for his appointment as an executive director (which commenced on 1 October 1997) and to continue (subject to

the provisions of the service agreement) until terminated either by him or Shaftesbury giving to the other not less than 12 months' prior notice in writing.

Mr Welton is entitled to a basic salary of GBP 383,000 per annum (subject to the usual deductions for tax and national insurance contributions required by law) and reimbursement for all properly and reasonably incurred expenses and directly related to the performance of his duties. Shaftesbury pays employer's pension contributions equal to 25 per cent. of Mr Welton's annual base salary (which will reduce to 17.5 per cent. of his base salary with effect from 1 October 2022).

Benefits available to Mr Welton include private medical insurance, permanent health insurance, life assurance, and a company car or a car allowance.

Shaftesbury may terminate Mr Welton's employment with immediate effect: (i) giving him written notice; and (ii) paying him a termination payment equivalent to up to 12 months' base salary in lieu of notice. Shaftesbury may also terminate Mr Welton's employment immediately by summary notice and without making any such payment in certain prescribed scenarios, including if Mr Welton commits any material breach or non-observance of any of the conditions of his service contract or commits any act of serious misconduct. Mr Welton is also subject to certain customary confidentiality obligations and certain customary post-termination restrictive covenants.

All the Executive Directors are eligible to participate in Shaftesbury's annual bonus arrangements and the Shaftesbury Share Plans in accordance with the Shaftesbury Directors' Remuneration Policy.

## 5.2 *Non-Executive Directors*

The particulars of the non-executive director appointment letters between Shaftesbury and the Shaftesbury Non-Executive Directors are set out below. Save as set out below, no such contract has been entered into or amended during the six months preceding publication of this document.

| <u>Name of director</u>     | <u>Effective date of contract</u> | <u>(Re-)election</u>             | <u>Notice period</u> | <u>Remuneration</u> |
|-----------------------------|-----------------------------------|----------------------------------|----------------------|---------------------|
| Jonathan Nicholls . . . . . | 1 September 2016                  | Re-elected on<br>4 February 2022 | One month            | £250,000            |
| Richard Akers . . . . .     | 28 November 2017                  | Re-elected on<br>4 February 2022 | One month            | £ 95,000            |
| Ruth Anderson . . . . .     | 21 December 2020                  | Re-elected on<br>4 February 2022 | One month            | £ 80,000            |
| Helena Coles . . . . .      | 1 July 2021                       | Elected on<br>4 February 2022    | One month            | £ 65,000            |
| Jennelle Tilling . . . . .  | 1 January 2020                    | Re-elected on<br>4 February 2022 | One month            | £ 80,000            |

Non-executive Directors have formal letters of appointment. The letters of appointment of each of the non-executive Directors contain a one month notice period. Each non-executive Director's appointment may be immediately terminated in certain prescribed scenarios, including if they commit a material breach of the terms of their appointment.

Non-executive Directors' appointments are for an initial period of three years, and is subject to re-election. The appointment can be renewed following the expiry of such a period. Each of the non-executive Directors was elected or re-elected by shareholders at Shaftesbury's last annual general meeting.

Non-executive Directors, excluding the Chairman, receive a base fee of £65,000, plus an additional fee where a non-executive Director chairs a committee and for the Senior Independent Director as specified above. The Chairman does not receive an additional fee for chairing the Nomination Committee. The non-executive Directors do not participate in any of the Shaftesbury Group's share option or share incentive schemes, and are not entitled to either pension benefits or compensation for early termination of their appointment.

## 6. **Market quotations**

### *Shaftesbury*

- 6.1 The following table shows the closing middle market prices for Shaftesbury Shares and Capco Shares as derived from the Official List for the first dealing day of each month from February 2022 to July 2022

inclusive, for 6 May 2022 (being the last business day before commencement of the Offer Period) and for 5 July 2022 (being the Latest Practicable Date prior to the publication of this document):

| <u>Date</u>               | <u>Shaftesbury<br/>Share price<br/>(£)</u> | <u>Capco<br/>Share price<br/>(£)</u> |
|---------------------------|--------------------------------------------|--------------------------------------|
| 1 February 2022 . . . . . | 6.165                                      | 1.710                                |
| 1 March 2022 . . . . .    | 5.700                                      | 1.648                                |
| 1 April 2022 . . . . .    | 6.120                                      | 1.726                                |
| 3 May 2022 . . . . .      | 5.840                                      | 1.622                                |
| 6 May 2022 . . . . .      | 5.770                                      | 1.654                                |
| 1 June 2022 . . . . .     | 5.910                                      | 1.613                                |
| 1 July 2022 . . . . .     | 5.155                                      | 1.390                                |
| 5 July 2022 . . . . .     | 5.150                                      | 1.384                                |

## 7. Material contracts

### 7.1 Capco Group material contracts

In addition to the offer-related arrangements and other arrangements described at paragraph 7.3 below, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Capco or another member of the Capco Group within the two years immediately prior to the commencement of the Offer Period which are or may be material to the Capco Group:

#### (a) Co-operation Agreement

Please see paragraph 7.32(b) of this Part Eight below.

#### (b) Sponsor Agreement

Capco and Rothschild & Co entered into a sponsor agreement on 7 July 2022 (the “**Sponsor Agreement**”), pursuant to which Rothschild & Co agreed to act as UK sponsor to Capco in connection with the applications for UK Admission and the publication of the Circular and the Prospectus for the purposes of the Merger and UK Admission. Under the terms of the Sponsor Agreement, Capco has agreed to provide Rothschild & Co with certain customary indemnities, undertakings, representations and warranties. The indemnities provided by Capco indemnify Rothschild & Co against, *inter alia*, claims made against them or losses incurred by them, subject to certain exceptions. In addition, the Sponsor Agreement provides Rothschild & Co with the right to terminate the Sponsor Agreement in certain specified circumstances typical for a sponsor agreement of this nature, in which case the Sponsor Agreement will lapse.

#### (c) Loan Facility Agreement

Capco entered into a £576,000,000 unsecured term loan facility with Barclays Bank plc, BNP Paribas London Branch and HSBC Bank plc as original lenders on 16 June 2022 (the “**Signing Date**”).

##### *Purpose and maturity*

The Loan Facility Agreement will be utilised to refinance or redeem all or part of the Shaftesbury Mortgage Bonds and cover any related costs.

The facility is available for utilisation from and including the completion date to and including after the date falling 51 days after the completion date, or if earlier, the last day of the certain funds period (the “**Availability Period**”). Certain funds period runs from and including the Signing Date to and including the earlier of (a) the last day of the Availability Period, (b) 20 June 2023 and (c) the date on which Capco notifies the facility agent in writing that the Scheme or offer has lapsed, been withdrawn or has terminated and Capco has determined that it will not proceed with an alternative scheme or offer. The facility has an initial term of 24 months from the Signing Date and may be extended for a further six months (at a margin of 2.75 per cent.) at the option of Capco subject to the satisfaction of the extension requirements as outlined in the Loan Facility Agreement (including the payment of certain extension fees). There is subsequently a further six month extension option (at a margin of 3.25 per cent.) available which requires the approval of each lender in respect of its respective participation in the loan.

The rate of interest is the aggregate of the applicable margin and SONIA. A margin step-up mechanism is included, with the initial margin set at 0.75 per cent. per annum from and including the Signing Date to (but excluding) the earlier of the completion date and 31 December 2022 and increasing to 1.50 per cent. per annum until (but excluding) the date falling 12 months after the Signing Date. Thereafter, if the facility has not been refinanced or repaid before the date falling 24 months after the Signing Date, the margin increases in six monthly increments up to a maximum of 2.00 per cent. per annum.

#### *Financial covenants*

The Loan Facility Agreement contains the following financial covenants:

- consolidated net borrowings of the group shall not exceed 60 per cent. of the value of all properties;
- net rental income in respect of a measurement period is equal to or exceeds 100 per cent. interest charges for that measurement period; and
- from and including the measurement period ending 30 June 2023 (to the extent that the completion date is on or before 1 February 2023) or 31 December 2023 (to the extent that the completion date is after 1 February 2023), the ratio of the total aggregate unencumbered assets of the group to total aggregate unsecured financial indebtedness of Capco is equal to or greater than 1.5:1.

The financial covenants are tested half-yearly by reference to Capco's audited consolidated financial statements for that financial year or consolidated financial statements for that financial half-year together with the most recent valuation report for properties.

#### *Covenants, events of default and mandatory prepayment*

Typical covenants for facilities of this nature have been included including in relation to the creation of security, acquisitions, disposals and mergers along with customary information undertakings and events of default, each with appropriate carve-outs and materiality thresholds (where relevant) applicable to the Combined Group. Mandatory cancellation and prepayment provisions linked to certain disposals, debt and equity issuances are also included.

#### **(d) £300 million revolving credit facility agreement**

Covent Garden Group Holdings Limited is party to a £300 million revolving credit facility agreement dated 13 September 2021 as borrower with HSBC Bank plc acting as agent and BNP Paribas London Branch, Barclays Bank plc, HSBC Bank plc, Bank of China Limited, London Branch, as original lenders (the "**Capco Covent Garden RCF**"). The Capco Covent Garden RCF remains undrawn.

#### *Purpose, maturity and currency*

The facility is available for refinancing financial indebtedness of the Covent Garden Group Holdings Limited and its subsidiaries (the "**Covent Garden Holdings Group**"), financing the acquisition of leasehold, heritable and freehold property interests and general corporate purposes of the Covent Garden Holdings Group. The facility is available for utilisation until 13 August 2024 and the final maturity date is 13 September 2024, with extension options for a further 2 years.

The rate of interest is the aggregate of the applicable margin (1.50 per cent. per annum) and compounded reference rate (being the daily non-cumulative compounded RFR rate (i.e., SONIA) for that banking day and the applicable baseline credit adjustment spread, being zero) for that day.

The facility is available for drawing in GBP.

#### *Financial covenants*

The Capco Covent Garden RCF includes a number of financial covenants. The primary covenants relate to:

- a maximum restriction on consolidated net borrowings as a percentage of investment property value (the LTV ratio) which is set at 60 per cent.; and
- a minimum requirement of net operating income as a percentage of interest costs (i.e., the interest cover ratio) which is set at 120 per cent.

The remaining covenants relate to a maximum restriction on secured borrowings as a percentage of property value, location of acquired properties and other non-financial measures. The financial covenants are tested every six-month by reference to the borrower's consolidated financial statements for its financial half year or its audited consolidated financial statements for that financial year (as applicable).

#### *Events of default*

The facility agreement contains certain customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including non-payment, breach of the financial covenants described above, a cross-default of debt of the Covent Garden Holdings Group (excluding indebtedness of certain single purpose entities in the group) in aggregate in excess of £20 million and insolvency. The occurrence of an event of default which is continuing would allow the lenders to, amongst other things, upon written notice to the borrower, accelerate all or part of the outstanding loans, cancel the commitments and declare all or part of the loans payable on demand.

#### **(e) Loan note purchase agreements**

Covent Garden Group Holdings Limited is the issuer in respect of the following loan notes (together, the “**Capco Loan Notes**”):

- on 16 December 2014, the £75 million Series A Notes due 16 December 2024 (of which £37.5 million in aggregate principal amount remains outstanding) and the £75 million Series B Senior Notes due 16 December 2026 (of which £37.5 million in aggregate principal amount remains outstanding);
- on 14 November 2016, the £125 million Series A Senior Notes due 14 November 2026 and the £50 million Series B Senior Notes due 14 November 2028; and
- on 28 June 2017, the £57.5 million Series A Senior Notes due 31 August 2024, the £50 million Series B Senior Notes due 31 August 2027, the £35 million Series C Senior Notes due 31 August 2029, the £37.5 million Series D Senior Notes due 31 August 2032, the £35 million Series E Senior Notes due 31 August 2033 and the £10 million Series F Senior Notes due 31 August 2037,

in each case pursuant to a note purchase agreement (each, a “**Note Purchase Agreement**” and together, the “**Note Purchase Agreements**”).

#### *Purpose and coupons*

Proceeds of the Capco Loan Notes were to be applied by the issuer to the repayment of existing financial indebtedness and for its general corporate purposes. The Capco Loan Notes were issued with a range of coupons between 2.28 per cent. and 3.68 per cent., giving an average blended cost of borrowing of 2.9 per cent.

#### *Financial covenants*

The Capco Loan Notes are subject to a number of financial covenants. The primary covenants relate to:

- a maximum restriction on consolidated net borrowing as a percentage of property value (i.e. the LTV ratio), which is set at 60 per cent.;
- a minimum net operating income as a percentage of interest costs (i.e. the interest cover ratio), which is set at 120 per cent.; and
- a maximum restriction on secured borrowings set at 0.2 times consolidated net tangible worth.

The financial covenants are tested every six months by reference to the issuer's consolidated financial statements for its financial half year or its audited consolidated financial statements for that financial year (as applicable).

The remaining covenants relate to the location of acquired properties, and other non-financial measures.

The Note Purchase Agreements also contain a “most favoured lender” covenant, pursuant to which any financial covenant that is included in a Principal Financing Agreement (as defined in the Note Purchase Agreements), but (i) is not included in the Note Purchase Agreements or (ii) is in any respect more beneficial to the holders of the Capco Loan Notes than any similar financial covenant included in the Note Purchase Agreements, will be deemed to be automatically incorporated into the Note Purchase Agreements as of the date such financial covenant became effective under the applicable Principal Financing Agreement.

#### *Waiver Period*

Although interest cover covenant waivers (due to the impact that Covid-19 on net operating income measured for the purpose of financial covenants) were agreed with the lenders in 2020 and 2021 to address interruption to near-term income, the interest cover ratio in relation to the Covent Garden debt for 2021 was above the covenant level. The waiver period has ended.

#### *Events of default*

The Capco Loan Notes are subject to customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications), including, amongst others, non-payment, breach of the financial covenants described above and a cross-default to indebtedness of the issuer or a material subsidiary of the issuer in excess of £20 million.

The occurrence of an event of default which is continuing would allow the holders of the Capco Loan Notes to, amongst other things, by notice or notices to the issuer declare all the Capco Loan Notes then outstanding to be immediately due and payable.

The amount payable on an event of default would, subject to the terms and conditions of the Capco Loan Notes, be the unpaid principal amount then outstanding (together with interest thereon to the prepayment date) and, in certain circumstances, a combination of the make-whole amount based on the discounted value of remaining scheduled payments and such amounts as may be payable to close out any associated hedging arrangement which a noteholder has entered into in respect of the Capco Loan Notes.

#### (f) **Capco’s Exchangeable Bonds**

Capco’s Exchangeable Bonds are in registered form in denominations of £100,000 each. Capco’s Exchangeable Bonds bear interest at a rate of 2 per cent. per annum, payable semi-annually in arrears on 30 March and 30 September in each year. Unless previously redeemed, exchanged or repurchased, Capco’s Exchangeable Bonds will mature (and be redeemed by Capco) on 30 March 2026.

#### *Security*

Capco’s obligations under, *inter alia*, Capco’s Exchangeable Bonds and the Exchangeable Bonds Trust Deed are secured in favour of the Exchangeable Bonds Trustee for the benefit of itself and certain other parties (including the holders of the Exchangeable Bonds). As at close of business on the day before the Announcement Date, the security for Capco’s Exchangeable Bonds (the “**Exchangeable Bond Security**”) comprised of 38,008,138 fully paid ordinary shares in Shaftesbury, being the Secured Existing Capco Shares. The Exchangeable Bond Security is constituted by first fixed charges given by the Capco Chargors.

#### *Exchange Rights*

The Secured Existing Capco Shares constitute the initial “Exchange Property” under the Exchangeable Bond Conditions. Each holder of Capco’s Exchangeable Bonds has the right, in certain specified circumstances all as more fully described in the terms and conditions of Capco’s Exchangeable Bonds, to exchange its Exchangeable Bonds for the relevant amount of Secured Existing Capco Shares and/or other property constituting the Exchange Property at that time (the “**Exchange Right**”). If a holder of Capco’s Exchangeable Bonds exercises its Exchange Right, Capco may elect to cash settle the exchange option (a “**Cash Election**”), by paying to the holder of Capco’s Exchangeable Bonds an amount in cash equal to the value of the Secured Existing Capco Shares (and/or other property constituting the Exchange Property at that time) which would otherwise be deliverable, as determined in accordance with the Exchangeable Bond Conditions.

As at the close of business on the day before the Announcement Date, the Exchange Property for each Exchangeable Bond (with a denomination of £100,000 in principal amount) (the “Exchange

Property per Bond”) is 13,821 Shaftesbury Shares comprising the Secured Existing Capco Shareholding, and is referred to in the Exchangeable Bond Conditions as a “**Unit of Equity Shares**”.

Under the Exchangeable Bond Conditions, the Exchange Property is subject to adjustment in certain circumstances, including in the case of “**Capital Distributions**” (as defined in the Exchangeable Bond Conditions) which include non-cash dividends and cash dividends above certain amounts specified in a table (the “**Dividend Table**”) in the Exchangeable Bond Conditions. Subject to the detailed provisions in the Exchangeable Bond Conditions, a cash dividend in any “**Relevant Period**” (as specified in the Dividend Table) will constitute a Capital Distribution if the dividend referable to a Unit of Equity Shares exceeds the “Reference Amount” specified in the Dividend Table for that period. The aggregate amount of the Capital Distribution will be the amount by which the relevant cash dividend exceeds the Reference Amount, determined for the aggregate amount of Capco’s Exchangeable Bonds outstanding. The portion of any cash dividend constituting a Capital Distribution will form part of the Exchange Property and will be subject to the Exchangeable Bond Security. Any cash dividend which does not constitute a Capital Distribution may be released from the Exchangeable Bond Security to, or to the order of, Capco.

If the cash dividend in any Relevant Period is less than the Reference Amount for that period (as specified in the Dividend Table), the shortfall constitutes a “**Cash Dividend Shortfall**” under the Exchangeable Bond Conditions, and a portion of the Exchange Property equal to the Cash Dividend Shortfall for the aggregate amount of Capco’s Exchangeable Bonds outstanding will cease to form part of the Exchange Property and may be released from the Exchangeable Bond Security to, or to the order of, Capco.

The Exchange Property is also subject to adjustment in the case of certain takeover offers and related schemes of arrangement. Where the consideration for the offer or scheme comprises equity shares, the Secured Existing Capco Shares will be replaced by the equity shares received in consideration for the Secured Existing Capco Shares, and, thereafter, “**Unit of Equity Shares**” will refer to the number of such equity shares comprised in the Exchange Property per Bond.

#### *Covenants*

The Exchangeable Bond Conditions contain a negative pledge provision. In addition, the Exchangeable Bond Conditions contain certain covenants related to the Exchangeable Bond Security. These covenants include, without limitation, a covenant not to create any mortgage, pledge, lien, security interest, charge or encumbrance over any property subject to the Exchangeable Bond Security (the “**Secured Property**” which, as of the date of this document, comprises the Secured Existing Capco Shareholding) and a covenant not to transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire, any of the Secured Property, save in certain limited circumstances (including, without limitation, with the prior written consent of the Exchangeable Bonds Trustee).

The Exchangeable Bonds do not contain any financial covenants.

#### *Events of Default*

The Exchangeable Bond Conditions contain certain events of default (subject, in certain cases, to grace periods and/or materiality thresholds or determinations), including, without limitation, non-payment of interest for 14 business days or any other amount for seven business days, breach of other obligations under the Exchangeable Bond Conditions or related documents, cross-acceleration relating to indebtedness for borrowed money of Capco or any of its Principal Subsidiaries subject to an aggregate threshold of £20,000,000 or its equivalent, and certain events related to enforcement proceedings, insolvency or winding up of Capco, any Principal Subsidiary or (in some cases) any Capco Chargor. Upon the occurrence of an event of default, the Exchangeable Bonds Trustee may at its discretion or, if directed by holders of at least one-quarter in principal amount of Capco’s Exchangeable Bonds then outstanding or by an extraordinary resolution, must (subject to being indemnified to its satisfaction) declare Capco’s Exchangeable Bonds to be immediately due and payable at the relevant redemption price calculated in accordance with the Exchangeable Bond Conditions, plus accrued interest (if any) up to the date of redemption.

Under the Exchangeable Bond Conditions, “**Principal Subsidiary**” means (subject to the detailed provisions of that definition) a subsidiary of Capco whose gross assets (when consolidated with

those gross assets of its subsidiaries) exceed 10 per cent. of the aggregate gross assets of the Capco Group at that time.

#### *Holder Put Option upon a Change of Control*

Following the occurrence of a change of control of Capco, (subject to certain limited exceptions, as set out in the definition of “Change of Control” in the Exchangeable Bond Conditions) each holder of Capco’s Exchangeable Bonds will have the right to require Capco to redeem such holder’s exchangeable bonds.

#### *Redemption at the option of Capco*

Under the Exchangeable Bond Conditions, there are limited rights for Capco to redeem Capco’s Exchangeable Bonds in whole at its discretion, including, without limitation, (i) at any time, in the event of certain changes affecting taxes of the United Kingdom, (ii) at any time on or after 20 April 2024 (subject to the conditions set out in the Exchangeable Bond Conditions relating to the value of the Exchange Property) and (iii) in the period specified in the Exchangeable Bond Conditions following an offer for the predominant equity share capital comprising the Exchange Property where the consideration for such offer is wholly comprised of cash.

For further information on how the Merger impacts Capco’s Exchangeable Bonds, please see paragraph 8 in Part Two (*Explanatory Statement*) of this document.

### **(g) Secured Loan**

Capco Investment London (No.3) Limited and Capco Investment London (No.4) Limited as borrowers (the “**Secured Loan Borrowers**”) have entered into a £125,000,000 term facility agreement dated 22 December 2020 and as amended and restated on 16 November 2021 (the “**Secured Loan**”) with HSBC Bank plc and BNP Paribas London Branch as original lenders and HSBC Bank plc as facility agent. The Secured Loan is secured on some of the shares in Shaftesbury held by the Secured Loan Borrowers and is guaranteed by Capco. The Secured Loan was repaid in full on 20 June 2022.

#### *Purpose, maturity and fees*

The Secured Loan was used by the Secured Loan Borrowers to repay existing intra group lending facilities and for general corporate purposes. The annual rate of interest is SONIA plus a credit adjustment spread and a margin. An upfront arrangement fee was paid on entering into the Secured Loan and there are annual agency and security agency fees. The final maturity date of the loan is 22 December 2023.

#### *Events of default*

The Secured Loan contains certain customary events of default (subject in certain cases to agreed grace periods, thresholds and other qualifications) in respect of the Secured Loan Borrowers and Capco including non-payment, breach of net asset value and net borrowing financial thresholds in respect of Capco, acceleration of the Capco Covent Garden RCF and cross-default of debt of Capco in aggregate in excess of £20 million. The occurrence of an event of default which is continuing would allow the lenders to, among other things, upon written notice to the Secured Loan Borrowers, accelerate all or part of the outstanding loans and declare all or part of the loans payable on demand.

#### *Change of control*

If a mandatory prepayment event occurs, a lender can require early prepayment of all outstanding amounts under the Finance Documents and cancel its commitments. An acquisition of control of Capco, delisting of Shaftesbury or Capco shares from the London Stock Exchange or if the Shaftesbury shares become subject to a takeover offer (and once certain conditions are satisfied), among other circumstances/events, would constitute a mandatory prepayment event.

## **7.2 Shaftesbury Material Contracts**

In addition to the offer-related arrangements described at paragraph 7.3 below, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by Shaftesbury or another member of the Shaftesbury Group within the two years immediately prior to the commencement of the Offer Period which are or may be material to the Shaftesbury Group:

(a) **Co-operation Agreement**

Please see paragraph 7.32(b) of this Part Eight below.

(b) **Shaftesbury 2018 Revolving Credit Facility**

Shaftesbury and Shaftesbury Covent Garden Limited (“SCGL”) are parties to a £100 million revolving credit facility agreement dated 12 February 2018 (as most recently amended and restated on 30 September 2021), as borrowers with Lloyds Bank plc and Wells Fargo Bank, NA, London Branch as mandated lead arrangers and lenders, and Lloyds Bank plc as agent and security trustee (the “**Shaftesbury 2018 RCF**”) which has a termination date of 12 February 2023. As at the date of this document, Shaftesbury and SCGL have not drawn any amount of the loans under the Shaftesbury 2018 RCF. It is anticipated that the Shaftesbury 2018 RCF will be cancelled following Completion.

The Shaftesbury 2018 RCF is secured against, among other things, various properties owned by SCGL and floating charges over all of Shaftesbury’s and SCGL’s undertakings and assets not otherwise effectively mortgaged, charged or assigned by way of fixed mortgage, fixed charge or assignment.

Shaftesbury has the right to cancel the whole or (subject to a *de minimis* threshold) any part of the commitments under the Shaftesbury 2018 RCF and each of Shaftesbury and SCGL is permitted to voluntarily prepay any outstanding loans made to them (subject to a *de minimis* threshold).

The Shaftesbury 2018 RCF contains certain change of control/ownership provisions as follows:

- SCGL must be owned at all times by Shaftesbury;
- a mandatory prepayment event will occur (allowing each lender to cancel its commitments and declare all amounts outstanding due and payable) if (A) any person or groups of persons acting in concert gain control (in short, 50 per cent. or more of the issued share capital or voting rights) of Shaftesbury; or (B) there is a de-listing;
- “acting in concert” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in Shaftesbury by any of them, either directly or indirectly, to obtain or consolidate control of Shaftesbury; and
- “de-listing” means:
  - Shaftesbury issues a circular to its shareholder proposing a resolution for the cancellation of the listing of its securities on the Main Market of the London Stock Exchange (including without limitation for the purposes of seeking a transfer of its listing to any other recognised investment exchange) without the prior written consent of the lenders;
  - the FCA (or any similar body) suspends the listing of the Shaftesbury’s securities on the Main Market of the London Stock Exchange; or
  - the FCA (or any similar body) cancels the listing of Shaftesbury’s securities on the Main Market of the London Stock Exchange.

Any amounts which have been drawn under the Shaftesbury 2018 RCF are to be repaid on the last day of its interest period, being a period of either three or six months, as selected by Shaftesbury or SCGL in the utilisation request for the relevant loan.

The rate of interest is the aggregate of the applicable margin (1.60 per cent. per annum) and compounded reference rate (being the daily non-cumulative compounded RFR rate (i.e., SONIA) for each banking day of an interest period and the applicable credit adjustment spread, being 0.0835 per cent. for interest periods of three months and 0.1706 per cent. for interest periods of six months) for each day during an interest period.

If Shaftesbury or SCGL fails to pay any amount when due or an event of default has occurred and is continuing, default interest will accrue at a rate which is 2 per cent. per annum higher than the interest rate that would otherwise be payable during the period from the relevant due date for payment to the date of actual payment or, if applicable, the period that the event of default is

continuing (provided that there cannot be any double counting between the two mechanisms for payment of default interest).

#### *Financial covenants*

The Shaftesbury 2018 RCF contains a loan-to-value financial covenant and Shaftesbury Group financial covenants testing (i) consolidated borrowings of the Shaftesbury Group versus the consolidated tangible net worth of the Shaftesbury Group and (ii) consolidated net income of the Shaftesbury Group versus consolidated net interest payable under the Shaftesbury Group's borrowings. Each of the financial covenants apply at all times but are tested by reference to the annual audited consolidated financial statements of Shaftesbury, the interim consolidated financial statements for the six months ending 31 March in a given period, and the quarterly unaudited consolidated management accounts of the Shaftesbury Group.

The loan-to-value covenant includes cure rights (subject to certain limits on the times that such rights can be exercised) in favour of Shaftesbury and SCGL by way of a prepayment of the loans and/or the inclusion of further property as security.

#### *Representations and covenants*

In addition, the Shaftesbury 2018 RCF contains certain other representations and covenants by, and restrictions on, Shaftesbury and SCGL, including, without limitation, with respect to certain corporate activities such as disposals and a restriction on the creation of security (in each case, subject to certain exceptions) as well as a restriction on Shaftesbury or SCGL entering into any amalgamation, merger, demerger or corporate reconstruction without the prior consent of the agent (acting on behalf of the major lenders). The Shaftesbury 2018 RCF also contains certain covenants which specifically relate to the properties secured to the lenders including, without limitation, restrictions relating to leasing arrangements and planning or development proposals (in each case subject to certain exceptions) as well as positive covenants in relation to the collection of rent, insurance, repair and maintenance in respect of the properties. Further, the Shaftesbury 2018 RCF includes the usual indemnity in favour of the finance parties indemnifying them against any cost, loss or liability incurred as result of the occurrence of an event of default.

#### *Events of default*

The Shaftesbury 2018 RCF also contains certain events of default, upon the occurrence of which the lenders may terminate the facilities and demand repayment. These events of default include, among others (and subject to certain grace periods, materiality thresholds and, in certain circumstances, the ability to remove defaulting properties), failure to make payments under the Shaftesbury 2018 RCF and related finance documents, breach of any financial covenant described above, material misrepresentation, cross-default in excess of specified amounts, cessation of business operations and certain insolvency events and proceedings. If an event of default occurs, the agent (acting on the instructions of the majority lenders, holding  $66\frac{2}{3}$  per cent. of the total commitments) may give notice of cancellation of all available commitments and/or declare all outstanding advances, together with accrued interest, to be immediately due and payable or payable on demand. On the giving of such notice or demand (as the case may be) the outstanding amounts would be repayable immediately.

#### (c) **Shaftesbury CLL Facility Agreement**

Shaftesbury CL Limited ("SCLL") is party to a £134,750,000 facility agreement dated 17 April 2014 (as amended on 20 October 2014 and as further amended on 1 October 2020), as borrower with Canada Life Limited ("CLL") as lender (the "**Shaftesbury CLL Facility Agreement**"). SCLL is an indirectly wholly-owned subsidiary of Shaftesbury. The Shaftesbury CLL Facility Agreement was put in place to partially finance/refinance the properties to be secured under the Shaftesbury CLL Facility Agreement. The loan is fully drawn as at the date of this document.

The Shaftesbury CLL Facility Agreement is secured against various properties and assets owned by SCLL, including but not limited to, security over rental income, gross proceeds of sale, leases, rights to occupy the properties, contracts for purchase of the properties, investments and dividends, plants and equipment, money held in specific accounts. SCLL's immediate parent, Shaftesbury CL Investment Limited ("SCLIL"), has also granted security over all of the issued share capital in SCLL and any subordinated debt owed by SCLL to SCLIL.

SCLL does not have the right to cancel the whole or any part of the loans under the Shaftesbury CLL Facility Agreement. SCLL is permitted to voluntarily prepay the loans in whole or, if CLL do not agree to the substitution of a property portfolio secured under the Shaftesbury CLL Facility Agreement, in part (provided that a part prepayment may only be made on one occasion and any prepayment is subject to the payment of a redemption fee which seeks to compensate CLL for any loss of return deriving from such prepayment on the basis that the capital cannot be re-allocated at the same rate of return as that under the Shaftesbury CLL Facility Agreement). Separate from such voluntary prepayment provisions, SCLL also has the usual right to prepay the whole of the loans (without incurring any prepayment or redemption fees) in circumstances where SCLL is required to make tax indemnity or gross-up payments or increased cost payments to CLL under the terms of the Shaftesbury CLL Facility Agreement. Further, if SCLL disposes of a property and the proceeds of such disposal are applied in prepayment of the outstanding loans in accordance with the terms of the Shaftesbury CLL Facility Agreement, the redemption fee referred to above will become payable in respect of the amount prepaid.

The Shaftesbury CLL Facility Agreement contains certain change of control/ownership provisions as follows:

- SCLL must be owned at all times by SCLIL and SCLIL must be owned at all times by Shaftesbury;
- an event of default will arise if, following Shaftesbury ceasing to be listed on the main list of the London Stock Exchange, any person or groups of persons acting in concert gains direct or indirect control (in short, more than 50 per cent. of the issued share capital or voting rights) of Shaftesbury (other than pursuant to any transfer of issued shares to the person who is the majority shareholder upon or in connection with such cessation of listing); and
- “acting in concert” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in Shaftesbury by any of them, either directly or indirectly, to obtain or consolidate control of Shaftesbury.

CLL have confirmed that the change of control provision event of default referred to above will not be triggered by the Merger and therefore CLL will not be able to demand repayment of the loans as a result of the Merger. As such the loans outstanding under the Shaftesbury CLL Facility Agreement will remain after the Merger provided that the terms of the Shaftesbury CLL Facility Agreement are complied with.

SCLL must repay the loans and all other amounts outstanding on 2 May 2029, with no prior requirements for amortisation of the loan. Interest is charged on the loan at 4.47 per cent. per annum and is payable quarterly on each interest payment date. If SCLL fails to pay any amount when due, default interest will accrue at a rate which is 2 per cent. per annum higher than the interest rate that would otherwise be payable during the period from the relevant due date for payment to the date of actual payment.

#### *Financial covenants*

The Shaftesbury CLL Facility Agreement contains the following primary covenants:

- a maximum restriction on loan to valuation of specifically secured assets, which is set at 60 per cent.; and
- a minimum ratio of actual and projected net rental income of specific secured assets, adjusted to exclude certain costs, to gross interest and fees payable under the loans for the relevant calculation period, which is set at 1.4:1.

Each of the financial covenants apply at all times but are tested quarterly on each interest payment date by delivery by SCLL of a compliance certificate to the lender. Cure rights are available (subject to certain limits on the times that such rights can be exercised) in favour of SCLL in respect of both the loan-to-value and interest cover financial covenants whereby SCLL may offer up further property or properties as security or deposit monies into a blocked account secured in favour of the lender.

### *Representations and covenants*

In addition, the Shaftesbury CLL Facility Agreement contains certain other representations and covenants by, and restrictions on, SCLL, including, without limitation, with respect to certain corporate activities such as the acquisition of assets, disposals of assets and a restriction on the creation of security (in each case, subject to certain exceptions). The Shaftesbury CLL Facility Agreement also contains certain covenants which specifically relate to the properties secured to the lender including, without limitation, restrictions relating to leasing arrangements and planning or development proposals (in each case, subject to certain exceptions) as well as positive covenants in relation to the collection of rent, insurance, repair and maintenance in respect of the properties.

### *Events of default*

The Shaftesbury CLL Facility Agreement also contains certain events of default, upon the occurrence of which the lender may terminate the facilities and demand repayment. These events of default include, among others and subject to certain grace periods and materiality thresholds, with respect to SCLL and SCLIL, failure to make payments under the Shaftesbury CLL Facility Agreement and related finance documents, breach of any financial covenant described above, material misrepresentation, cross-default, cessation of business operations and certain insolvency events and proceedings. The cessation of business and insolvency events of default also apply with respect to Shaftesbury. If an event of default occurs, the lender may give notice of cancellation of all available commitments and/or declare all outstanding advances, together with accrued interest, to be immediately due and payable or payable on demand. On the giving of such notice or demand (as the case may be) the outstanding amounts would be repayable immediately. In addition to the usual indemnity in favour of the lender to indemnify it against any cost, loss or liability incurred as result of the occurrence of an event of default, the redemption fee referred to above in respect of any voluntary prepayment shall also become due and payable upon the lender declaring the loans due and payable following the occurrence of an event of default.

#### **(d) Shaftesbury AV Facility Agreement**

Shaftesbury AV Limited (“SAVL”) is party to a facility agreement dated 17 March 2015 (as amended and restated on 31 July 2015 and further amended on 21 July 2020 and 19 November 2020) as borrower with Aviva Commercial Finance Limited (“Aviva”) as lender, agent and security agent (the “**Shaftesbury AV Facility Agreement**”), making available to SAVL an aggregate amount of £250 million (split between two facilities, facility A: £130 million and facility B: £120 million). SAVL is an indirectly wholly-owned subsidiary of Shaftesbury. The Shaftesbury AV Facility Agreement was put in place to finance/refinance the properties secured under the Shaftesbury AV Facility Agreement and to provide SAVL with access to funding for general corporate and working capital purposes (excluding the acquisition of any company, business or undertaking). The loan is fully drawn as at the date of this document.

The Shaftesbury AV Facility Agreement is secured, amongst other things, against various properties owned by SAVL, its securities, all plant and machinery, its credit balances, its debts, various contracts and money held in specific accounts. SAVL’s immediate parent, Shaftesbury AV Investment Limited (“SAVIL”), has also granted security over all of the issued share capital in SAVL and any subordinated debt owed by SAVL to SAVIL.

SAVL has the right to cancel the whole or (subject to a *de minimis* threshold) any part of the aggregate outstanding commitments under the Shaftesbury AV Facility Agreement and SAVL is permitted to voluntarily repay any outstanding loans (subject to a *de minimis* threshold and the payment of an early repayment fee which seeks to indemnify the lender against any reduction in the rate of return that the lender expects to receive on its investment in the relevant facility as a direct or indirect result of the prepayment). Separate from such voluntary prepayment provisions, SAVL also has the usual right to prepay the whole of the loans owing to the lender in circumstances where SAVL is required to make tax indemnity or gross-up payments or increased cost payments to the lender under the terms of the Shaftesbury AV Facility Agreement (without incurring any prepayment fees where the relevant requirement to make such payments arose solely due to any action of the lender and it was within the lender’s control to prevent such payments). Further, if SAVL disposes of a property and the proceeds of such disposal are applied in prepayment of the outstanding loans in accordance with the terms of the Shaftesbury AV Facility Agreement, the prepayment fee referred to above will become payable in respect of the amount prepaid.

The Shaftesbury AV Facility Agreement contains certain change of control/ownership provisions as follows:

- SAVL must be owned at all times by SAVIL and SAVIL must be owned at all times by Shaftesbury;
- a mandatory prepayment event will occur (allowing each lender to cancel its commitments and declare all amounts outstanding due and payable) if (A) Shaftesbury ceases to control (directly or indirectly) SAVL or SAVIL; or (B) any person or groups of persons acting in concert gain control of Shaftesbury;
- “control” means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise; and
- “acting in concert” has the meaning given to such term in the City Code on Takeovers and Mergers.

Aviva has confirmed that it has waived the change of control mandatory prepayment event referred to above and will not require the outstanding loans be repaid in connection with the Merger. As such the loans outstanding under the Shaftesbury AV Facility Agreement will remain after the Merger provided that the terms of the Shaftesbury AV Facility Agreement are complied with.

SAVL must repay the facility A loans in full on 19 March 2030 and the facility B loans in full on 3 August 2035, with no prior requirements for amortisation of the loans. Interest is charged on each loan at a fixed rate applicable to the relevant facility to which that loan relates (being an initial rate of 3.2 per cent. per annum in respect of facility A and an initial rate of 3.85 per cent. per annum in respect of facility B) with such fixed rate being subject to an upwards ratchet if the aggregate loan-to-value is greater than 5 percentage points below the loan to value covenant threshold (being a higher rate of 3.45 per cent. per annum in respect of facility A and a higher rate of 4.10 per cent. per annum in respect of facility B). Interest is payable quarterly on each interest payment date. If SAVL fails to pay any amount when due, default interest will accrue at a rate which is 2 per cent. per annum higher than the interest rate that would otherwise be payable during the period from the relevant due date for payment to the date of actual payment.

#### *Financial covenants*

The Shaftesbury AV Facility Agreement contains the following primary covenants:

- a maximum restriction on loan to valuation of specifically secured assets, which is set at 70 per cent. (a cash waterfall applies if the ratio exceeds 65 per cent.); and
- a minimum ratio of actual and projected net rental income of specific secured assets, adjusted to exclude certain costs, to gross interest and fees payable under the loans during the relevant calculation period, which is set at 1.5:1.

Each of the financial covenants apply at all times but are tested quarterly on each interest payment date by delivery by SAVL of a compliance certificate to the lender. Cure rights are available (subject to certain limits on the times that such rights can be exercised) in favour of SAVL in respect of both the loan-to-value and interest cover financial covenants whereby SAVL may offer up further property or properties as security, deposit monies into a blocked account secured in favour of the lender or prepay the loans.

#### *Representations and covenants*

In addition, the Shaftesbury AV Facility Agreement contains certain other representations and covenants by, and restrictions on, SAVL, including, without limitation, with respect to certain corporate activities such as acquisition of assets, disposals of assets and a restriction on the creation of security (in each case, subject to certain exceptions). The Shaftesbury AV Facility Agreement also contains certain covenants which specifically relate to the properties secured to the lender including, without limitation, restrictions relating to leasing arrangements and planning or development proposals (in each case, subject to certain exceptions) as well as positive covenants in relation to the collection of rent, insurance, repair and maintenance in respect of the properties.

#### *Events of default*

The Shaftesbury AV Facility Agreement also contains certain events of default, upon the occurrence of which the lender may terminate the facilities and demand repayment. These events

of default include, among others and subject to certain grace periods and materiality thresholds, failure to make payments under the Shaftesbury AV Facility Agreement and related finance documents, breach of any financial covenant described above, material misrepresentation, cross-default in excess of specified amounts, cessation of business operations and certain insolvency events and proceedings (including in some cases with respect to Shaftesbury (for example, the insolvency events of default) but noting that the cross default event of default does not apply to Shaftesbury). If an event of default occurs, the agent (acting on the instructions of the majority lenders, holding  $66\frac{2}{3}$  per cent. of the total commitments) may give notice of cancellation of the total commitments and/or declare all outstanding advances, together with accrued interest, to be immediately due and payable or payable on demand. On the giving of such notice or demand (as the case may be) the outstanding amounts would be repayable immediately. In addition to the usual indemnity in favour of each finance party to indemnify them against any cost, loss or liability incurred as result of the occurrence of an event of default, the prepayment fee referred to above in respect of any voluntary prepayment shall also become due and payable upon the lender declaring the loans due and payable following the occurrence of an event of default.

(e) **2017 First Mortgage Bonds**

On 7 September 2017, Shaftesbury Chinatown PLC issued £290,00,000 2.348 per cent. guaranteed first mortgage bonds due 2027 (the “**2017 First Mortgage Bonds**”). The 2017 First Mortgage Bonds were initially issued in bearer form in denominations of £100,000.

The terms and conditions of the 2017 First Mortgage Bonds are set out in a trust deed entered into between Shaftesbury Chinatown PLC (as issuer), Shaftesbury (as guarantor) and Prudential Trustee Company Limited (as trustee for the bondholders) dated 7 September 2017, as amended from time to time (the “**2017 Bonds T&Cs**”).

The 2017 First Mortgage Bonds are guaranteed by Shaftesbury. The guarantee constitutes a direct, unsecured and unconditional obligation of Shaftesbury. The 2017 First Mortgage Bonds are secured by (i) first fixed legal mortgages over various properties in London’s West End (the “**2017 specifically mortgaged premises**”) owned by the issuer and/or subsidiaries of the issuer or Shaftesbury (the “**Charging Companies**”), and (ii) a floating charge over all present and future assets of the issuer and any other Charging Company.

Interest in respect of the 2017 First Mortgage Bonds is payable semi-annually in arrears on 31 March and 30 September in each year until the maturity date (unless the bonds are redeemed or purchased early). The 2017 First Mortgage Bonds will mature on 30 September 2027 but may be redeemed before then. The 2017 Bonds T&Cs include a right for the issuer to optionally redeem the 2017 First Mortgage Bonds in whole at a redemption price equal to the higher of (i) the nominal amount outstanding of the 2017 First Mortgage Bonds and (ii) the nominal amount outstanding of the 2017 First Mortgage Bonds multiplied by the price at which the Gross Redemption Yield (if the 2017 First Mortgage Bonds were to remain outstanding to their scheduled maturity) on the 2017 First Mortgage Bonds on the calculation date (being two business days prior to the redemption date) (the “**Calculation Date**”) is equal to the Gross Redemption Yield at 11.00 a.m. (London time) on the Calculation Date of the 1.25 per cent. UK Government Treasury Stock due July 2027. The 2017 Bonds T&Cs also include an option for each bondholder to require the issuer to redeem or (at the option of the issuer) purchase its 2017 First Mortgage Bonds at par plus accrued interest, in the event of a change of control of the issuer or Shaftesbury. The 2017 First Mortgage Bonds may also be redeemed by the issuer in whole at any time in the event of certain changes affecting taxes of the United Kingdom.

The 2017 First Mortgage Bonds provide that if there is a change of control put event, the bondholders shall have the option to require the issuer to redeem or (at the option of the issuer) purchase their bonds. A change of control put event will be triggered if any person or any persons (other than, in the case of the issuer, the guarantor) acting in concert, or any subsidiary of or persons acting on behalf of such persons, shall become interested directly or indirectly in (i) more than 50 per cent. of the issued or allotted ordinary share capital of the issuer or the guarantor or (ii) shares in the capital of the issuer or the guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the issuer or the guarantor. If 80 per cent. or more of the nominal amount of the 2017 First Mortgage Bonds originally issued have been redeemed pursuant to the exercise of the change of control put option, the issuer may redeem all (but not some only) of the outstanding bonds at their nominal amount plus accrued interest.

### *Financial covenants*

The 2017 First Mortgage Bonds contain financial covenants testing (i) the value of the 2017 specifically mortgaged premises of the issuer and any other Charging Company versus the aggregate nominal amount of the then outstanding 2017 First Mortgage Bonds and; (ii) the annual income attributable to the 2017 specifically mortgaged premises accruing at or due to commence to accrue within three months after the date at which the calculation thereof is made, after deducting any value added tax but before deducting any other taxation and after making proper provision for ground and head rents and certain irrecoverable recurring expenses, together with the net annual income of any money and short gilts which form part of the security for the 2017 First Mortgage Bonds versus the gross annual interest on the aggregate nominal amount of the then outstanding 2017 First Mortgage Bonds at the relevant testing date. The financial covenants are tested semi-annually at the financial half-year end and year end, as well as on any other date on which a valuation of the 2017 specifically mortgaged premises is required under the trust deed.

The financial covenants include cure rights (subject to certain limits on the times that such rights can be exercised) in favour of the issuer by way of repurchase of the 2017 First Mortgage Bonds and/or the inclusion of further property charged as security in favour of the trustee. The 2017 Bonds T&Cs allow the issuer to substitute the 2017 specifically mortgaged premises with other eligible property of equivalent value if the financial covenant ratios are maintained. Although the issuer, Shaftesbury and the other Charging Companies have undertaken not to dispose of any part of the equity on redemption of any of the 2017 specifically mortgaged premises without the prior written consent of the trustee, other than to certain subsidiaries of Shaftesbury, until the relevant security becomes enforceable, the Charging Companies are otherwise entitled to hold, enjoy and deal with, including disposal of the mortgaged premises (other than 2017 specifically mortgaged premises). The issuer may also issue further bonds secured by the 2017 specifically mortgaged premises if the financial covenants are satisfied immediately following such issue.

### *Events of default*

The 2017 Bonds T&Cs contain certain events of default (subject, in certain cases, to grace periods and materiality thresholds), including, without limitation, non-payment of principal due for three business days, non-payment of interest for 14 business days, cross-acceleration relating to indebtedness for borrowed money of the issuer, any other Charging Company or Shaftesbury subject to an aggregate threshold of £5,000,000 or its equivalent and certain events related to insolvency or winding up of the issuer, any other Charging Company or Shaftesbury. Upon the occurrence of an event of default the trustee may or, if directed by holders of at least one-fifth in nominal amount of the 2017 First Mortgage Bonds then outstanding or by an extraordinary resolution, must, declare that the 2017 First Mortgage Bonds are immediately due and payable at the redemption price, including a make-whole amount, plus accrued interest.

#### **(f) 2016 First Mortgage Bonds**

On 7 October 2016, Shaftesbury Carnaby PLC issued £285,000,000 2.487 per cent. guaranteed first mortgage bonds due 2031 (the “**2016 First Mortgage Bonds**”). The 2016 First Mortgage Bonds were initially issued in bearer form in denominations of £100,000.

The terms and conditions of the 2016 First Mortgage Bonds are set out in a trust deed entered into between Shaftesbury Carnaby PLC (as issuer), Shaftesbury (as guarantor) and Prudential Trustee Company Limited (as trustee for the bondholders) dated 7 October 2016, as amended from time to time (the “**2016 Bonds T&Cs**”).

The 2016 First Mortgage Bonds are guaranteed by Shaftesbury. The guarantee constitutes a direct, unsecured and unconditional obligation of Shaftesbury. The 2016 First Mortgage Bonds are secured by (i) first fixed legal mortgages over various properties in London’s West End (the “**2016 specifically mortgaged premises**”) owned by the issuer and/or subsidiaries of the issuer or Shaftesbury (the “**Charging Companies**”), and (ii) a floating charge over all present and future assets of the issuer and any other Charging Company.

Interest in respect of the 2016 First Mortgage Bonds is payable semi-annually in arrears on 31 March and 30 September in each year until the maturity date (unless the bonds are redeemed or purchased early). The 2016 First Mortgage Bonds will mature on 30 September 2031 but may be redeemed before then. The 2016 Bonds T&Cs include a right for the issuer to optionally redeem the 2016 First Mortgage Bonds in whole at a redemption price equal to the higher of (i) the

nominal amount outstanding of the 2016 First Mortgage Bonds and (ii) the nominal amount outstanding of the 2016 First Mortgage Bonds multiplied by the price at which the Gross Redemption Yield (if the 2016 First Mortgage Bonds were to remain outstanding to scheduled maturity) on the 2016 First Mortgage Bonds on the Calculation Date (being two business days prior to the redemption date) is equal to the Gross Redemption Yield at 11.00 a.m. (London time) on the Calculation Date of the 4.750 per cent. UK Government Treasury Stock due December 2030. The 2016 Bonds T&Cs also include a right for each bondholder to require the issuer to redeem or (at the option of the issuer) purchase its 2016 First Mortgage Bonds at par plus accrued interest, in the event of a change of control of the issuer or Shaftesbury. The 2016 First Mortgage Bonds may also be redeemed by the issuer in whole at any time in the event of certain changes affecting taxes of the United Kingdom.

The 2016 First Mortgage Bonds provide that if there is a change of control put event, the bondholders shall have the option to require the issuer to redeem or (at the option of the issuer) purchase their bonds. A change of control put event will be triggered if any person or any persons (other than, in the case of the issuer, the guarantor) acting in concert, or any subsidiary of or persons acting on behalf of such persons, shall become interested directly or indirectly in (i) more than 50 per cent. of the issued or allotted ordinary share capital of the issuer or the guarantor or (ii) shares in the capital of the issuer or the guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the issuer or the guarantor. If 80 per cent. or more of the nominal amount of the 2016 First Mortgage Bonds originally issued have been redeemed pursuant to the exercise of the change of control put option, the issuer may redeem all (but not some only) of the outstanding bonds at their nominal amount plus accrued interest.

#### *Financial covenants*

The 2016 First Mortgage Bonds contain financial covenants testing (i) the value of the 2016 specifically mortgaged premises of the issuer and any other Charging Company versus the aggregate nominal amount of the then outstanding 2016 First Mortgage Bonds; and (ii) the annual income attributable to the 2016 specifically mortgaged premises accruing at or due to commence to accrue within three months after the date at which the calculation thereof is made, after deducting any value added tax but before deducting any other taxation and after making proper provision for ground and head rents and certain irrecoverable recurring expenses, together with the net annual income of any money and short gilts which form part of the security for the 2016 First Mortgage Bonds versus the gross annual interest on the aggregate nominal amount of the then outstanding 2016 First Mortgage Bonds at the relevant testing date. The financial covenants are tested semi-annually at the financial half-year and year end, as well as on any other date on which a valuation of the 2016 specifically mortgaged premises is required under the trust deed.

The financial covenants include cure rights (subject to certain limits on the times that such rights can be exercised) in favour of the issuer by way of repurchase of the 2016 First Mortgage Bonds and/or the inclusion of further property charged as security in favour of the trustee. The 2016 Bonds T&Cs also allow the issuer to substitute the 2016 specifically mortgaged premises with other eligible property of equivalent value if the financial covenant ratios are maintained. Although the issuer, Shaftesbury and the other Charging Companies have undertaken not to dispose of any part of the equity of redemption of any of the 2016 specifically mortgaged premises without the prior written consent of the trustee, other than to certain subsidiaries of Shaftesbury, until the relevant security becomes enforceable, the Charging Companies are otherwise entitled to hold, enjoy and deal with, including the disposal of the mortgaged premises (other than 2016 specifically mortgaged premises). The issuer may also issue further bonds secured by the 2016 specifically mortgaged premises if the financial covenants are satisfied immediately following such issue.

#### *Events of default*

The 2016 Bonds T&Cs contain certain events of default (subject, in certain cases, to grace periods and materiality thresholds), including, without limitation, non-payment of principal due for three business days, non-payment of interest for 14 business days, cross-acceleration relating to indebtedness for borrowed money of the issuer, any other Charging Company or Shaftesbury subject to an aggregate threshold of £5,000,000 or its equivalent and certain events related to insolvency or winding up of the issuer, any other Charging Company or Shaftesbury. Upon the occurrence of an event of default the trustee may or, if directed by holders of at least one-fifth in

nominal amount of the 2016 First Mortgage Bonds then outstanding or by an extraordinary resolution, must declare that the 2016 First Mortgage Bonds are immediately due and payable and the redemption price, including a make-whole amount, plus accrued interest.

(g) **Longmartin Joint Venture**

*Longmartin Joint Venture Agreement*

Shaftesbury and The Warden and Commonalty of the Mystery of the Mercers of the City of London Company (“**The Mercer’s Company**”) have entered into the Longmartin joint venture agreement (the “**Longmartin Joint Venture Agreement**”) which provides that the business of the Longmartin Joint Venture comprises the ownership of the leases relating to the Longmartin Joint Venture’s properties and the development, management and letting of those properties (and any other properties that the Longmartin Joint Venture may acquire), together with other activities as Shaftesbury and The Mercers’ Company may agree (the “**Longmartin Business**”).

Decisions with regard to a wide range of reserved matters relating to the Longmartin Business (for example, incurring of commitments and liabilities, property related matters, the manner of carrying on the Longmartin Business, approval of accounts and matters affecting capital and corporate governance) require the prior approval of at least one director appointed by Shaftesbury and one director appointed by The Mercers’ Company. Where the parties cannot agree on the proposal to transact a reserved matter, Shaftesbury and The Mercers’ Company must use all reasonable endeavours to resolve the matter expeditiously, failing which the Longmartin Joint Venture cannot proceed with the matter in question.

An event of default arises under the Joint Venture Agreement if either Shaftesbury or The Mercers’ Company: (i) fails to pay any amount due within 20 business days; (ii) materially breaches the Joint Venture Agreement and, if capable of remedy, fails to remedy the breach or establish plans to remedy the breach in a manner satisfactory to the non-defaulting party acting reasonably within 30 days of notice; or (iii) suffers or incurs an insolvency event. If any such event occurs, the non-defaulting party may serve written notice which prevents the defaulting shareholder from attending and voting at general meetings of the Longmartin Joint Venture and/or suspends any director appointed by the defaulting shareholder. If such notice is given by the non-defaulting shareholder, it is deemed to be a Default Transfer Notice which requires the defaulting party to sell its shares in the Longmartin Joint Venture to the non-defaulting party (see further detail below).

The Joint Venture Agreement continues until the earlier of: (i) the dissolution of the Longmartin Joint Venture; (ii) the disposal of all the Longmartin Joint Venture’s properties; (iii) a written agreement to terminate the arrangement is entered into between The Mercers’ Company and Shaftesbury; (iv) if a shareholder wishes to sell its shares in the Longmartin Joint Venture (either to a third party or to the other shareholder) and, in the case of a third party has first offered those shares to the remaining other shareholder in accordance with the pre-emption provisions of the Longmartin Articles, and the other shareholder: (x) not accepting the offer and, where relevant, not consenting to the transfer of shares to the third party; or (y) not notifying the selling shareholder of its response within the requisite time period and such offer lapsing in accordance with terms of the Longmartin Articles (see further below); or (v) if there is only one beneficial owner of all the shares. On termination of the Joint Venture Agreement, the Longmartin Joint Venture is to be wound up and its assets distributed to Shaftesbury and The Mercers’ Company in accordance with the Longmartin Articles.

*Longmartin Articles*

The share capital of the Longmartin Joint Venture consists of A shares held by The Mercers’ Company and B shares held by Shaftesbury.

Pursuant to the Longmartin Articles, Shaftesbury and The Mercers’ Company are each entitled to appoint up to four directors to the board of directors of the Longmartin Joint Venture and, at any one time, at least two directors must be appointed by each party. The Mercers’ Company is entitled to appoint the chair of the board of directors. The chair is not entitled to a casting vote.

Issues of new shares and transfers of existing shares in the Longmartin Joint Venture are subject to pre-emption provisions. On a new issue of shares, those shares must first be offered to the existing shareholders in proportion to their shareholdings at the date of the issue. New shares in the

Longmartin Joint Venture may only be issued to an existing shareholder. In the case of a proposed share transfer by one shareholder, those shares must first be offered to the other shareholder.

A shareholder may transfer its shares in the Longmartin Joint Venture ("**LMJV Shares**") to a member of that shareholder's group (provided that the board of directors of the Longmartin Joint Venture is reasonably satisfied that the proposed transferee is a member of such group). Where a shareholder is proposing to transfer any of its LMJV Shares to a third party, it must first give written notice to the other shareholder setting out the terms on which the transfer is proposed (including details of the proposed third party transferee) and offer the LMJV Shares to the other shareholder on the same terms. The offer remains open for acceptance by the other shareholder for 120 business days from the date of offer. During this time, the other shareholder can either: (i) accept the offer; (ii) decline the offer to acquire the LMJV Shares itself but consent to the transfer to a third party; or (iii) decline the offer and refuse to give its consent to the transfer to a third party. Where a shareholder to whom an offer has been made does not accept the offer and does not consent to the transfer of the LMJV Shares to the third party, or the offer period expires, the offer will lapse and the termination provisions of the Joint Venture Agreement will apply pursuant to which the Longmartin Joint Venture will be wound up.

If an event of default occurs ("**Event of Default**") (which includes the failure by a shareholder to pay any amount due under the Joint Venture Agreement within 20 business days; a shareholder committing a material breach of the Joint Venture Agreement which it fails to remedy within 30 days of notice to do so by the other shareholder; the failure by a shareholder to comply with the provisions of the Longmartin Articles; or a shareholder being unable to pay its debts, taking any steps to appoint a receiver or administrator or a court order being made for the liquidation or administration of any shareholder) (the "**Defaulting Shareholder**"), the Defaulting Shareholder is required to notify the Longmartin Joint Venture and the other shareholder (the "**Non-Defaulting Shareholder**") of that fact, as soon as practicable. Following an Event of Default, the Non-Defaulting Shareholder has a period of nine months to require, by written notice to the Longmartin Joint Venture and the Defaulting Shareholder, the Defaulting Shareholder to make an offer to sell its LMJV Shares to the Non-Defaulting Shareholder or a third party purchaser nominated by the Non-Defaulting Shareholder. If a change of control occurs in respect of either of Shaftesbury (which would include the Merger) or The Mercers' Company, the shareholder who is subject to such change of control (the "**Affected Shareholder**") must notify the Longmartin Joint Venture and the other shareholder (the "**Non-Affected Shareholder**") of such fact. Additionally, if a shareholder believes that a change of control has occurred in respect of the other shareholder, it can require that the alleged Affected Shareholder certifies whether a change of control has occurred and provides reasonable supporting evidence. If: (i) the Affected Shareholder gives notice that a change of control has occurred; (ii) the Affected Shareholder provides a certificate at the request of the Non-Affected Shareholder which evidences that a change of control has occurred; or (iii) the Affected Shareholder fails to provide a certificate evidencing whether a change of control has occurred within 28 days of a request by the Non-Affected Shareholder to provide such a certificate, the Non-Affected Shareholder has a period of nine months to require, by written notice to the Longmartin Joint Venture and the Affected Shareholder, the Affected Shareholder to make an offer to sell its LMJV Shares to the Non-Affected Shareholder.

Following service of notice by the Non-Defaulting Shareholder or the Non-Affected Shareholder pursuant to an Event of Default or a change of control respectively, the voting rights attaching to the LMJV Shares and the voting rights of the directors appointed to the board of the Longmartin Joint Venture by the Defaulting / Affected Shareholder, are suspended until such LMJV Shares have been transferred from the Defaulting Shareholder / Affected Shareholder to the Non-Defaulting Shareholder (or its nominated third party purchaser) / Non-Affected Shareholder or until the Non-Defaulting Shareholder / Non-Affected Shareholder waives such suspension. The price payable for the LMJV Shares held by the Defaulting Shareholder / Affected Shareholder is that agreed between the Non-Defaulting Shareholder / Non-Affected Shareholder and the Defaulting Shareholder / Affected Shareholder or, failing agreement, as determined by an independent share valuation expert. If the Non-Defaulting Shareholder / Non-Affected Shareholder fails to require the Defaulting Shareholder / Affected Shareholder to make an offer to sell its LMJV Shares within the nine month period referred to above or the Non-Defaulting Shareholder / Non-Affected Shareholder declines the offer (and, in the case of the Non-Defaulting Shareholder, does not notify the Longmartin Joint Venture of a third party purchaser), the offer lapses and the Joint Venture Agreement continues.

(h) **Shaftesbury AV LM Facility Agreement**

Under the terms of the facility agreement, dated 21 December 2011 (as amended and restated from time to time and as most recently amended on 21 July 2020, 10 March 2021 and 17 March 2022), Aviva Commercial Finance Limited as lender has made available to the Longmartin Joint Venture a sterling term loan facility in an aggregate amount of £120 million (the “**Shaftesbury AV LM Facility Agreement**”). The Shaftesbury AV LM Facility Agreement was put in place to, amongst other things, finance/refinance the properties secured under the Shaftesbury AV LM Facility Agreement and to provide an equity release to the shareholders of the Longmartin Joint Venture. The loan is fully drawn as at the date of this document

The Shaftesbury AV LM Facility Agreement is secured against the Longmartin Joint Venture’s properties, the rental income deriving there from various contracts associated with the properties and money held in specific accounts.

The Longmartin Joint Venture is permitted to voluntarily prepay any of the outstanding loan (subject to giving the lender three months’ written notice of its proposal to do so, a de minimis threshold and the payment of an early repayment fee which seeks to indemnify the lender against any reduction in the rate of return that the lender expects to receive on its investment in the facility as a direct or indirect result of the prepayment). The Longmartin Joint Venture must repay the loan in full on 21 December 2026, with no prior requirements for amortisation of the loan. Interest is charged on each loan at a fixed rate of 4.43 per cent. per annum and is payable quarterly on each interest payment date.

*Financial covenants*

The Shaftesbury AV LM Facility Agreement contains the following primary covenants:

- a maximum restriction on loan to valuation of specifically secured assets, which is set at 60 per cent.; and
- a minimum ratio of actual and projected net rental income of specific secured assets, adjusted to exclude certain costs, to gross interest and fees payable under the loans during the relevant calculation period, which is set at 1.3:1.

Each of the financial covenants apply at all times, with the loan-to-value financial covenant being tested at the lender’s discretion by reference to the most recent valuation available and the interest cover financial covenants being tested annually on 31 March and on such other dates as the lender determines by reference to the quarterly management accounts and annual accounts (including following the amendment of the Shaftesbury AV LM Facility Agreement on 21 July 2020, by reference to compliance certificates delivered to the lender on a quarterly basis). Cure rights are available (subject to certain limits on the times that such rights can be exercised) in favour of the Longmartin Joint Venture in respect of both the loan-to-value and interest cover financial covenants whereby the Longmartin Joint Venture may deposit monies into a bank account secured in favour of the lender and/or prepay the loan.

*Representations and covenants*

In addition, the Shaftesbury AV LM Facility Agreement contains certain other representations and covenants by, and restrictions on, the Longmartin Joint Venture, including, without limitation, with respect to certain corporate activities such as disposals of assets and a restriction on the creation of security (in each case, subject to certain exceptions). The Shaftesbury AV LM Facility Agreement and the related security documents also contain certain covenants which specifically relate to the properties secured to the lender including, without limitation, restrictions relating to leasing arrangements and planning/development proposals (in each case, subject to certain exceptions) as well as positive covenants in relation to the collection of rent, insurance, repair and maintenance in respect of the properties.

*Events of default*

The Shaftesbury AV LM Facility Agreement also contains certain events of default. These events of default include, among others and subject to certain grace periods and materiality thresholds, failure to make payments under the Shaftesbury AV LM Facility Agreement and related finance documents, breach of any financial covenant described above, material misrepresentation, cross-default in excess of specified amounts, cessation of business operations and certain insolvency

events and proceedings, in each case, in respect of the Longmartin Joint Venture and its subsidiaries. If an event of default occurs, the lender may, by notice in writing to the Longmartin Joint Venture, demand immediate repayment of all outstanding amounts under the Shaftesbury AV LM Facility Agreement.

### **7.3 Offer-related Arrangements and other arrangements**

#### **(a) Confidentiality Agreement**

Shaftesbury and Capco have entered into the Confidentiality Agreement, dated 7 December 2021, pursuant to which each of Shaftesbury and Capco has undertaken, amongst other things: (i) to keep information relating to the Merger and to the other party confidential and not to disclose it to third parties (save where expressly permitted), including if required by law or regulation or where such information is already in the public domain or lawfully in the receiving party's possession; and (ii) to use the confidential information for the sole purpose of considering, evaluating, advising on or furthering the Merger. These confidentiality obligations will remain in force following Completion. The agreement also contains certain provisions pursuant to which each party has agreed not to solicit key employees, customers or suppliers of the other party, subject to customary carve-outs, for a period of 12 months from the date of the Confidentiality Agreement.

#### **(b) Co-operation Agreement**

Shaftesbury and Capco have entered into the Co-operation Agreement on 16 June 2022, pursuant to which Capco has agreed to co-operate with Shaftesbury and to take all steps as are reasonably necessary to satisfy the Conditions and to implement the Merger. Shaftesbury and Capco have also agreed to use all reasonable endeavours to secure the clearances necessary to satisfy the Conditions as soon as reasonably practicable, and in any event by the Long Stop Date.

Shaftesbury and Capco have agreed to certain undertakings to co-operate and provide each other with reasonable information and assistance in relation to any filing, submission and notification to be made in relation to such regulatory clearances and authorisations. Capco has also agreed to provide Shaftesbury with reasonable information, assistance and access for the preparation of the key shareholder documentation to be prepared by Shaftesbury.

The Co-operation Agreement shall be terminated with immediate effect if: (i) Shaftesbury and Capco so agree in writing, prior to the Scheme becoming effective; (ii) the Scheme is withdrawn or lapses; or (iii) the Scheme has not become effective in accordance with its terms by the Long Stop Date, in the case of (ii) and (iii) other than as a result of Capco exercising its right to proceed by way of a Takeover Offer or a person acting in concert with Capco implementing the Merger by a different takeover offer or scheme on substantially the same or improved terms in favour of the Shaftesbury Shareholders.

Capco has the right to terminate the Co-operation Agreement, inter alia, if: (i) a competing proposal for Shaftesbury completes, becomes effective or is declared or becomes unconditional in all respects; (ii) any condition to the Merger (a) which has not been waived is or has become incapable of satisfaction by the Long Stop Date and Capco will not waive such condition, or (b) which is incapable of waiver has become incapable of satisfaction by the Long Stop Date is, with the permission of the Panel, invoked or determined to be incapable of satisfaction; (iii) except in certain limited circumstances, this document (including the Shaftesbury Board's recommendation) is not posted by the date agreed by Shaftesbury and Capco and consented to by the Panel; (iv) the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of the Court Meeting (or such later date as may be agreed by Shaftesbury and Capco with the consent of the Panel and, if required, the Court); (v) the Shaftesbury Board withdraws, adversely modifies or adversely qualifies its recommendation of the Scheme; (vi) the Capco Resolutions are not passed at the Capco General Meeting; (vii) the Shaftesbury Resolutions are not passed at the General Meeting; (viii) the Court Hearing is not held on or before the later of (a) the 22nd day after the expected date of such hearing as set out in the Scheme Document or (b) 30 days after all conditions to the Merger have been satisfied or waived, or such later date as Shaftesbury and Capco agree; (ix) the Court refuses to sanction the Scheme; or (x) the Scheme is not approved by the requisite majority of Scheme Shareholders at the Court Meeting.

Shaftesbury has the right to terminate the Co-operation Agreement, inter alia, if: (i) a competing proposal for Capco (a) completes, becomes effective or is declared or becomes unconditional in all

respects, or (b) is recommended in whole or in part by the Capco Board; (ii) the Capco Board withdraws, adversely modifies or adversely qualifies its recommendation of the Merger; (iii) the Capco Resolutions are not passed at the Capco General Meeting; (iv) the Shaftesbury Resolutions are not passed at the General Meeting; (v) the Court refuses to sanction the Scheme; or (vi) the Scheme is not approved by the requisite majority of Scheme Shareholders at the Court Meeting.

The Co-operation Agreement records Capco's and Shaftesbury's intention to implement the Merger by way of the Scheme, subject to the ability of Capco to proceed by way of a Takeover Offer with the Panel's consent and in accordance with the terms of the Co-operation Agreement. The Co-operation Agreement permits Capco to implement the Merger by way of a Takeover Offer if, *inter alia*, (i) Shaftesbury provides its prior written consent; (ii) a third party announces a firm intention to make an offer for Shaftesbury which is recommended by the Shaftesbury Board; (iii) Shaftesbury announces its intention to proceed with a competing offer from a third party; or (iv) the Shaftesbury Board otherwise withdraws its recommendation of the Scheme.

The Co-operation Agreement also contains provisions that will apply in respect of or otherwise relate to the Shaftesbury Share Plans, the Capco Share Plan and certain other employee incentive arrangements.

(c) **Norges Bank Side Deed**

Capco and Norges Bank have entered into a side deed dated 16 June 2022 ("**Norges Bank Side Deed**") which sets out the terms upon which Capco and Norges Bank will co-operate and take all steps as are reasonably necessary to obtain the CMA clearance necessary for the implementation of the Merger ("**Merger Control Clearance**").

Capco and Norges Bank have agreed to certain undertakings to co-operate and provide each other with reasonable information and assistance as either party may require in order to obtain Merger Control Clearance or to make a submission or filing to the CMA.

Capco has the right to terminate the Norges Bank Side Deed, *inter alia*, if: (i) the Scheme is not approved by the requisite majority of Scheme Shareholders at the Court Meeting; (ii) the Capco Resolutions are not passed at the Capco General Meeting; (iii) the Shaftesbury Resolutions are not passed at the General Meeting; (iv) the Court refuses to sanction the Scheme; or (v) a competing proposal for Shaftesbury completes, becomes effective or is declared or becomes unconditional in all respects.

The Norges Bank Side Deed terminates: (i) if agreed in writing by the parties at any time prior to the Scheme becoming effective; or (ii) upon notice by either party if the irrevocable undertaking given by Norges Bank to Capco terminates in accordance with its terms.

8. **Undertakings and Letters of Intent**

8.1 **Shaftesbury Directors and Shaftesbury Shareholders**

(a) **Irrevocable undertakings from Shaftesbury Directors**

The Shaftesbury Directors have given irrevocable undertakings to, amongst other things, vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in relation to the following Shaftesbury Shares currently registered or beneficially held by them as well as any further Shaftesbury Shares which they may become the registered or

beneficial owner of, save for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme (to the extent applicable):

| <u>Name</u>                 | <u>Number of Shaftesbury Shares</u> | <u>Percentage of issued ordinary share capital of Shaftesbury</u> |
|-----------------------------|-------------------------------------|-------------------------------------------------------------------|
| Jonathan Nicholls . . . . . | 57,500                              | 0.015%                                                            |
| Brian Bickell . . . . .     | 836,539                             | 0.218%                                                            |
| Christopher Ward . . . . .  | 127,104                             | 0.033%                                                            |
| Simon Quayle . . . . .      | 1,154,139                           | 0.300%                                                            |
| Thomas Welton . . . . .     | 312,171                             | 0.081%                                                            |
| Richard Akers . . . . .     | 14,896                              | 0.004%                                                            |
| Ruth Anderson . . . . .     | 5,000                               | 0.001%                                                            |
| Helena Coles . . . . .      | —                                   | —                                                                 |
| Jennelle Tilling . . . . .  | 12,500                              | 0.003%                                                            |
| <b>TOTAL . . . . .</b>      | <b><u>2,519,849</u></b>             | <b><u>0.656%</u></b>                                              |

The obligation of the Shaftesbury Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- (i) the Scheme (or Takeover Offer, as applicable) lapses or is withdrawn and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time;
- (ii) this document (or Offer Document, as applicable) is not posted to Shaftesbury Shareholders within 28 days after the release of the Announcement (or within such longer period as Shaftesbury and Capco may agree, with the consent of the Panel);
- (iii) the Scheme (or Takeover Offer, as applicable) has not been declared unconditional in all respects or otherwise become effective prior to the Long Stop Date;
- (iv) Capco publicly announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time; or
- (v) a competing offer is made for Shaftesbury and such competing offer is declared unconditional in all respects or otherwise becomes effective.

**(b) Irrevocable undertaking in respect of the Secured Existing Capco Shareholding**

The Capco Chargors, which hold the Secured Existing Capco Shareholding will undertake to the Court to be bound by the terms of the Scheme as set out in this document, and to procure that any transferee of the Secured Existing Capco Shareholding who is a member of the Capco Group shall also so undertake to Shaftesbury and the Court.

**(c) Irrevocable undertaking from other Shaftesbury Shareholders**

The following holders, controllers or beneficial owners of Shaftesbury shares have given an irrevocable undertaking that they shall or shall procure that the registered holder of such Shaftesbury shares shall, amongst other things, vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to the following Shaftesbury Shares as well as any further Shaftesbury Shares which the relevant holders, controllers or beneficial owners or their subsidiaries become the registered or beneficial owner of or become otherwise interested in:

| <u>Name</u>            | <u>Number of Shaftesbury Shares</u> | <u>Percentage of issued share capital of Shaftesbury</u> |
|------------------------|-------------------------------------|----------------------------------------------------------|
| Norges Bank . . . . .  | 98,925,310                          | 25.75%                                                   |
| <b>TOTAL . . . . .</b> | <b><u>98,925,310</u></b>            | <b><u>25.75%</u></b>                                     |

The obligations of Norges Bank under the irrevocable undertaking it has given shall lapse and cease to have effect if, *inter alia*:

- (i) the Scheme lapses or is withdrawn and no new replacement Scheme (to which the undertakings apply) has been publicly announced in accordance with Rule 2.7 of the Code at the same time, or does not become effective on or before the Long Stop Date, provided that the reason is not because Capco has elected to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (ii) Capco announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new replacement scheme or Takeover Offer (to which the relevant undertakings apply) is announced by Capco at the same time.

Additionally, the irrevocable undertaking from Norges Bank will terminate if (i) the board of either party withdraws, adversely modifies or adversely qualifies its recommendation or announces that it is considering doing so; or (ii) the CMA refers the Merger to a Phase 2 investigation.

## 8.2 *Capco Directors and Capco Shareholders*

### (a) **Irrevocable undertakings from Capco Directors**

The Capco Directors have given irrevocable undertakings to, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in relation to the following Capco Shares currently registered or beneficially held by them as well as any further Capco Shares they may become the registered or beneficial owner of:

| <u>Name</u>                 | <u>Number of Capco Shares</u> | <u>Percentage of issued share capital of Capco</u> |
|-----------------------------|-------------------------------|----------------------------------------------------|
| Henry Staunton . . . . .    | 0                             | 0.000%                                             |
| Ian Hawksworth . . . . .    | 811,575                       | 0.095%                                             |
| Situl Jobanputra . . . . .  | 62,500                        | 0.007%                                             |
| Michelle McGrath . . . . .  | 40,000                        | 0.005%                                             |
| Anthony Steains . . . . .   | 0                             | 0.000%                                             |
| Charlotte Boyle . . . . .   | 15,052                        | 0.002%                                             |
| Jonathan Lane OBE . . . . . | 23,650                        | 0.003%                                             |
| <b>TOTAL . . . . .</b>      | <b><u>952,777</u></b>         | <b><u>0.112%</u></b>                               |

The obligations of the Capco Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- (i) the Circular is not despatched to Capco Shareholders on or before the date agreed by Shaftesbury and Capco or such later time as agreed by the Panel, save that, if Capco subsequently elects to proceed by way of a Takeover Offer, then the deadline for despatching the Circular shall be 28 days after the date of an announcement by Capco announcing the change in structure;
- (ii) the Scheme (or Takeover Offer, as applicable) has not been declared unconditional in all respects or otherwise become effective prior to the Long Stop Date;
- (iii) Capco publicly announces with the consent of the Panel that it does not intend to proceed with the Merger and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time; or
- (iv) a competing offer is made for Shaftesbury and such competing offer is declared unconditional in all respects or otherwise becomes effective.

### (b) **Irrevocable undertaking from other Capco Shareholders**

The following holders, controllers or beneficial owners of Capco Shares have given an irrevocable undertaking that they shall or shall procure that the registered holder of such Capco Shares shall, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in respect of which they are entitled to vote in relation to the following Capco Shares as

well as any further Capco Shares which the relevant holders, controllers or beneficial owners or their subsidiaries become the registered or beneficial owner of:

| <u>Name</u>            | <u>Number of Capco Shares</u> | <u>Percentage of issued share capital of Capco</u> |
|------------------------|-------------------------------|----------------------------------------------------|
| Norges Bank . . . . .  | <u>127,656,465</u>            | <u>15.00%</u>                                      |
| <b>TOTAL</b> . . . . . | <b><u>127,656,465</u></b>     | <b><u>15.00%</u></b>                               |

The obligations of Norges Bank under the irrevocable undertaking it has given shall lapse and cease to have effect if:

- (i) the Scheme lapses or is withdrawn and no new replacement Scheme (to which the undertakings apply) has been publicly announced in accordance with Rule 2.7 of the Code at the same time, or does not become effective on or before the Long Stop Date, provided that the reason is not because Capco has elected to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- (ii) Capco announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new replacement scheme or Takeover Offer (to which the relevant undertakings apply) is announced by Capco at the same time.

Additionally, the irrevocable undertaking from Norges Bank will terminate if (i) the board of either party withdraws, adversely modifies or adversely qualifies its recommendation or announces that it is considering doing so; or (ii) the CMA refers the Merger to a Phase 2 investigation.

**(c) Letter of intent from Capco Shareholders**

The following holders, controllers or beneficial owners of Capco Shares have delivered to Capco a non-binding and revocable letter of intent to, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in relation to the Capco Shares to which they currently hold the voting rights as well as any further Capco Shares in respect of which they become entitled to exercise the voting rights.

| <u>Name</u>                            | <u>Number of Capco Shares</u> | <u>Percentage of issued share capital of Capco</u> |
|----------------------------------------|-------------------------------|----------------------------------------------------|
| Madison International Realty . . . . . | <u>34,783,462</u>             | <u>4.09%</u>                                       |
| <b>TOTAL</b> . . . . .                 | <b><u>34,783,462</u></b>      | <b><u>4.09%</u></b>                                |

**9. Merger-related Fees and Expenses**

**9.1 Capco Group Fees and Expenses**

The aggregate fees and expenses expected to be incurred by the Capco Group in connection with the Merger (excluding any applicable VAT) are expected to be:

| <u>Category</u>                                                 | <u>Amount (millions)</u> |
|-----------------------------------------------------------------|--------------------------|
| Financing arrangements <sup>(1)</sup> . . . . .                 | £ 3.3                    |
| Financial and corporate broking advice <sup>(1)</sup> . . . . . | £15.6                    |
| Legal advice <sup>(2)</sup> . . . . .                           | £ 9.8                    |
| Accounting and tax advice . . . . .                             | £ 0.9                    |
| Public relations advice . . . . .                               | £ 0.2                    |
| Other professional services . . . . .                           | £ 0.8                    |
| Other costs and expenses . . . . .                              | £ 2.4                    |
| <b>Total</b> . . . . .                                          | <b>£33.0</b>             |

**Notes**

- (1) The total amount payable depends on (amongst other things) whether the Merger becomes Effective.
- (2) The fees for these services are uncapped and the final level of fees will be calculated by reference to the time costs incurred, taking account of the outcome of the transaction (including the regulatory approval process). The amount(s) included here reflect the time costs incurred up to the Latest Practicable Date and an estimate of the further time required, based on a mid-case set of assumptions around the regulatory approval process.

In addition, stamp duty of 0.5 per cent. on the purchase price of the Shaftesbury Shares acquired pursuant to the Merger will be payable by Capco (amounting to approximately £10.1 million).

## 9.2 *Shaftesbury Fees and Expenses*

The aggregate fees and expenses expected to be incurred by Shaftesbury in connection with the Merger (excluding any applicable VAT) are expected to be approximately:

| <u>Category</u>                                                 | <u>Amount<br/>(millions)</u> |
|-----------------------------------------------------------------|------------------------------|
| Financing arrangements . . . . .                                | £ 1.7                        |
| Financial and corporate broking advice <sup>(1)</sup> . . . . . | £25.4                        |
| Legal advice <sup>(2)</sup> . . . . .                           | £ 4.0                        |
| Accounting and tax advice . . . . .                             | £ 0.2                        |
| Public relations advice . . . . .                               | £ 0.4                        |
| Other professional services . . . . .                           | £ 0.8                        |
| Other costs and expenses . . . . .                              | £ 3.2                        |
| <b>Total</b> . . . . .                                          | <b>£35.7</b>                 |

### **Notes**

- (1) The total amount payable depends on (amongst other things) whether the Merger becomes Effective.
- (2) The fees for these services, which comprise legal and anti-trust advice, are uncapped and the final level of fees will be calculated by reference to the time costs incurred. The amount(s) included here reflect the time costs incurred up to the Latest Practicable Date and an estimate of the further time required, based on a mid-case set of assumptions around the regulatory approval process.

## 10. **Ratings**

There are no current public ratings or outlooks accorded to either Shaftesbury or Capco by any rating agencies.

## 11. **Persons Acting in Concert**

- 11.1 In addition to Capco, the Capco Directors and the members of the Capco Group, the persons who, for the purposes of the Code, are acting in concert with Capco are:

| <u>Name</u>                              | <u>Type</u>        | <u>Registered Office</u>                                               | <u>Relationship with Capco</u>                       |
|------------------------------------------|--------------------|------------------------------------------------------------------------|------------------------------------------------------|
| N.M. Rothschild & Sons Limited . . . . . | Financial Services | New Court,<br>St Swithin's Lane,<br>London EC4N 8AL,<br>United Kingdom | Lead Financial<br>Adviser and UK<br>Sponsor to Capco |
| UBS AG London Branch . . . . .           | Financial Services | 5 Broadgate, London,<br>United Kingdom,<br>EC2M 2QS                    | Joint Financial<br>Adviser and Corporate<br>Broker   |
| Jefferies . . . . .                      | Financial Services | 100 Bishopsgate,<br>London EC2N 4JL                                    | Joint Financial<br>Adviser and Corporate<br>Broker   |
| Peel Hunt . . . . .                      | Financial Services | 7 <sup>th</sup> Floor,<br>100 Liverpool Street,<br>London EC2M 2AT     | Joint Corporate Broker                               |

- 11.2 In addition to the Shaftesbury Directors, the persons who, for the purposes of the Code, are acting in concert with Shaftesbury are:

| <u>Name</u>                                   | <u>Type</u>        | <u>Registered Office</u>                                   | <u>Relationship with<br/>Shaftesbury</u>           |
|-----------------------------------------------|--------------------|------------------------------------------------------------|----------------------------------------------------|
| Evercore Partners International LLP . . . . . | Financial Services | 15 Stanhope Gate,<br>London W1K 1LN                        | Joint Lead Financial<br>Adviser                    |
| Blackdown Partners Limited . . . . .          | Financial Services | 52 Grosvenor Gardens,<br>London, England,<br>SW1W 0AU      | Joint Lead Financial<br>Adviser                    |
| Liberum . . . . .                             | Financial Services | Ropemaker Place,<br>25 Ropemaker Street<br>London EC2Y 9LY | Joint Financial<br>Adviser and Corporate<br>Broker |
| J.P. Morgan Cazenove . . . . .                | Financial Services | 25 Bank Street,<br>Canary Wharf London<br>E14 5JP          | Joint Financial<br>Adviser and Corporate<br>Broker |

## **12. No Significant Change**

Save to the extent disclosed in this document, there has been no significant change in the financial or trading position of Shaftesbury since 31 March 2022, being the date to which Shaftesbury's half year results for the six month period ended 31 March 2022 were prepared.

Save to the extent disclosed in this document, there has been no significant change in the financial or trading position of the Capco Group since 31 December 2021, being the date to which the last consolidated financial statements of the Capco Group were prepared.

## **13. Ultimate owner of Shaftesbury Shares acquired**

There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Shaftesbury Shares to be acquired pursuant to the Merger will be transferred to any person, but Capco reserves the right to transfer any such shares to any member of the Capco Group.

## **14. Consent**

- 14.1 Rothschild & Co has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.2 UBS has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.3 Jefferies has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.4 Peel Hunt has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.5 Java Capital has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.6 HSBC has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.7 Barclays has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.8 BNP Paribas has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.9 Evercore has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.10 Blackdown has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.11 Liberum has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.12 J.P. Morgan Cazenove has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.13 KPMG has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.14 CBRE has given and not withdrawn its written consent to the issue of this document with the inclusion of its valuation report as at 30 June 2022 and to references to its name in the form and context in which they are included.
- 14.15 JLL has given and not withdrawn its written consent to the publication of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.16 Cushman & Wakefield has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.
- 14.17 Knight Frank has given and not withdrawn its written consent to the issue of this document with the inclusion of references to its name in the form and context in which they are included.

## 15. Documents published on a website

Copies of the following documents are available for view on Shaftesbury's website at <https://www.shaftesbury.co.uk/en/investor-relations/recommended-all-share-merger-withcapco.html> and Capco's website at [www.capitalandcounties.com/investors/investor-information/merger-shaftesbury-plc](http://www.capitalandcounties.com/investors/investor-information/merger-shaftesbury-plc) (as applicable) (subject to, in each case, any applicable restrictions relating to persons resident in Restricted Jurisdictions) up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (a) this document, the Forms of Proxy and the Online Platform Guide;
- (b) the Announcement;
- (c) the irrevocable undertakings and letters of intent referred to in paragraph 8 above;
- (d) the material contracts referred to in paragraph 7.3 above, being offer related arrangements entered into in connection with the Merger;
- (e) the written consents referred to in paragraph 14 above;
- (f) a letter from KPMG confirming that its report in connection with the Quantified Financial Benefits Statement (as referred to in Part Twelve (*Quantified Financial Benefits Statement*)) continues to apply, as required by Rule 27.2(d) of the Code;
- (g) a letter from Rothschild & Co confirming that its report in connection with the Quantified Financial Benefits Statement (as referred to in Part Twelve (*Quantified Financial Benefits Statement*)) continues to apply, as required by Rule 27.2(d) of the Code;
- (h) the audited consolidated accounts of Capco for the two financial years ended 31 December 2020 and 31 December 2021;
- (i) the audited consolidated accounts of Shaftesbury for the two financial years ended 30 September 2020 and 30 September 2021, and the interim financial accounts for the six month period ended 31 March 2022;
- (j) the Loan Facility Agreement and other documents relating to financing arrangements as referred to in Rule 24.3(e) of the Code;
- (k) the Prospectus and Circular;
- (l) Capco's memorandum and articles of association;
- (m) Shaftesbury's memorandum and articles of association;
- (n) Shaftesbury's articles of association as proposed to be amended by special resolution; and
- (d) the valuation reports contained in Part Thirteen (*Valuation Reports*) of this document.

Neither the contents of Shaftesbury's or Capco's website, nor those of any other website accessible from hyperlinks on Shaftesbury's or Capco's website, are incorporated into or form part of this document.

## 16. Sources of Information and Bases of Calculation

16.1 The issued and to be issued share capital of Shaftesbury (being 385,205,187 Shaftesbury Shares) is calculated as at the Latest Practicable Date on the basis of:

- (a) 384,214,860 Shaftesbury Shares in issue as at the Latest Practicable Date; and
- (b) 990,327 Shaftesbury Shares which are expected to be issued after the date of this document on the exercise of options or vesting of awards under the Shaftesbury Share Plans (as calculated on the Latest Practicable Date), but excluding awards under the Shaftesbury Sharesave Scheme as an exchange for equivalent Capco awards will be offered and, for the avoidance of doubt, excluding options granted under the Shaftesbury Deferred Share Bonus Plan which will be settled using existing shares held or to be acquired by Shaftesbury's employee benefit trust.

16.2 The issued and to be issued share capital of Capco (being 857,684,860 Capco Shares) is calculated as at the Latest Practicable Date on the basis of:

- (a) 851,274,235 Capco Shares in issue as at the Latest Practicable Date; and

- (b) 6,410,625 Capco Shares which are expected to be issued after the date of this document on the exercise of options or vesting of awards under the Capco Share Plan (as calculated on the Latest Practicable Date), but excluding awards under the schedule to the Capco Share Plan which provides for market-value options as participants will be offered the opportunity of releasing their options for a cash payment equivalent to the market value of one-third of Capco Shares under such options which vest.
- 16.3 The estimated total issued share capital of the Combined Group of 1,824,998,781 Capco Shares (excluding the New Capco Shares which will be issued to replace the Secured Existing Capco Shareholding, being 38,008,138 Shaftesbury Shares as at close of business on the day before the Announcement Date, as the Exchange Property under Capco's Exchangeable Bonds) is calculated as at close of business on the day before the Announcement Date as: (i) the Shaftesbury issued and to be issued share capital of 385,205,187 Shaftesbury Shares, less the 96,971,003 Shaftesbury Shares owned by Capco, multiplied by (ii) the Exchange Ratio, plus (iii) the issued and to be issued share capital of Capco being 857,684,860 Capco Shares.
- 16.4 The estimated total number of shares which are expected to be issued after the date of this document (excluding for the avoidance of doubt the New Capco Shares to be issued on the Merger) consists of the 6,410,625 Capco Shares referred to in paragraph 16.2(b) above and the 990,327 Shaftesbury Shares (equivalent to 3,323,537 New Capco Shares at the Exchange Ratio) referred to in paragraph 16.1(b) above.
- 16.5 The financial information relating to Shaftesbury, unless otherwise stated, has been extracted or derived (without any adjustment) from:
- (a) audited consolidated financial statements of Shaftesbury for the year ended 30 September 2021;
  - (b) unaudited consolidated interim financial statements contained in the interim results of Shaftesbury for the six months ended 31 March 2022; and
  - (c) the unaudited trading information for the period from 1 April 2022 to 30 June 2022 referred to in paragraph 12 of Part One (*Letter from the Chairman of Shaftesbury*) of this document.
- 16.6 The financial information relating to Capco, unless otherwise stated, has been extracted or derived (without any adjustment) from:
- (a) audited consolidated financial statements of Capco for the year ended 31 December 2021;
  - (b) the trading update for the period to 31 March 2022, as announced on 16 June 2022; and
  - (c) the unaudited trading information for the period from 31 March 2022 to 30 June 2022, referred to in paragraph 12 of Part One (*Letter from the Chairman of Shaftesbury*) of this document.
- 16.7 The synergy numbers are unaudited. Further information underlying the Quantified Financial Benefits Statement contained in this document is provided in Part Twelve (*Quantified Financial Benefits Statement*).
- 16.8 Property portfolio and valuation information relating to Shaftesbury is extracted from the valuation reports produced by Cushman & Wakefield and Knight Frank as set out in Part Thirteen (*Valuation Reports*) of this document.
- 16.9 Property portfolio and valuation information relating to Capco is extracted from the valuation reports produced by CBRE and JLL as set out Part Thirteen (*Valuation Reports*) of this document.

- 16.10 For the purposes of Rule 29.1(d) of the Code, a valuation of Capco's property portfolio as at 31 March 2022 has been obtained. This has been used to calculate Capco's adjusted net assets and Capco's adjusted and unaudited EPRA NTA per Capco Share as at 31 March 2022:

| <b>£m unless stated</b>                                     | <b>Audited<br/>financials<br/>31-Dec-21</b> | <b>Adjustment for<br/>Existing Capco<br/>Shareholding<br/>as at<br/>31-Mar-22<sup>(2)</sup></b> | <b>Adjustment for<br/>Capco's<br/>valuation<br/>as at<br/>31-Mar-22<sup>(4)</sup></b> | <b>Estimated<br/>unaudited<br/>financials<br/>as at<br/>31-Mar-22</b> |
|-------------------------------------------------------------|---------------------------------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Investment, development & trading properties <sup>(1)</sup> | 1,694.5                                     |                                                                                                 | 37.2                                                                                  | 1,731.7                                                               |
| Joint venture                                               | 0.3                                         |                                                                                                 |                                                                                       | 0.3                                                                   |
| Equity Investment <sup>(3)</sup>                            | 596.4                                       | 2.4                                                                                             |                                                                                       | 598.8                                                                 |
| Net debt                                                    | (622.0)                                     |                                                                                                 |                                                                                       | (622.0)                                                               |
| Other net assets                                            | 117.2                                       |                                                                                                 |                                                                                       | 117.2                                                                 |
| <b>Net assets</b>                                           | <b>1,786.4</b>                              | <b>2.4</b>                                                                                      | <b>37.2</b>                                                                           | <b>1,826.0</b>                                                        |
| EPRA adjustments <sup>(5)</sup>                             | 23.3                                        |                                                                                                 |                                                                                       | 23.3                                                                  |
| <b>EPRA NTA</b>                                             | <b>1,809.7</b>                              | <b>2.4</b>                                                                                      | <b>37.2</b>                                                                           | <b>1,849.3</b>                                                        |
| Total shares (million) <sup>(6)</sup>                       | 851.9                                       |                                                                                                 |                                                                                       | 851.9                                                                 |
| <b>EPRA NTA per share (pence)</b>                           | <b>212.4</b>                                |                                                                                                 |                                                                                       | <b>217.1</b>                                                          |

**Notes**

- (1) Investment property includes a £42 million deduction in respect of tenant lease incentives and £6.1 million addition for fixed head leases.
- (2) Represents the increase in the market value of Capco's 25.2 per cent. shareholding in Shaftesbury between 31 December 2021 and 31 March 2022.
- (3) Capco's stake in Shaftesbury adjusted for the market value as at 31 March 2022. This is based on a closing Shaftesbury share price on 31 March 2022 of 618 pence.
- (4) Represents the revaluation gains following the Valuation per the Rule 29 valuation reports as at 31 March 2022.
- (5) Adjustments with respect to: (i) fair value of derivative financial instruments (ii) fair value of exchangeable bond option (iii) unrecognised surplus on trading property and (iv) deferred tax.
- (6) Total diluted shares as at 31 December 2021.

- 16.11 For the purposes of Rule 29.1(d) of the Code, an up to date valuation of Shaftesbury's property portfolio as at 31 March 2022 has been obtained. This has been used to calculate Shaftesbury's net assets and Shaftesbury's EPRA NTA per Shaftesbury Share as at 31 March 2022 as reported in the interim results of Shaftesbury for the six months ended 31 March 2022:

| <b>£m unless stated</b>                    | <b>31 March 2022</b> |
|--------------------------------------------|----------------------|
| Investment properties <sup>(1)</sup>       | 3,216.6              |
| Investment in joint venture <sup>(2)</sup> | 90.9                 |
| Net debt                                   | (755.9)              |
| Other net assets                           | 53.2                 |
| <b>Net assets</b>                          | <b>2,604.8</b>       |
| EPRA adjustments <sup>(3)</sup>            | 11.1                 |
| <b>EPRA NTA</b>                            | <b>2,615.9</b>       |
| Total shares (million)                     | 385.4                |
| <b>EPRA NTA per share (pence)</b>          | <b>679</b>           |

**Notes**

- (1) Adjustments made to the fair value of the Shaftesbury Group's investment properties to arrive at the book value of £3,216.6 million are set out in note 5 of the interim results of Shaftesbury for the six months ended 31 March 2022.
- (2) The net asset value of the Shaftesbury Group's investment in the Longmartin Joint Venture of £90.9 million is set out in note 7 of the interim results of Shaftesbury for the six months ended 31 March 2022. Adjustments made to the fair value of the Longmartin Joint Venture's investment properties to arrive at the book value at 31 March 2022 are also set out in note 7 of the interim results of Shaftesbury for the six months ended 31 March 2022.
- (3) Adjustments with respect to (i) dilutive effect of share options of £0.7 million and (ii) deferred tax of £10.4 million.

- 16.12 The Combined Group's EPRA NTA of approximately £3.8 billion is calculated by the addition of the Capco's estimated and unaudited 31 March 2022 EPRA NTA of approximately £1.8 billion and Shaftesbury's unaudited 31 March 2022 Interim EPRA NTA of approximately £2.6 billion less the value

of Capco's equity investment in Shaftesbury of approximately £599 million and less the estimated transaction costs of the Merger of approximately £79 million.

- 16.13 The Combined Group's EPRA NTA per share of approximately 208 pence per share is equal to the Combined Group's EPRA NTA of approximately £3.8 billion divided by the estimated total issued share capital of the Combined Group of 1,824,998,781 Capco Shares.
- 16.14 The Combined Group's estimated net debt of approximately £1.5 billion is calculated as the Capco 31 March 2022 net debt of approximately £622 million plus the Shaftesbury 31 March 2022 net debt of approximately £756 million (after allowing for estimated transaction costs).
- 16.15 LTV is calculated as the Combined Group's estimated net debt of approximately £1.5 billion divided by the 31 March 2022 market value of the Combined Group's property portfolio.
- 16.16 The Combined Group portfolio value of approximately £5.0 billion represents the market value of the wholly owned Shaftesbury and Capco assets as at 31 March 2022 and 30 June 2022 respectively, excluding Shaftesbury and Capco's share of joint venture assets.
- 16.17 Detail on the transaction costs to be incurred by Capco and Shaftesbury in connection with the Merger are set out at paragraph 9 of Part Eight (*Additional Information on Shaftesbury and Capco*) of this document and also set out in the Prospectus.
- 16.18 Unless otherwise stated, all prices for Shaftesbury and Capco Shares are the Closing Price derived from Bloomberg for the relevant date.
- 16.19 Certain figures included in this document have been subject to rounding adjustments.

## PART NINE DEFINITIONS

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Admission” . . . . .                        | admission of the New Capco Shares (i) to the Official List with a premium listing and to trading on the Main Market of the London Stock Exchange and (ii) to trading on the Main Board of the JSE;                                                                                                                                                                                                                                                                                                                                                                  |
| “Announcement” . . . . .                     | the announcement made on 16 June 2022 in relation to the Merger pursuant to Rule 2.7 of the Code;                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| “Announcement Date” . . . . .                | means the date of the Announcement;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| “Annualised Current Income” . . . . .        | total annualised actual and ‘estimated income’ reserved by leases at a valuation date. No rent is attributed to leases which were subject to rent-free periods at that date. It does not reflect any ground rents, head rents nor rent charges and estimated irrecoverable outgoings at the valuation date. ‘Estimated income’ refers to gross ERVs in respect of rent reviews outstanding at the valuation date and, where appropriate, ERV in respect of lease renewals outstanding at the valuation date where the fair value reflects terms for a renewed lease |
| “Annualised Gross Income” . . . . .          | Annualised Current Income plus sundry non-leased income;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| “Australia” . . . . .                        | The Commonwealth of Australia, its states, territories and possessions;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Authorisations” . . . . .                   | authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals;                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Barclays” . . . . .                         | Barclays Bank PLC, acting through its Investment Bank;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| “Blackdown” . . . . .                        | Blackdown Partners Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Board of the Combined Group” . . . . .      | the board of directors of the Combined Group following Completion comprising the individuals whose names are listed in paragraph 5 of Part Two ( <i>Explanatory Statement</i> ) of this document;                                                                                                                                                                                                                                                                                                                                                                   |
| “Business Day” or “business day” . . . . .   | a day (other than a Saturday or Sunday or public or bank holiday) on which clearing banks in London are generally open for normal business;                                                                                                                                                                                                                                                                                                                                                                                                                         |
| “Buyback Contract” . . . . .                 | the contract to be entered into between the SLP and Capco in relation to the repurchase of the Secured New Capco Shares at any time when such shares are permitted to be transferred in accordance with the Exchangeable Bond Condition (including on maturity of Capco’s Exchangeable Bonds);                                                                                                                                                                                                                                                                      |
| “Capco” . . . . .                            | Capital & Counties Properties PLC, a public company incorporated in England with registered number 07145051;                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| “Capco Chargors” . . . . .                   | Capco Investment London (No.1) Limited and Capco Investment London (No.2), who together hold the Secured Existing Capco Shareholding;                                                                                                                                                                                                                                                                                                                                                                                                                               |
| “Capco Covent Garden RCF” . . . . .          | the £300 million revolving credit facility agreement dated 13 September 2021 between Covent Garden Group Holdings Limited as borrower with HSBC Bank plc acting as agent and Barclays Bank plc, BNP Paribas London Branch and HSBC Bank plc, Bank of China Limited, London Branch, as original lenders’                                                                                                                                                                                                                                                             |
| “Capco Directors” or “Capco Board” . . . . . | the board of directors of Capco and “Capco Director” means any of them;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| “Capco Equalisation Dividend” . . . . .      | in the event of an Excess Shaftesbury Dividend, a dividend per Capco Share equal to (i) the amount of the relevant Excess                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                           | Shaftesbury Dividend (expressed on a pence per Shaftesbury Share basis) divided by (ii) the Exchange Ratio, to be paid by Capco to the Capco Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time;                                                                                                                                                                                                                                                                                                                                                      |
| <b>“Capco’s Exchangeable Bonds”</b> . . . .               | the £275,000,000 2.00 per cent. Secured Exchangeable Bonds due 2026 issued by Capco on 30 November 2020, as constituted by the Exchangeable Bonds Trust Deed;                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Capco First Interim Dividend”</b> . . . .             | a dividend of up to 0.8 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on the normal record date for Capco’s interim dividend, expected to be in August 2022, in respect of the six months ended 30 June 2022;                                                                                                                                                                                                                                                                                                                                 |
| <b>“Capco FY21 Final Dividend”</b> . . . .                | the final dividend of 1.0 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on 10 June 2022 in respect of the year ended 31 December 2021 and expected to be paid on 8 July 2022;                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Capco General Meeting”</b> . . . . .                  | the general meeting of Capco Shareholders to be convened in connection with the Merger, notice of which is set out in the Circular, to consider, and if thought fit, approve various matters in connection with the Merger, including any adjournment thereof;                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Capco Group”</b> . . . . .                            | Capco and its subsidiary undertakings from time to time (and, where the context so requires or admits, each of them) which shall, for the avoidance of doubt, include the Shaftesbury Group following completion of the Merger;                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Capco Pro Rata Second Interim Dividend”</b> . . . . . | a dividend of up to 1.0 pence per Capco Share to be paid by Capco to the Capco Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time in respect of the period from 1 July 2022 to 30 September 2022;                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Capco Remuneration Committee”</b> . . . . .           | the remuneration committee of the Capco Board as constituted at any time and from time to time prior to the Merger;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Capco Resolutions”</b> . . . . .                      | the shareholder resolutions of Capco which is set out in the Circular and which are necessary to implement the Merger, including without limitation to approve the Merger as a Class 1 Transaction under the Listing Rules, to grant authority to the Capco Directors to allot the New Capco Shares, and to approve the Related Party Transaction (and any amendment(s) thereof);                                                                                                                                                                                                                                      |
| <b>“Capco Shareholders”</b> . . . . .                     | holders of Capco Shares from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Capco Share Plan”</b> . . . . .                       | the Capco Performance Share Plan 2017, which provides for the grant of: <ul style="list-style-type: none"> <li>(a) nil-cost options and conditional awards over Capco Shares subject to performance conditions;</li> <li>(b) nil-cost options and conditional awards over Capco Shares not subject to performance conditions representing the deferral of a proportion of bonuses earned under Capco’s annual bonus arrangements; and</li> <li>(c) market-value options over Capco Shares under a schedule to the PSP which operates as an HM Revenue and Customs tax-advantaged Company Share Option Plan;</li> </ul> |
| <b>“Capco Shares”</b> . . . . .                           | the ordinary shares of nominal value 25 pence each in Capco;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Cash Election”</b> . . . . .                          | the right for a holder of Capco’s Exchangeable Bonds to exercise its Exchange Right to receive cash value for the Secured Existing Capco Shares in accordance with the Exchangeable Bond Conditions;                                                                                                                                                                      |
| <b>“CBRE”</b> . . . . .                                   | CBRE Limited;                                                                                                                                                                                                                                                                                                                                                             |
| <b>“certificated” or “in certificated form”</b> . . . . . | in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST);                                                                                                                                                                                                                                                                           |
| <b>“Circular”</b> . . . . .                               | the document to be sent by Capco to Capco Shareholders containing information in relation to the Merger and, amongst other things, convening the Capco General Meeting to approve the Capco Resolutions;                                                                                                                                                                  |
| <b>“Class 1 Transaction”</b> . . . . .                    | the Class 1 Transaction as defined in the Listing Rules for Capco in respect of the Merger;                                                                                                                                                                                                                                                                               |
| <b>“CMA”</b> . . . . .                                    | the Competition and Markets Authority of the UK;                                                                                                                                                                                                                                                                                                                          |
| <b>“Code”</b> . . . . .                                   | the City Code on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                                                   |
| <b>“Combined Group”</b> . . . . .                         | the combined group following the Merger comprising the Capco Group and the Shaftesbury Group;                                                                                                                                                                                                                                                                             |
| <b>“Companies Act”</b> . . . . .                          | the Companies Act 2006, as amended;                                                                                                                                                                                                                                                                                                                                       |
| <b>“Completion”</b> . . . . .                             | the date of the last Admission;                                                                                                                                                                                                                                                                                                                                           |
| <b>“Conditions”</b> . . . . .                             | The conditions to the implementation of the Merger (including the Scheme) which are set out in Part Three ( <i>Conditions to the Implementation of the Scheme and the Merger</i> ) to this document;                                                                                                                                                                      |
| <b>“Confidentiality Agreement”</b> . . . . .              | the confidentiality agreement between Shaftesbury and Capco dated 7 December 2021;                                                                                                                                                                                                                                                                                        |
| <b>“Co-operation Agreement”</b> . . . . .                 | the co-operation agreement dated 16 June 2022 between Shaftesbury and Capco and relating, among other things, to the implementation of the Merger;                                                                                                                                                                                                                        |
| <b>“Court”</b> . . . . .                                  | Her Majesty’s High Court of Justice in England and Wales;                                                                                                                                                                                                                                                                                                                 |
| <b>“Court Hearing”</b> . . . . .                          | the hearing of the Court at which the Court Order will be sought by Shaftesbury;                                                                                                                                                                                                                                                                                          |
| <b>“Court Meeting”</b> . . . . .                          | the meeting or meetings of the Scheme Shareholders (and any adjournment of such meeting) convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, notice of which is set out in Part Ten ( <i>Notice of Court Meeting</i> ) of this document; |
| <b>“Court Order”</b> . . . . .                            | the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;                                                                                                                                                                                                                                                                                         |
| <b>“CREST”</b> . . . . .                                  | the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the relevant system (as defined in the Regulations) of which Euroclear is the Operator (as defined in the Regulations);                                                                                             |
| <b>“CREST Manual”</b> . . . . .                           | the CREST manual referred to in agreements entered into by Euroclear;                                                                                                                                                                                                                                                                                                     |
| <b>“CSOP Option”</b> . . . . .                            | market value options over Capco Shares granted under a schedule to the Capco Share Plan which operates as an HM Revenue & Customs tax-advantaged Company Share Option Plan;                                                                                                                                                                                               |
| <b>“Cushman &amp; Wakefield”</b> . . . . .                | Cushman & Wakefield Debenham Tie Leung Limited;                                                                                                                                                                                                                                                                                                                           |

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| <b>“dealing day”</b> . . . . .                                | a day on which dealing in domestic securities may take place on, and with the authority of, the London Stock Exchange;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“Dealing Disclosure”</b> . . . . .                         | an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in relevant securities of a party to an offer;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Disclosed”</b> . . . . .                                  | the information fairly disclosed: <ul style="list-style-type: none"> <li>(a) by Shaftesbury in its published annual report and accounts for the period ended 31 September 2021 and the half year results for the six months ended 31 March 2022;</li> <li>(b) in any other public announcement made by Shaftesbury in accordance with the Market Abuse Regulation, Listing Rules, Disclosure Rules or Transparency Rules of the FCA or otherwise after the date of the Announcement;</li> <li>(c) by or on behalf of Shaftesbury to Capco (or its respective officers, employees, agents or advisers in their capacity as such) prior to the date of the Announcement; or</li> <li>(d) in the Announcement;</li> </ul> |
| <b>“Disclosure Guidance and Transparency Rules”</b> . . . . . | the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“disclosure period”</b> . . . . .                          | the period commencing on 7 May 2021 (being the date that is 12 months before the start of the Offer Period) and ending on the Latest Practicable Date;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>“EA 2002”</b> . . . . .                                    | the Enterprise Act 2002;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Effective”</b> . . . . .                                  | means in the context of the Merger: <ul style="list-style-type: none"> <li>(a) if the Merger is implemented by way of a Scheme, the Scheme having become effective pursuant to its terms, upon delivery of the Court Order to the Registrar of Companies; or</li> <li>(b) if the Merger is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms;</li> </ul>                                                                                                                                                                                                                                                                    |
| <b>“Effective Date”</b> . . . . .                             | the date on which the Merger becomes Effective;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Encumbrances”</b> . . . . .                               | all mortgages, pledges, liens, charges, encumbrances, equitable rights, rights of pre-emption, assignments, hypothecations or any other third party rights of any nature whatsoever;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“EPRA”</b> . . . . .                                       | European Public Real Estate Association;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“EPRA NTA”</b> . . . . .                                   | net tangible assets adjusted in accordance with EPRA recommendations to present a measure of the fair value of net assets on a long-term basis;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Equiniti” or “Shaftesbury’s Registrar”</b> . . . . .      | Equiniti Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“ERV”</b> . . . . .                                        | estimated rental value;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Euroclear”</b> . . . . .                                  | Euroclear UK & International Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Evercore”</b> . . . . .                                   | Evercore Partners International LLP;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Excess Capco Dividend”</b> . . . . .                      | any Return of Value which is announced, declared, made, payable or paid in respect of the Capco Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Capco Dividends;                                                                                                                                                                                                                                                                                                                                                                                                       |

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| <b>“Excess Shaftesbury Dividend”</b> . . .           | any Return of Value which is announced, declared, made, payable or paid in respect of the Shaftesbury Shares on or after the date of the Announcement and on or prior to the Effective Date and which has a record date on or prior to the Effective Date, other than, or in excess of, the Permitted Shaftesbury Dividends;                                                                                                                                                            |
| <b>“Exchange Property”</b> . . . . .                 | has the meaning given to it in the Exchangeable Bond Condition;                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Exchange Ratio”</b> . . . . .                    | the exchange ratio of 3.356 New Capco Shares in exchange for each Shaftesbury Share;                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Exchange Right”</b> . . . . .                    | the rights for the holders of Capco’s Exchangeable Bonds to exchange its exchangeable bonds for the relevant amount of Shaftesbury Shares comprising the Secured Existing Capco Shares (and/or other property constituting the Exchange Property at that time);                                                                                                                                                                                                                         |
| <b>“Exchangeable Bond Conditions”</b> . .            | The terms and conditions of Capco’s Exchangeable Bonds set out in the Exchangeable Bonds Trust Deed;                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Exchangeable Bond Secured Parties”</b> . . . . . | Exchangeable Bonds Trustee for the benefit of itself and the other secured parties under Capco’s Exchangeable Bonds (including the holders of Capco’s Exchangeable Bonds);                                                                                                                                                                                                                                                                                                              |
| <b>“Exchangeable Bond Security”</b> . . .            | at close of business on the day before the Announcement Date, the 38,008,138 Shaftesbury Shares held by the Capco Group secured in favour of the Exchangeable Bonds Trustee under the terms of the Exchangeable Bonds Trust Deed;                                                                                                                                                                                                                                                       |
| <b>“Exchangeable Bonds Trust Deed”</b> .             | The trust deed entered into between Capco and the Exchangeable Bonds Trustee on 30 November 2020 constituting Capco’s Exchangeable Bonds and which sets out the Exchangeable Bond Conditions;                                                                                                                                                                                                                                                                                           |
| <b>“Exchangeable Bonds Trustee”</b> . . .            | BNY Mellon Corporate Trustee Services Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Excluded Shares”</b> . . . . .                   | <p>(a) Unsecured Existing Capco Shareholding;</p> <p>(b) any other Shaftesbury Shares beneficially owned by Capco or any other member of the Capco Group;</p> <p>(c) any Shaftesbury Shares held in treasury by Shaftesbury; and</p> <p>(d) any other Shaftesbury Shares which Shaftesbury and Capco agree will not be subject to the Scheme,</p> <p>but, for the avoidance of doubt, in the case of items (b) to (d) inclusive, excluding the Secured Existing Capco Shareholding;</p> |
| <b>“Existing Capco Shareholding”</b> . . .           | the 96,971,003 Shaftesbury Shares held, as at close of business on the Latest Practicable Date, by the Capco Group;                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Explanatory Statement”</b> . . . . .             | the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this document;                                                                                                                                                                                                                                                                                                                                                    |
| <b>“FCA”</b> . . . . .                               | the Financial Conduct Authority;                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“Form of Proxy”</b> . . . . .                     | either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and the YELLOW Form of Proxy in relation to the General Meeting;                                                                                                                                                                                                                                                                                                                     |
| <b>“FSMA”</b> . . . . .                              | the Financial Services and Markets Act 2000 (as amended);                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“General Meeting”</b> . . . . .                   | the general meeting of Shaftesbury convened by the notice set out in Part Eleven ( <i>Notice of General Meeting</i> ) of this document, including any adjournment of such meeting;                                                                                                                                                                                                                                                                                                      |
| <b>“HMRC”</b> . . . . .                              | HM Revenue & Customs in the United Kingdom;                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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| <b>“holder”</b>                       | a registered holder and includes any person entitled by transmission;                                                                                                                                                                                                             |
| <b>“HSBC”</b>                         | HSBC Bank plc;                                                                                                                                                                                                                                                                    |
| <b>“IFRS”</b>                         | International Financial Reporting Standards;                                                                                                                                                                                                                                      |
| <b>“Jefferies”</b>                    | Jefferies International Limited;                                                                                                                                                                                                                                                  |
| <b>“JLL”</b>                          | Jones Lang LaSalle Limited;                                                                                                                                                                                                                                                       |
| <b>“J.P. Morgan Cazenove”</b>         | J.P. Morgan Securities PLC;                                                                                                                                                                                                                                                       |
| <b>“JSE”</b>                          | (i) JSE Limited, a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the South African Financial Markets Act, 19 of 2012; or<br>(ii) the securities exchange operated by JSE Limited, as the context indicates;           |
| <b>“Knight Frank”</b>                 | Knight Frank LLP;                                                                                                                                                                                                                                                                 |
| <b>“KPMG”</b>                         | KPMG LLP;                                                                                                                                                                                                                                                                         |
| <b>“Latest Practicable Date”</b>      | 5 July 2022, being the latest practicable date prior to the publication of this document;                                                                                                                                                                                         |
| <b>“Liberum”</b>                      | Liberum Capital Limited;                                                                                                                                                                                                                                                          |
| <b>“Lillie Square Joint Venture”</b>  | the Lillie Square joint venture, a residential development located in West London, in which Capco has a 50 per cent. interest;                                                                                                                                                    |
| <b>“Link”</b>                         | Link Group, 10 <sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom;                                                                                                                                                                         |
| <b>“Listing Rules”</b>                | the listing rules issued by the FCA pursuant to Part 6 of FSMA;                                                                                                                                                                                                                   |
| <b>“Loan Facility Agreement”</b>      | a £576,000,000 unsecured term loan facility entered into between Capco and Barclays, BNP Paribas London Branch and HSBC as the original lenders on 16 June 2022;                                                                                                                  |
| <b>“London Stock Exchange”</b>        | London Stock Exchange PLC;                                                                                                                                                                                                                                                        |
| <b>“Long Stop Date”</b>               | 30 April 2023, or such later date as may be agreed in writing by Shaftesbury and Capco (with the Panel’s consent and as the Court may approve (if such approval(s) are required));                                                                                                |
| <b>“Longmartin Joint Venture”</b>     | the Longmartin joint venture, which owns a long leasehold interest in a 1.9-acre site comprising mixed-use buildings centred on St Martin’s Courtyard at the junction of Long Acre and Upper St Martin’s Lane near Seven Dials, in which Shaftesbury has a 50 per cent. interest; |
| <b>“LTV”</b>                          | loan-to-value;                                                                                                                                                                                                                                                                    |
| <b>“Madison International Realty”</b> | Madison International Realty LLC;                                                                                                                                                                                                                                                 |
| <b>“Main Board”</b>                   | the JSE’s Main Board for listed securities;                                                                                                                                                                                                                                       |
| <b>“Main Market”</b>                  | the Main Market of the London Stock Exchange for listed securities;                                                                                                                                                                                                               |
| <b>“Market Abuse Regulation”</b>      | Regulation (EU) 596/2014 (as it forms part of the domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018);                                                                                                                                      |
| <b>“Meetings”</b>                     | the Court Meeting and the General Meeting, and <b>“Meeting”</b> means either of them;                                                                                                                                                                                             |
| <b>“Merger”</b>                       | the proposed acquisition by Capco of the entire issued and to be issued share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding) to be implemented by the Scheme or, should Capco so elect with the consent of the Panel and subject                    |

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|                                                    | to the terms of the Co-operation Agreement, by means of a Takeover Offer;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Merger Control Clearance”</b> . . . . .        | the CMA clearance necessary for the implementation of the Merger;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“New Capco Shares”</b> . . . . .                | the new Capco Shares, to be allotted pursuant to the Merger;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Norges Bank”</b> . . . . .                     | Norges Bank (the Central Bank of Norway);                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Norges Bank Side Deed”</b> . . . . .           | the agreement entered into between Capco and Norges Bank on 16 June 2022 which sets out the terms upon which Capco and Norges Bank will co-operate and take all steps as are reasonably necessary to obtain the CMA clearance for the implementation of the Merger;                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Offer Period”</b> . . . . .                    | the period commencing on 7 May 2022 and ending on (i) the earlier of the date on which the Scheme becomes Effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide) or (ii) the earlier of the date on which the Takeover Offer has become or has been declared unconditional and/or the date on which the Takeover Offer lapses or is withdrawn (or such other date as the Panel may decide), other than, in the case of (i), where such lapsing or withdrawal is a result of Capco exercising its right to implement the Merger by way of a Takeover Offer; |
| <b>“Official List”</b> . . . . .                   | the Official List maintained by the FCA pursuant to Part 6 of FSMA;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Online Platform”</b> . . . . .                 | the Lumi virtual meeting platform;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Online Platform Guide”</b> . . . . .           | the guide prepared by Lumi explaining how Scheme Shareholders and Shaftesbury Shareholders can remotely access and participate in the Meetings via the Online Platform;                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Opening Position Disclosure”</b> . . . . .     | an announcement pursuant to Rule 8 of the Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to an offer;                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Overseas Shareholders”</b> . . . . .           | Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>“Panel”</b> . . . . .                           | the U.K. Panel on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“Peel Hunt”</b> . . . . .                       | Peel Hunt LLP                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Permitted Capco Dividends”</b> . . . . .       | the Capco FY21 Final Dividend, the Capco First Interim Dividend, the Capco Pro Rata Second Interim Dividend and a Capco Equalisation Dividend, as applicable;                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Permitted Shaftesbury Dividends”</b> . . . . . | the Shaftesbury Interim Dividend, the Shaftesbury Full Year Dividend and a Shaftesbury Equalisation Dividend, as applicable;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>“Phase 2 CMA Reference”</b> . . . . .           | a reference pursuant to Section 22 or 33 of the EA 2002 of the Merger to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>“PID”</b> . . . . .                             | property income distribution;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“PRA”</b> . . . . .                             | the Prudential Regulation Authority;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>“Proposed Directors”</b> . . . . .              | the existing directors of Shaftesbury, who will join the Combined Group Board following Completion, being Jonathan Nicholls, Chris Ward, Richard Akers, Ruth Anderson, Helena Coles and Jennelle Tilling;                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Prospectus”</b> . . . . .                      | the prospectus to be published by Capco under the Prospectus Regulation in respect of the New Capco Shares to be issued to Scheme Shareholders in connection with the Merger and for the purpose of Admission;                                                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>“Prospectus Regulation”</b> . . . . .                                                   | the Prospectus Regulation (EU) 2017/1129 as retained as part of English Law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Quantified Financial Benefits Statement”</b> . . . . .                                 | has the meaning given to it in Part Twelve ( <i>Quantified Financial Benefits Statement</i> ) of this document;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Registrar of Companies”</b> . . . . .                                                  | the registrar of companies in England and Wales;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>“Regulations”</b> . . . . .                                                             | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Regulatory Information Service”</b> . . . . .                                          | a primary information provider which has been approved by the FCA to disseminate regulated information;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>“REIT”</b> . . . . .                                                                    | UK REIT within the meaning of Part 12 of the Corporation Tax Act 2010;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Related Party Transaction”</b> . . . . .                                               | means the Related Party Transaction as defined in the Listing Rules in respect of the issue of the New Capco Shares to Norges Bank pursuant to the Merger;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Restricted Jurisdiction”</b> . . . . .                                                 | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Shaftesbury Shareholders in that jurisdiction;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>“Return of Value”</b> . . . . .                                                         | any dividend and/or other distribution and/or other return of capital or value;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“Rothschild &amp; Co”</b> . . . . .                                                     | N.M. Rothschild & Sons Limited;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“SA Register”</b> . . . . .                                                             | the branch register of members of Capco in South Africa;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>“Scheme”</b> . . . . .                                                                  | this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Shaftesbury and Capco each agree and which is approved or imposed by the Court;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Scheme Document”</b> . . . . .                                                         | this document in respect of the Scheme sent by Shaftesbury to Shaftesbury Shareholders and persons with information rights;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>“Scheme Record Time”</b> . . . . .                                                      | 6.00 p.m. on the business day immediately after the Court Hearing;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>“Scheme Shareholders”</b> . . . . .                                                     | holders of Scheme Shares and a “Scheme Shareholder” shall mean any one of those Scheme Shareholders;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>“Scheme Shares”</b> . . . . .                                                           | all Shaftesbury Shares which are: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time;</li> <li>(b) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time but prior to the Scheme Record Time on terms that the holder thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or have agreed in writing to be, bound by the Scheme and, in each case, which remain in issue at the Scheme Record Time,</li> </ul> and, in each case, excluding any Excluded Shares; |
| <b>“Secured Existing Capco Shareholding” and “Secured Existing Capco Shares”</b> . . . . . | the Shaftesbury Shares comprising part of the Existing Capco Shareholding which are subject to security in accordance with the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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|                                                                     | Exchangeable Bond Conditions in favour of the Exchangeable Bond Secured Parties, being 38,008,138 Shaftesbury Shares as at close of business on the day before the Announcement Date;                                                                                                                                                                                                                           |
| <b>“Secured Loan”</b> . . . . .                                     | the £125,000,000 term facilities agreement dated 22 December 2020 and as amended and restated on 16 November 2021 between HSBC Bank Plc and BNP Paribas London Branch as original lenders and HSBC Bank Plc as facility agent and Capco Investment London (No.3) Limited and Capco Investment London (No.4) Limited as borrowers;                                                                               |
| <b>“Secured Loan Borrowers”</b> . . . . .                           | Capco Investment London (No.3) Limited and Capco Investment London (No.4) Limited;                                                                                                                                                                                                                                                                                                                              |
| <b>“Shaftesbury” or “Company”</b> . . . . .                         | Shaftesbury PLC, a public company incorporated in England and Wales with registered number 01999238;                                                                                                                                                                                                                                                                                                            |
| <b>“Shaftesbury Articles”</b> . . . . .                             | the articles of association of Shaftesbury;                                                                                                                                                                                                                                                                                                                                                                     |
| <b>“Shaftesbury Board” or<br/>“Shaftesbury Directors”</b> . . . . . | The directors of Shaftesbury as at the date of this document or, where the context so requires or admits, the directors of Shaftesbury from time to time;                                                                                                                                                                                                                                                       |
| <b>“Shaftesbury Deferred Share Bonus Plan”</b> . . . . .            | the Shaftesbury 2016 Deferred Share Bonus Plan adopted by the board of directors of Shaftesbury on 18 November 2015, as amended from time to time (including without limitation prior to the date of this document);                                                                                                                                                                                            |
| <b>“Shaftesbury EBT”</b> . . . . .                                  | Shaftesbury PLC Employee Benefit Trust;                                                                                                                                                                                                                                                                                                                                                                         |
| <b>“Shaftesbury Equalisation Dividend”</b>                          | in the event of an Excess Capco Dividend, a dividend per Shaftesbury Share equal to (i) the amount of the relevant Excess Capco Dividend (expressed on a pence per Capco Share basis) multiplied by (ii) the Exchange Ratio, to be paid by Shaftesbury to Shaftesbury Shareholders on the register of members as at close of business on the Business Day prior to the Scheme Record Time;                      |
| <b>“Shaftesbury Full Year Dividend”</b> . . . . .                   | a dividend of up to 5.4 pence per Shaftesbury Share in respect of the year ending 30 September 2022;                                                                                                                                                                                                                                                                                                            |
| <b>“Shaftesbury Group”</b> . . . . .                                | Shaftesbury and its subsidiary undertakings from time to time and, where the context so requires or admits, each of them;                                                                                                                                                                                                                                                                                       |
| <b>“Shaftesbury Interim Dividend”</b> . . . . .                     | the interim dividend of 4.8 pence per Shaftesbury Share in respect of the six month period ended 31 March 2022 and paid on 1 July 2022;                                                                                                                                                                                                                                                                         |
| <b>“Shaftesbury Long-Term Incentive Plan”</b> . . . . .             | the Shaftesbury 2016 Long-Term Incentive Plan adopted by the board of directors of Shaftesbury on 18 November 2015 and approved by the Shaftesbury Shareholders on 5 February 2016, as amended from time to time (including without limitation prior to the date of this document);                                                                                                                             |
| <b>“Shaftesbury Mortgage Bonds”</b> . . . . .                       | the £290,000,000 2.348 per cent. guaranteed first mortgage bonds due 2027 issued by Shaftesbury Chinatown plc and guaranteed by Shaftesbury, as constituted by the Trust Deed dated 7 September 2017 and (ii) the £285,000,000 2.487 per cent. guaranteed first mortgage bonds due 2031 issued by Shaftesbury Carnaby plc and guaranteed by Shaftesbury, as constituted by the Trust Deed dated 7 October 2016; |
| <b>“Shaftesbury Remuneration Committee”</b> . . . . .               | the remuneration committee of the Shaftesbury Board as constituted at any time and from time to time prior to the Merger;                                                                                                                                                                                                                                                                                       |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Shaftesbury Shareholders”</b> . . . . .                   | the holders of Shaftesbury Shares from time to time;                                                                                                                                                                                                                                                                                                                                               |
| <b>“Shaftesbury Share Plans”</b> . . . . .                    | each of the: <ul style="list-style-type: none"> <li>(a) Shaftesbury Long-Term Incentive Plan;</li> <li>(b) Shaftesbury Deferred Share Bonus Plan; and</li> <li>(c) Shaftesbury Sharesave Scheme.</li> </ul>                                                                                                                                                                                        |
| <b>“Shaftesbury Shares”</b> . . . . .                         | the ordinary shares of nominal value of 25 pence each in the capital of Shaftesbury;                                                                                                                                                                                                                                                                                                               |
| <b>“Shaftesbury Sharesave Scheme”</b> . . . . .               | the Shaftesbury Sharesave Scheme approved by the Shaftesbury Shareholders on 8 February 2011, as amended from time to time (including without limitation prior to the date of this document);                                                                                                                                                                                                      |
| <b>“Shareholder Helpline”</b> . . . . .                       | the Equiniti shareholder helpline for the purposes of the Merger, as described in this document with telephone number +44 (0)371 384 2050;                                                                                                                                                                                                                                                         |
| <b>“SLP”</b> . . . . .                                        | Capco Investment London (No. 7) Scottish Limited Partnership;                                                                                                                                                                                                                                                                                                                                      |
| <b>“Special Resolution”</b> . . . . .                         | the special resolution to be proposed at the General Meeting in connection with, among other things, the approval of the Scheme, the alteration of the Articles and such other matters as may be necessary to implement the Scheme;                                                                                                                                                                |
| <b>“Strate”</b> . . . . .                                     | Strate Proprietary Limited, a private company incorporated in accordance with the laws of South Africa, with registration number 1998/022242/07 and licensed as a central securities depository under the South African Financial Markets Act, 19 of 2012;                                                                                                                                         |
| <b>“Takeover Offer”</b> . . . . .                             | should the Merger be implemented by way of a Takeover Offer as defined in section 974 of the Companies Act, the offer to be made by or on behalf of Capco to acquire the entire issued and to be issued share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding) and, where the context permits, any subsequent revision, variation, extension or renewal of such offer; |
| <b>“UBS”</b> . . . . .                                        | UBS AG London Branch;                                                                                                                                                                                                                                                                                                                                                                              |
| <b>“UK”</b> . . . . .                                         | the United Kingdom;                                                                                                                                                                                                                                                                                                                                                                                |
| <b>“UK Admission”</b> . . . . .                               | the admission of the New Capco Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities becoming effective;                                                                                                                                                                                                      |
| <b>“uncertificated” or in “uncertificated form”</b> . . . . . | in relation to a Scheme Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;                                                                                                                                                                                                                                                                       |
| <b>“Unsecured Existing Capco Shareholding”</b> . . . . .      | the Shaftesbury Shares comprising part of the Existing Capco Shareholding held, as at close of business on the Latest Practicable Date, by certain subsidiaries of Capco which are not subject to security in accordance with the Exchangeable Bond Conditions, being 58,962,865 Shaftesbury Shares as at close of business on the day before the Announcement Date;                               |
| <b>“US” or “United States”</b> . . . . .                      | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;                                                                                                                                                                                                                                                             |
| <b>“U.S. Exchange Act”</b> . . . . .                          | the U.S. Securities Exchange Act of 1934, as amended;                                                                                                                                                                                                                                                                                                                                              |
| <b>“U.S. GAAP”</b> . . . . .                                  | generally accepted accounting principles in the United States;                                                                                                                                                                                                                                                                                                                                     |
| <b>“U.S. Securities Act”</b> . . . . .                        | the U.S. Securities Act of 1933, as amended;                                                                                                                                                                                                                                                                                                                                                       |

|                                            |                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Voting Record Time”</b> . . . . .      | 6.30 p.m. on the day which is two business days prior to the date of the Court Meeting or any adjournment thereof (as the case may be);                                                                                                                                                                                                                 |
| <b>“Wider Capco Group”</b> . . . . .       | Capco and the subsidiaries and subsidiary undertakings of Capco and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Capco Group is interested or any undertaking in which Capco and such undertakings (aggregating their interests) have a Substantial Interest); and                     |
| <b>“Wider Shaftesbury Group”</b> . . . . . | Shaftesbury and the subsidiaries and subsidiary undertakings of Shaftesbury and associated undertakings (including any joint venture, partnership, firm or company in which any member of the Shaftesbury Group is interested or any undertaking in which Shaftesbury and such undertakings (aggregating their interests) have a Substantial Interest). |

All references in this document to GBP, Pounds Sterling, pence or £ are to the lawful currency of the United Kingdom.

All references to statutory provision or law, or to any order or regulation, shall be construed as a reference to that statutory provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time, and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

References in this document to “parent undertaking”, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated bodies corporate” have the meanings given to such terms under the Companies Act.

A reference in this document to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be interpreted accordingly.

Words in this document importing the singular shall include the plural and vice versa, unless the context otherwise requires or admits.

All the times referred to in this document are London times unless otherwise stated.

## PART TEN NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)  
DEPUTY INSOLVENCY AND COMPANIES COURT JUDGE GREENWOOD**

**CR-2022-001870**

IN THE MATTER OF SHAFTESBURY PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS GIVEN that, by an order dated 4 July 2022 made in the above matters, the Court has given permission for Shaftesbury PLC (the “**Company**”) to convene a meeting (the “**Court Meeting**”) of the holders of Scheme Shares (as defined in the Scheme of Arrangement referred to below and other than the holders of the Scheme Shares comprising of the Secured Existing Capco Shareholding (as so defined)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between the Company and the holders of Scheme Shares pursuant to Part 26 of the Companies Act 2006, and that such meeting will be held at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT, and through the electronic facilities that are being made available via <https://web.lumiagm.com/140-410-817> (the “**Online Platform**”), at 10.00 a.m. on 29 July 2022 at which place and time all holders of Scheme Shares are requested to attend.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 in relation to the Scheme of Arrangement are incorporated in the document of which this notice forms part. Capitalised terms not otherwise defined in this notice have the meanings given to them in the document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

### **Instructions for accessing the Online Platform**

Scheme Shareholders will be given the opportunity to remotely attend, submit questions and/or objections and vote at the Court Meeting via the Online Platform.

Scheme Shareholders can access the Online Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox and Safari and can be accessed using any web browser, on a PC, tablet or smartphone device. To remotely attend, submit questions and/or vote using this method, please go to <https://web.lumiagm.com/140-410-817>.

Once you have accessed <https://web.lumiagm.com/140-410-817> from your web browser, you will be prompted to enter your Shareholder Reference Number (“**SRN**”) and PIN number (this is the first 2 and last 2 digits of your SRN). Your SRN, including any zeros, and your PIN number can be found printed on your Form of Proxy. If you are not in receipt of your SRN this can also be found on a share certificate, or alternatively, if you are already registered on this website, you can sign in to [www.shareview.co.uk](http://www.shareview.co.uk) to obtain your SRN. Access to the Court Meeting via the website will be available from 9.30 a.m. on 29 July 2022, as further detailed below. If you are unable to access your SRN and PIN, please contact Equiniti at [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com) stating your full name, postcode and Shareholder reference number, if known. Mailboxes are monitored 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

Although access to the Meetings will be available from 9.30 a.m. on 29 July 2022, voting functionality will not be enabled until the Chair of the Court Meeting declares the poll open. Scheme Shareholders will be permitted to submit questions (via the Online Platform) during the course of the Court Meeting and can use the same function to submit any objections they may have to the Scheme. The Chair of the Court Meeting will ensure that all such questions and/or any objections relating to the formal business of the Court Meeting are addressed during the Court Meeting, unless no response is required to be provided under the Companies Act 2006 or the provision of a response would, at the Chair’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Court Meeting.

During the Court Meeting, you must ensure you are connected to the internet at all times in order to submit questions and/or any objections and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Court Meeting via your wireless or other internet connection. The Online Platform Guide contains further information on remotely accessing and participating in the Court Meeting via the Online Platform online at <https://web.lumiagm.com/140-410-817> and is available on the Company's website at [www.shafesbury.co.uk](http://www.shafesbury.co.uk).

If you wish to appoint a proxy and for the proxy to attend the Court Meeting on your behalf, please do so by completing the enclosed BLUE Form of Proxy or alternatively by visiting the website [www.sharevote.co.uk](http://www.sharevote.co.uk) in accordance with the instructions set out on the BLUE Form of Proxy. If you wish to appoint multiple proxies or obtain a BLUE Form of Proxy, please contact Equiniti on the Shareholder Helpline by calling on +44 (0)371 384 2050.

If your shares are held within a nominee and you wish to access the Court Meeting remotely, you will need to contact your nominee immediately. Your nominee will need to have completed a letter of representation and presented this to Equiniti by no later than 10.00 a.m. on 27 July 2022 (or, in the case of any adjournments, no later than 48 hours before the adjourned meeting, excluding any part of a day that is not a business day) in order to obtain a unique SRN and PIN number on your behalf, which you can then use to access the meeting remotely. If you are in any doubt about your shareholding, please contact the Company's registrar Equiniti on the Shareholder Helpline on the number above or by emailing: [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com). To avoid any delays accessing the meeting, contact should be made at least 24 hours, excluding any part of a day that is not a business day, prior to the meeting date and time. Mailboxes are monitored 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays).

### **Right to appoint a proxy and procedure for appointment**

Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person or remotely via the Online Platform or they may appoint another person or persons, whether or not a member of the Company, as their proxy to attend and vote on their behalf.

A BLUE Form of Proxy for use at the Court Meeting is enclosed with this Notice, Scheme Shareholders entitled to attend and vote at the Court Meeting who hold their shares through CREST may appoint a proxy using the CREST electronic proxy appointment service.

Completion and return of a Form of Proxy will not prevent a Scheme Shareholder from attending and voting at the Court Meeting, whether in person or remotely via the Online Platform.

**It is requested that BLUE Forms of Proxy be returned by post using the pre-paid envelope provided or (during normal business hours only) by hand to the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or online via [www.sharevote.co.uk](http://www.sharevote.co.uk) by 10.00 a.m. on 27 July 2022 or in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting (excluding any part of a day that is not a business day), but if BLUE Forms of Proxy are not so returned they may be emailed to [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) any time prior to the commencement of the Court Meeting or handed to Equiniti or to the Chair of the Court Meeting before the start of the Court Meeting.**

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Court Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the relevant register of members of the Company at 6.30 p.m. on the date two business days before the date set for the Court Meeting or, in the event that the meeting is adjourned, in the register of members of the Company at 6.30 p.m. on the date two business days before the date set for the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the Court Meeting or any adjourned meeting. Shareholders who hold their shares in the Company through CREST ("CREST members") and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the purpose of this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear UK & International Limited (“**Euroclear**”) and must contain the information required for such instructions, as described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it relates to the appointment of a proxy or to 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 Equiniti (ID RA19) by 10.00 a.m. on 27 July 2022 or in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting, excluding any part of a day that is not a business day. 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 Application Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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.

### **Voting Record Time**

Only those shareholders registered in the register of members of the Company as at 6.30 p.m. on 27 July 2022 or, in the event that the Court Meeting is adjourned, in the register of members at 6.30 p.m. on the date that is two business days before the date of such adjourned meeting, shall be entitled to attend or vote in respect of the number of shares registered in their name at the relevant time. Changes to entries in the relevant register of members after 6.30 p.m. on 27 July 2022 or, in the event that the Court Meeting is adjourned, after 6.30 p.m. on the date two business days before the date of such adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the Court Meeting.

### **Joint holders**

In the case of joint holders, the vote of the senior who tenders a vote, whether in person, remotely via the Online Platform or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

### **Corporate representatives**

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

### **Chair of the Court Meeting**

By the said order, the Court has appointed Jonathan Nicholls (Chairman) or failing him, any other director of the Company to act as chair of the meeting and has directed the chair to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 7 July 2022.

HOGAN LOVELLS INTERNATIONAL LLP

Atlantic House, Holborn Viaduct  
London EC1A 2FG

Solicitors for the Company

### **Nominated Persons**

A copy of this Notice has been sent for information only to persons who have been nominated by a shareholder to enjoy information rights under section 146 of the Companies Act 2006 (a “**Nominated Person**”). The rights to appoint a proxy cannot be exercised by a Nominated Person; they can only be exercised by a shareholder. However, a Nominated Person may have a right under an agreement with the shareholder by whom they were nominated to appoint as a proxy for the Court Meeting. If a Nominated Person does not have such a right or does not wish to exercise it, they may have a right under such an agreement to give instructions to the shareholder as to the exercise of voting rights.

**PART ELEVEN**  
**NOTICE OF GENERAL MEETING**  
**SHAFTESBURY PLC**

Notice is given that a general meeting (the “**General Meeting**”) of Shaftesbury PLC (the “**Company**”) will be held at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT, and through the electronic facilities that are being made available via <https://web.lumiagm.com/140-410-817> (the “**Online Platform**”) at 10.15 a.m. on 29 July 2022 (or as soon thereafter as the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to in the resolution set out below) convened for 10.00 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

**SPECIAL RESOLUTION**

- (a) for the purpose of giving effect to the scheme of arrangement dated 7 July 2022 (the “**Scheme**”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form in the document sent to shareholders of the Company dated 7 July 2022 or with or subject to any modification, addition or condition agreed between the Company and Capital & Counties Properties PLC (“**Capco**”), and approved or imposed by the High Court of Justice in England and Wales (the “**Court**”), the directors of the Company (or a duly authorised committee thereof) be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (b) with effect from the passing of this resolution, the Articles of Association of the Company be and hereby are amended by the adoption and inclusion of the following new article 195:

**“195. Scheme of Arrangement**

- (a) In this Article, the “**Scheme**” means the scheme of arrangement dated 7 July 2022 between the Company and the holders of Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the High Court of Justice in England and Wales and agreed by the Company and Capital & Counties Properties PLC (“**Capco**”) and (save as defined in this Article 195) expressions defined in the Scheme shall have the same meanings in this Article 195.
- (b) Notwithstanding any other provision of these Articles or the terms of any resolution, whether ordinary or special, passed by the Company in any general meeting, if the Company issues any shares (other than to Capco, any subsidiary or holding company of Capco and/or any nominee(s) of Capco) at any time on or after the adoption of this Article and at or before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these Articles and, subject to the Scheme becoming Effective, if any shares are issued to any person (a “**New Member**”) (other than under the Scheme or to Capco, any subsidiary or holding company of Capco and/or any nominee(s) of Capco) at any time after the Scheme Record Time (the “**Post-Scheme Shares**”), they shall be issued on terms that they shall be transferred, free of all encumbrances, to Capco (or as Capco may direct) at the later of the time when the Scheme becomes effective (the “**Scheme Effective Time**”) and immediately after they have been issued, in consideration for the issue to the New Member (subject as hereinafter provided) of such number of New Capco Shares (the “**Consideration Shares**”) for each Post-Scheme Share (together with the payment in cash in respect of fractional entitlements, as described in paragraph (f) of this Article) as the relevant New Member would have been entitled to pursuant to the Scheme had each Post-Scheme Share been a Scheme Share (as defined in the Scheme) and the New Member been the holder thereof at the Scheme Record Time.
- (d) If, in respect of any New Member who is resident, located or has a registered address in a jurisdiction outside the United Kingdom or whom Capco reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom or Capco is advised that the law of a country or territory outside the United Kingdom: (i) precludes the allotment, issue and/or delivery to that New Member of Consideration Shares; or (ii) precludes the matters referred to in (i) except after compliance by the

Company or Capco (as the case may be) with any governmental or other consent or any registration, filing or other formality with which the Company and/or Capco is unable to comply or compliance with which the Company and/or Capco (as the case may be) regards as unduly onerous, then Capco may, in its sole discretion, either: (a) determine that such Consideration Shares shall not be allotted, issued and delivered to such New Member, but shall instead be allotted, issued and delivered to a person appointed by Capco for such New Member on terms that such person shall, as soon as practicable following the allotment and issue of such New Capco Shares, sell the New Capco Shares so issued; or (b) determine that such Consideration Shares shall not be allotted, issued and delivered to such New Member, but instead a cash amount equal to the value of the Consideration Shares shall be paid to the New Member as soon as practicable, save that any fractional cash entitlements shall be rounded down to the nearest whole penny. In the event that the Consideration Shares are to be sold pursuant to point (a), the Company shall appoint a person to act, and who shall be authorised, as attorney or agent for the New Member pursuant to this Article and such person shall be authorised on behalf of such New Member to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member and to give such instructions and to do all other things which he or she may consider necessary or expedient in connection with such sale. The net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid to the persons entitled thereto in due proportion as soon as practicable following such sale, save that any fractional cash entitlements shall be rounded down to the nearest whole penny.

- (e) On any reorganisation of, or material alteration to, the share capital of either the Company or Capco (including, without limitation, any subdivision or consolidation) carried out after the Effective Date (of the Scheme), the number of Consideration Shares to be allotted or issued or transferred to a New Member for each Post-Scheme Share pursuant to paragraph (c) of this Article may be adjusted by the directors in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alternation. References in this Article to shares shall, following such adjustment, be construed accordingly.
- (f) No fraction of a Consideration Share shall be allotted, issued or transferred to a New Member pursuant to this Article. Any fraction of a Consideration Share to which a New Member would otherwise have become entitled shall be aggregated with the fractional entitlements of any other New Members whose shares are being transferred under this Article on the same date and the maximum whole number of Consideration Shares resulting therefrom shall be allotted and issued to a person appointed by Capco to hold such Consideration Shares on behalf of the relevant New Members. Such Consideration Shares shall then be sold in the market as soon as practicable after the Scheme Effective Time, or, if later, their allotment and issue, and the net proceeds of sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in sterling in due proportion to the persons entitled thereto (rounded down to the nearest penny). However, individual fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of less than £1.00 shall not be paid to the relevant New Members who would otherwise be entitled to them, but shall be retained for the benefit of the Combined Group.
- (g) To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney or agent for the New Member to transfer the Post-Scheme Shares to Capco and/or its nominee(s) and do all such other things and execute and deliver all such documents (whether as a deed or otherwise) on behalf of the New Member in favour of Capco (as directed by Capco) as may in the opinion of the attorney or agent be necessary or desirable to vest the Post-Scheme Shares in Capco or its nominee(s) and, pending such vesting, to exercise all such rights attaching to the Post-Scheme Shares as Capco may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of Capco) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by Capco. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member in favour of Capco and/or its nominee(s) and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register Capco and/or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. Capco shall, subject to paragraph (d) of this Article, allot and issue or transfer the Consideration Shares to the New Member (and send a cheque in respect of any

fractional entitlements in accordance with paragraph (f) of this Article and in circumstances where the provisions in paragraph (d) of this Article applies) as soon as practicable and in any event within 45 business days of the issue of the Post-Scheme Shares to the New Member.

- (h) This Article shall cease to be effective if the Scheme shall not have become effective on or before 30 April 2023 (or such later date, if any, as Capco and the Company may agree, either as required by the Panel or with its consent, and the Court (if required) may allow (the “**Long Stop Date**”)). If the Scheme has not become effective by the Long Stop Date this Article 195 shall be of no effect.
- (i) Notwithstanding any other provision of these Articles, both the Company and the directors shall refuse to register the transfer of any shares between the Scheme Record Time notified to Scheme Shareholders in respect of the Scheme and the Effective Date.
- (j) Conditional upon and with effect from the sanctioning of the Scheme by the Court, the Company, or such other person as may be appointed by the Company, be appointed as agent of the Scheme Shareholders for the purposes of undertaking and carrying into effect, and is hereby irrevocably authorised to undertake and carry into effect, any and all such steps, actions, matters and procedures as may, in the opinion of the agent, be considered necessary, desirable or appropriate pursuant to English law in connection with the allotment, issue and settlement of the New Capco Shares pursuant to the Scheme.”.

7 July 2022

By Order of the Board  
Desna Martin

Company Secretary

Registered Office:  
22 Ganton Street, Carnaby, London, United  
Kingdom, W1F 7FD  
Registered in England and Wales No. 01999238

**Notes:**

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

1. The General Meeting will take place at Ham Yard Hotel, 1 Ham Yard, London W1D 7DT and will incorporate remote participation via the Online Platform.
2. Any changes to the arrangements for the General Meeting will be communicated to shareholders before the General Meeting, including through the Company’s website at [www.shafesbury.co.uk](http://www.shafesbury.co.uk) and by announcement through a Regulatory Information Service.
3. Scheme Shareholders and Shaftesbury Shareholders that intend to participate in the General Meeting remotely should refer to the further details provided below in relation to the Online Platform and also in the Online Platform Guide.
4. Shareholders will be given the opportunity to remotely attend, submit questions and vote at the General Meeting via the Online Platform.
5. Shareholders can access the Online Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox and Safari and can be accessed using any web browser, on a PC, tablet or smartphone device. To remotely attend, submit questions and/or vote using this method, please go to <https://web.lumiagm.com/140-410-817>.
6. Once you have accessed <https://web.lumiagm.com/140-410-817> from your web browser, you will be prompted to enter your Shareholder Reference Number (“**SRN**”) and PIN number (this is the first 2 and last 2 digits of your SRN). Your SRN, including any zeros, and your PIN number can be found printed on your Form of Proxy. If you are not in receipt of your SRN, this can also be found on a share certificate, or alternatively, if you are already registered on this website, you can sign in to [www.shareview.co.uk](http://www.shareview.co.uk) to obtain your SRN. Access to the General Meeting via the website will be available from 9.30 a.m. on 29 July 2022, as further detailed below. If you are unable to access your SRN and PIN, please contact Equiniti by emailing: [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com). Mailboxes are monitored 9.00 a.m. to 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays).
7. Although access to the meetings will be available from 9.30 a.m. on 29 July 2022, voting functionality will not be enabled until the Chair of the General Meeting declares the poll open. Shareholders will be permitted to submit questions (via the Online Platform) during the course of the General Meeting. During the General Meeting, you must ensure you are connected to the internet at all times in order to submit

questions and vote when the Chair commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the General Meeting via your wireless or other internet connection. The Online Platform Guide contains further information on remotely accessing and participating in the General Meeting via the Online Platform on the Company's website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).

8. If you wish to appoint a proxy and for the proxy to attend the meeting on your behalf, please do so by completing the enclosed YELLOW Form of Proxy or alternatively by visiting the website [www.sharevote.co.uk](http://www.sharevote.co.uk) in accordance with the instructions set out on the YELLOW Form of Proxy. If you wish to appoint multiple proxies or obtain a Form of Proxy, please contact Equiniti on the Shareholder Helpline by calling on +44 (0)371 384 2050.
9. If your shares are held within a nominee and you wish to access the General Meeting remotely, you will need to contact your nominee immediately. Your nominee will need to have completed a letter of representation and presented this to Equiniti no later than 48 hours (excluding any part of a day that is not a business day) before the date of the General Meeting in order to obtain a unique SRN and PIN number on your behalf, which you can then use to access the meeting remotely, please contact the Company's registrar Equiniti by emailing: [hybrid.help@equiniti.com](mailto:hybrid.help@equiniti.com). To avoid any delays accessing the meeting, contact should be made at least 24 hours, excluding any part of a day that is not a business day, prior to the meeting date and time.
10. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company as at 6.30 p.m. on 27 July 2022 (or, in the event that the meeting is adjourned at 6.30 p.m. on the date that is two business days before the date of any 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 or any adjourned meeting.
11. Shareholders are entitled to appoint a proxy to exercise all or any of his/her rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that a shareholder. A proxy need not be a member of the Company. A YELLOW Form of Proxy which may be used to make such appointment and give proxy instructions is enclosed with this notice. If you think you may not be able to attend the meeting, please complete and return the YELLOW Form of Proxy. Please indicate how you wish your vote to be cast by inserting an "X" in the appropriate box. In the event that you wish to appoint a person other than the Chair as your proxy, delete the reference to the Chair and insert the name and address of the person you wish to appoint in the space provided. Instructions for use are shown on the YELLOW Form of Proxy. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Completion and return of a YELLOW Form of Proxy, an electronic proxy, or any CREST Proxy Instruction (as described in Note 15 below) will not preclude a shareholder from attending the meeting and voting, whether in person or remotely via the Online Platform. If you have appointed a proxy and attend the meeting in person or remotely via the Online Platform, your proxy appointment in respect of those shares will automatically be terminated.
12. To be valid, the YELLOW Form of Proxy (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority) must be lodged with Shaftesbury's Registrar, Equiniti by post or (during normal business hours only) by hand at Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, and in any event so as to be received by not later than 10.15 a.m. on 27 July 2022 or, if the meeting is adjourned, by not later than 48 hours before the time appointed for the adjourned meeting, excluding any part of a day that is not a business day. Forms of Proxy returned by fax will not be accepted. For your convenience, a prepaid envelope has been included with the Form of Proxy for use in the UK only. Alternatively, shareholders may lodge their votes electronically by visiting the website [www.sharevote.co.uk](http://www.sharevote.co.uk) (the on-screen instructions will detail how to complete the instruction process). You will be asked to enter the Voting ID, Task ID and Shareholder Reference Number (the SRN) as provided on your Form of Proxy and agree to certain terms and conditions. All proxy appointments must be received no later than 10.15 a.m. on 27 July 2022 or, if the meeting is adjourned, by not later than 48 hours before the time appointed for the adjourned meeting, excluding any part of a day that is not a business day.

13. Any person who is not a member of the Company, but has been nominated under section 146 of the Companies Act 2006 by a member of the Company (the “**relevant member**”) to enjoy information rights, (the “**nominated person**”) does not have a right to appoint any proxies under Note 11 above. A nominated person may have a right under an agreement with the relevant member to be appointed or to have somebody else appointed as a proxy for the meeting. If a nominated person does not have such a right, or has such a right and does not wish to exercise it, he/she may have a right under an agreement with the relevant member to give instructions as to the exercise of voting rights.
14. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 (the “**Regulations**”), only those members entered on the register of members of the Company at 6.30 p.m. on the date two business days before the date of the meeting or, in the event that the meeting is adjourned, the register of members of the Company at 6.30 p.m. on the date two business days before the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at the meeting or any adjourned meeting. Shareholders who hold their shares in the Company through CREST (“**CREST members**”) and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the purpose of this meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
15. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). The message, regardless of whether it constitutes the appointment of a proxy or is 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 Shaftesbury’s Registrar, Equiniti (RA19) by 10.15 a.m. on 27 July 2022 or if the General Meeting is adjourned, not later than 48 hours before the time appointed for the adjourned meeting, excluding any part of a day that is not a business day. 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 Application Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
16. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited (“**Euroclear**”) does not make available special procedures in CREST for any particular message. 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(s) take(s)) 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
17. 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.
18. In the case of joint holders of a share the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
19. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see Note 12) also apply in relation to amended instructions. Any amended proxy appointment received after the relevant cut-off time will be disregarded.
20. Where you have appointed a proxy using the hard copy YELLOW Form of Proxy and would like to change the instructions using another hard copy YELLOW Form of Proxy, please call Equiniti on the Shareholder Helpline on +44 (0)371 384 2050. Please use the country code if calling from outside the UK. Calls are charged at the standard geographic rate and will vary by provider; calls from outside the UK will

be charged at the applicable international rate. The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. Monday to Friday, excluding English and Welsh public holidays. Please note that Equiniti cannot provide comments on the merits of the Scheme or provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes.

21. If you submit more than one valid proxy appointment in respect of the same Shaftesbury Shares, the appointment received last before the latest time for receipt of proxies will take precedence.
22. To revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The revocation notice must be received by Equiniti no later than 10.15 a.m. on 27 July 2022, or if the General Meeting is adjourned, not later than 48 hours before the time appointed for the adjourned meeting, excluding any part of a day that is not a business day. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
23. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same shares.
24. The “Vote Withheld” option is provided to enable you to abstain on the specified 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 votes “For” and “Against” the specified resolution.
25. A copy of this notice, and other information required by s.311A of the Companies Act 2006, can be found at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).
26. As at 5 July 2022 (being the latest practicable date prior to the publication of the document of which this notice forms part), the Company’s issued share capital consisted of 384,214,860 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury, and therefore the total voting rights in the Company as at 5 July 2022 is 384,214,860.
27. Copies of the Company’s existing Articles of Association as proposed to be amended by the Special Resolution set out in this notice are available for inspection at the offices of the Company, Shaftesbury PLC, 22 Ganton Street, Carnaby, London, United Kingdom, W1F 7FD during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays), until the opening of business on the day on which the meeting is held, and will also be available for inspection at the place of the Meeting for at least 15 minutes prior to and during the Meeting. Such documents are also available at Company’s website at [www.shaftesbury.co.uk](http://www.shaftesbury.co.uk).
28. Any member attending the meeting has a right to ask questions pursuant to section 319A of the Companies Act. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the 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 meeting that the question be answered.
29. If you have any questions about this document, the Court Meeting, the General Meeting or the Merger or are in any doubt as to how to complete the Forms of Proxy, please contact Equiniti on the telephone number provided above.
30. Members of the Company are advised that they may not use any electronic address provided in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.
31. Voting on all the resolutions at this meeting will be conducted on a poll rather than a show of hands.

## PART TWELVE

### QUANTIFIED FINANCIAL BENEFITS STATEMENT

Paragraph 4 of Part Two (*Explanatory Statement*) of this document contains statements of estimated cost synergies arising from the Merger (together, the “**Quantified Financial Benefits Statement**”).

A copy of the Quantified Financial Benefits Statement is set out below:

The Capco Directors and the Proposed Directors, having reviewed and analysed the potential cost synergies of the Merger, and taking into account the factors they can influence, believe that the Combined Group can deliver approximately £12 million of pre-tax recurring cost synergies on an annual run-rate basis.

The run-rate at the end of the first full year following the Effective Date is expected to be approximately 50 per cent. with the full run-rate achieved by the end of the second full year following Completion.

The quantified cost synergies, which are expected to originate from the cost bases of both Capco and Shaftesbury, are expected to be realised primarily from:

- (a) rationalisation of board, senior management and duplicated group functions and public company costs (expected to contribute approximately 50 per cent. of the full run-rate pre-tax cost synergies);
- (b) consolidation of support and property management functions, including third party costs (expected to contribute approximately 44 per cent. of the full run-rate pre-tax cost synergies); and
- (c) reduced financing costs relating to commitment, agency and trustee security fees following termination of a duplicate undrawn revolving credit facility in the Combined Group (expected to contribute approximately 6 per cent. of the full run-rate pre-tax cost synergies).

The Capco Directors and the Proposed Directors estimate that the realisation of the quantified cost synergies will result in one-off costs to achieve of approximately £11.4 million, with around 49 per cent. incurred in the first full year following Completion and the remainder by the end of the second full year following Completion.

Potential areas of dis-synergy expected to arise in connection with the Merger have been considered and were determined by the Capco Directors and the Proposed Directors to be immaterial for the analysis.

The identified cost synergies will accrue as a direct result of the Merger and would not be achieved on a standalone basis. The identified cost synergies reflect both the beneficial elements and relevant costs.

#### **Bases of Belief**

Following initial discussion regarding the Merger, Shaftesbury and Capco management teams have worked collaboratively to identify, challenge and quantify potential synergies as well as the potential costs to achieving, and timing of, such synergies. The assessment and quantification of potential synergies have been informed by Shaftesbury and Capco management team’s industry expertise and knowledge.

In preparing the Quantified Financial Benefits Statement, Shaftesbury and Capco have shared certain operational and financial information to facilitate the analysis in support of evaluation the potential synergies expected to arise from the Merger. In circumstances where the scope of data exchanged or the individuals having access to it has been limited for commercial reasons, confidentiality considerations, legal or regulatory restrictions, or other reasons, Shaftesbury and Capco have made estimates and assumptions to aid its development of individual synergy initiatives.

The Merger is subject to CMA approval. It is not possible to predict with certainty the outcome of the CMA approval process and therefore any potential impact has not been quantified.

The synergy assumptions have been risk adjusted.

The costs bases used as the basis for the quantified financial benefits exercise are the Capco FY21 (for the financial year ended 31 December 2021) and Shaftesbury FY21 (for the financial year ended 30 September 2021) actual financial results (with adjustments made to reflect non-recurring items and expected future changes in certain costs) and manpower costs and headcount data as at 1 April 2022 relating to both companies (with adjustments made to reflect expected future changes relating to certain costs).

The Capco Directors and the Proposed Directors have, in addition, made the following assumptions:

- The Combined Group will remain a UK premium listed company on the London Stock Exchange and with a secondary listing on the JSE and will retain its status as a UK-REIT.

- There will be no material impact on the underlying operations of either Capco or Shaftesbury of their ability to continue to conduct their businesses, including as a result of, or in connection with, the integration of Shaftesbury and Capco.
- The estimate of one-off costs does not include any assumptions relating to potential interest costs that may be associated with the Loan Facility Agreement.
- The Quantified Financial Benefits Statement does not take into account any change to macroeconomic, political, regulatory or legal conditions in the markets or regions, including inflation, Covid-19 or business disruptions, in which Shaftesbury and Capco operate that will materially impact on the implementation or costs to achieve the proposed cost savings.
- There will be no change in tax legislation or tax rates or other legislation in the UK that could materially impact the ability to achieve any benefits.
- There will be no material divestments from either the Capco or Shaftesbury existing businesses.

## Reports

As required by Rule 28.1(a) of the Code, KPMG, as reporting accountants to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, has provided a report stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, Rothschild & Co as financial adviser to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement has provided a report stating that, in its opinion, the Quantified Financial Benefits Statement has been prepared with due care and consideration.

Copies of these reports were included in Part B and Part C of Appendix 4 of the Announcement. Each of KPMG and Rothschild & Co has given and not withdrawn its consent to the publication of their respective reports in the Announcement in the form and context in which it is included.

The Capco Directors and the Proposed Directors confirm that the Quantified Financial Benefits Statement remains valid. As required by Rule 27.2(d)(ii) of the Code, each of KPMG and Rothschild & Co has confirmed that their respective reports dated 16 June 2022 and produced in connection with the Quantified Financial Benefits Statement continue to apply. Such reports were issued solely to comply with Rule 28.1(a) of the Code and do not form part of this document.

## Notes

1. The statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.
2. Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.
3. No statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Merger, or in any subsequent period, would necessarily match or be greater than or be less than those of Capco and / or Shaftesbury for the relevant preceding financial period or any other period.
4. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

**PART THIRTEEN**  
**VALUATION REPORTS**

# VALUATION REPORT

Valuation Date: 30<sup>th</sup> June 2022

In respect of:

Capco's Covent Garden Portfolio

On behalf of:

The Addressees as stated below



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An abstract graphic design featuring a large, dark green triangle pointing downwards, which is partially overlaid by a lighter green triangle pointing upwards. The composition is minimalist and modern.

01

# CONDENSED VALUATION REPORT

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# Introduction

|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report Date    | 7 <sup>th</sup> July 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Valuation Date | 30 <sup>th</sup> June 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Addressees     | <p>The Directors and Proposed Directors (as set out below)</p> <p>Capital &amp; Counties Properties PLC</p> <p>Regal House</p> <p>14 James Street</p> <p>London WC2E 8BU</p> <p>(hereinafter referred to as the "Company")</p> <p>and</p> <p>The Directors</p> <p>Shaftesbury PLC</p> <p>22 Ganton Street</p> <p>Carnaby</p> <p>London W1F 7FD</p> <p>(hereinafter referred to as "Shaftesbury")</p> <p>N.M. Rothschild &amp; Sons Limited</p> <p>New Court</p> <p>St. Swithin's Lane</p> <p>London EC4N 8AL</p> <p>(in their capacity as Sponsor to the Company)</p> <p>(hereinafter referred to as "Rothschild")</p> <p>Evercore Partners International LLP</p> <p>15 Stanhope Gate</p> <p>London W1K 1LN</p> <p>(in their capacity as Rule 3 Advisor to Shaftesbury)</p> <p>(hereinafter referred to as "Evercore")</p> <p>(together, the "Addressees")</p> <p><u>Proposed Directors of the Company:</u></p> <p>The Proposed Directors of the Company are:</p> <p>Jonathan Nicholls</p> <p>Chris Ward</p> <p>Richard Akers</p> <p>Jennelle Tilling</p> <p>Helena Coles</p> <p>Ruth Anderson</p> |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Properties</b>                 | The properties held by the Company as listed in the Schedule of Assets below (the "Properties").                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Instruction</b>                    | To value the unencumbered freehold, heritable and leasehold interests (as applicable) in the Properties on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 14 June 2022 and the Addendum dated 29 June 2022.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Status of Valuer</b>               | <p>You have instructed us to act as an External Valuer as defined in the current version of the RICS Valuation – Global Standards.</p> <p>Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations in order to ensure compliance with the Valuation Standards.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Purpose and Basis of Valuation</b> | <p>The Valuation and the Valuation Report have been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards and the UK national supplement current as at the Valuation Date (the "Red Book").</p> <p>We understand that our valuation report and the Appendices to it (together the "Valuation Report") are required for inclusion in a scheme document to be published by Shaftesbury in connection with the all-share merger of Capco and Shaftesbury in accordance with the City Code on Takeovers and Mergers (the "Code") and the JSE Listing Requirements and Takeover Regulations (the "Transaction") (the "Scheme Document").</p> <p>The effective date of valuation is 30<sup>th</sup> June 2022.</p> <p>In accordance with the Red Book we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.</p> |

**Market Value**

**£1,816,705,000 (One Billion, Eight Hundred and Sixteen Million Seven Hundred and Five Thousand Pounds)** exclusive of purchaser's costs and VAT, as shown in Appendix A below.

As set out in Appendix B to this Valuation Report, there are four properties in the portfolio which, individually, have a value of more than 5% of the aggregate of the individual market values. With reference to UK VPGA 2.1 17 of the UK national supplement, two of these properties are considered commercially sensitive by the Company and on their instructions the individual values have therefore not been included.

We are required to show the split of values between freehold and leasehold property. All the properties are held for investment.

| Type                                                   | Number of Properties | Freehold £           | * Long Leasehold £ | Total £               |
|--------------------------------------------------------|----------------------|----------------------|--------------------|-----------------------|
| Value of Freehold Properties held for Investment       | 56                   | 1,008,225,000        | 0                  | 1,008,225,000         |
| Value of Long Leasehold Properties held for Investment | 14                   | 0                    | 808,480,000        | 808,480,000           |
| <b>Portfolio Total</b>                                 | <b>70</b>            | <b>1,008,225,000</b> | <b>808,480,000</b> | <b>11,816,705,000</b> |

\*In excess to 50 years' unexpired term

There are no negative values to report.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

**Portfolios and Aggregation**

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

**Report Format**

Appendix A of this Valuation Report provides the Property Details and Market Value of the Portfolio lotted by location. Appendix B provides relevant details of those properties which have an individual Market Value in excess of 5% of the total aggregate Market Value of the Portfolio. Appendix C provides a table of information provided to CBRE by the Company.

**Compliance with Valuation Standards and the Code**

The Valuation and the Valuation Report have been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book") current as at the Valuation Date.

The valuations are compliant with the International Valuation Standards and Rule 29 of the Code.

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                      | <p>The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.</p> <p>Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.</p> <p>This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.</p>                                                                                                                                                                                                                                          |
| <b>Sustainability Considerations</b> | <p>Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. 'Sustainability' is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.</p> <p>Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.</p>                                                                                                                                                                                                                                                       |
| <b>Climate Risk Legislation</b>      | <p>The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).</p> <p>We understand this to include an update to the Minimum Energy Efficiency Standards, stated to increase the minimum requirements from an E (since 2018) to a B in 2030. The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in buildings, such as natural gas for heating, are incompatible with the UK's commitment to be Net Zero Carbon by 2050.</p> <p>This upcoming legislation could have a potential impact to future asset value.</p> <p>We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.</p> <p>The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.</p> |
| <b>Assumptions</b>                   | <p>The Property Details on which each Valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               | If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Variations and/or Departures from Standard Assumptions</b> | None.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Independence</b>                                           | <p>The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.</p> <p>It is not anticipated this situation will vary in the financial year to 31 December 2022.</p> <p>We confirm that we do not have any material interest in the Company or the Properties.</p>                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Previous Involvement and Conflicts of Interest</b>         | <p>We confirm that we have previously valued all the properties on behalf of the Company for financial reporting purposes on a bi-annual basis since their acquisition (the first being in 2007).</p> <p>CBRE Ltd has carried out Valuation, Agency and Professional services on behalf of Capital &amp; Counties for in excess of 20 years.</p> <p>CBRE provide asset management service and agency advice to Shaftesbury.</p> <p>Copies of our conflict of interest checks have been retained within the working papers.</p> <p>We confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(ii) and (iii) of the Code; and (ii) during the term of the engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(ii) and (iii) of the Code.</p> |
| <b>Disclosure</b>                                             | <p>The principal signatory of this report has continuously been the signatory of valuations for the Company and for financial reporting purposes since 2019.</p> <p>CBRE Ltd has continuously been carrying out valuation instructions for the Company since 2007.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Responsibility</b>                                         | <p>For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.</p> <p>Save for any responsibility arising under the Code to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in accordance with this report or our statement.</p>                                                                    |
| <b>Reliance</b>                                               | <p>This report is for the use only of the parties to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents save as set out in "Responsibility" above.</p> <p>No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of Valuation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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## Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of any special assumptions referred to herein.

Yours faithfully

Yours faithfully

David Methuen  
BA (Hons) MRICS  
Senior Director  
**RICS Registered Valuer**  
For and on behalf of CBRE Limited  
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David.Methuen@cbre.com

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Henrietta House  
Henrietta Place  
London  
W1G 0RE

Guy Schiess  
LLM MRICS  
Senior Director  
**RICS Registered Valuer**  
For and on behalf of CBRE Limited  
+44 20 7182 2528  
Guy.Schiess@cbre.com

## SCHEDULE OF ASSETS

| Address                               | Town/City | Postcode | Tenure    | Inspection Date |
|---------------------------------------|-----------|----------|-----------|-----------------|
| 7 Garrick Street                      | London    | WC2      | Freehold  | 23.11.2021      |
| 10-14 Bedford Street                  | London    | WC2      | Freehold  | 10.02.2022      |
| 10-13 King Street                     | London    | WC2      | Leasehold | 09.11.2021      |
| 14 King Street                        | London    | WC2      | Freehold  | 09.11.2021      |
| 15 King Street                        | London    | WC2      | Freehold  | 09.11.2021      |
| 16-18 King Street & 28 Bedford Street | London    | WC2      | Freehold  | 09.11.2021      |
| 33 King Street                        | London    | WC2      | Freehold  | 09.11.2021      |
| 34 King Street                        | London    | WC2      | Freehold  | 09.11.2021      |
| Royal Opera House Retail              | London    | WC2      | Leasehold | 10.02.2022      |
| Sussex Mansions, Maiden Lane          | London    | WC2      | Freehold  | 12.11.2021      |
| 28 Maiden Lane                        | London    | WC2      | Freehold  | 09.11.2021      |
| 23-24 Henrietta Street                | London    | WC2      | Freehold  | 14.10.2021      |
| 25-29 Henrietta Street                | London    | WC2      | Leasehold | 14.10.2021      |
| 30-33 Henrietta Street                | London    | WC2      | Freehold  | 14.10.2021      |
| 34 Henrietta Street                   | London    | WC2      | Freehold  | 14.10.2021      |
| Covent Garden Market                  | London    | WC2      | Leasehold | 09.11.2021      |
| Flat 1, 20 The Piazza                 | London    | WC2      | Leasehold | 09.11.2021      |
| 20 The Piazza                         | London    | WC2      | Leasehold | 09.11.2021      |
| 11-12 Russell Street                  | London    | WC2      | Freehold  | 10.02.2022      |
| 10 Russell Street                     | London    | WC2      | Freehold  | 10.02.2022      |
| 9 Russell Street                      | London    | WC2      | Freehold  | 10.02.2022      |

|                                         |        |     |           |            |
|-----------------------------------------|--------|-----|-----------|------------|
| 8 Russell Street                        | London | WC2 | Freehold  | 12.11.2021 |
| 49 Wellington Street                    | London | WC2 | Leasehold | 09.11.2021 |
| 4-7 Russell St/45-49 Wellington Street  | London | WC2 | Leasehold | 09.11.2021 |
| 41-43 Wellington Street                 | London | WC2 | Freehold  | 12.11.2021 |
| 33-35 Wellington Street                 | London | WC2 | Freehold  | 12.11.2021 |
| London Transport Museum                 | London | WC2 | Freehold  | 09.11.2021 |
| Jubilee Hall                            | London | WC2 | Leasehold | 14.10.2021 |
| 1a Henrietta Street                     | London | WC2 | Freehold  | 14.10.2021 |
| 3 Henrietta Street                      | London | WC2 | Freehold  | 14.10.2021 |
| 4 Henrietta Street                      | London | WC2 | Freehold  | 14.10.2021 |
| 5-6 Henrietta Street                    | London | WC2 | Freehold  | 10.02.2022 |
| 7-8 Henrietta Street                    | London | WC2 | Freehold  | 14.10.2021 |
| 9-10 Henrietta Street                   | London | WC2 | Freehold  | 14.10.2021 |
| 11 Henrietta Street & 33 Maiden Lane    | London | WC2 | Freehold  | 14.10.2021 |
| 14,15 Henrietta Street & 29 Maiden Lane | London | WC2 | Freehold  | 14.10.2021 |
| 17-18 Henrietta Street                  | London | WC2 | Freehold  | 14.10.2021 |
| 30 Maiden Lane                          | London | WC2 | Freehold  | 12.11.2022 |
| 40-41 Maiden Lane                       | London | WC2 | Freehold  | 12.11.2022 |
| 42-43 Maiden Lane                       | London | WC2 | Freehold  | 12.11.2022 |
| 44 Maiden Lane                          | London | WC2 | Freehold  | 12.11.2022 |
| Tower House                             | London | WC2 | Freehold  | 10.02.2022 |
| Bedford Chambers                        | London | WC2 | Leasehold | 23.11.2021 |

|                                         |        |     |           |            |
|-----------------------------------------|--------|-----|-----------|------------|
| 40-43 King Street                       | London | WC2 | Freehold  | 10.02.2022 |
| 11-12 Floral Street                     | London | WC2 | Freehold  | 19.11.2021 |
| 9-10 Floral Street                      | London | WC2 | Freehold  | 19.11.2021 |
| 22-23 James Street                      | London | WC2 | Freehold  | 23.11.2021 |
| 21 James Street                         | London | WC2 | Freehold  | 23.11.2021 |
| 11 James Street                         | London | WC2 | Freehold  | 23.11.2021 |
| Regal House                             | London | WC2 | Freehold  | 10.02.2022 |
| 37 King Street                          | London | WC2 | Freehold  | 23.11.2021 |
| 8 King Street                           | London | WC2 | Freehold  | 23.11.2021 |
| 9 King Street                           | London | WC2 | Freehold  | 23.11.2021 |
| 7 King Street                           | London | WC2 | Freehold  | 23.11.2021 |
| 13-14 Floral Street                     | London | WC2 | Freehold  | 19.11.2022 |
| Floral Court                            | London | WC2 | Freehold  | 19.11.2022 |
| 26 King Street                          | London | WC2 | Freehold  | 23.11.2021 |
| 35 King Street and 17-18 Floral Street  | London | WC2 | Freehold  | 10.02.2022 |
| 38 King Street and 15-16 Floral Street  | London | WC2 | Leasehold | 23.11.2021 |
| 16 Henrietta Street                     | London | WC2 | Freehold  | 14.10.2021 |
| 19 Henrietta Street & 35 Bedford Street | London | WC2 | Freehold  | 12.11.2022 |
| 37 Bedford Street                       | London | WC2 | Freehold  | 12.11.2022 |
| 39-40 Bedford Street                    | London | WC2 | Freehold  | 12.11.2022 |
| 39 Floral Street                        | London | WC2 | Freehold  | 19.11.2022 |
| 37 Floral Street                        | London | WC2 | Freehold  | 19.11.2022 |

|                    |        |     |           |            |
|--------------------|--------|-----|-----------|------------|
| Floral Place       | London | WC2 | Leasehold | 10.02.2022 |
| 15-17 Long Acre    | London | WC2 | Leasehold | 10.02.2022 |
| 14 Garrick Street  | London | WC2 | Freehold  | 19.11.2021 |
| Walter House       | London | WC2 | Leasehold | 19.11.2021 |
| 158-159 Drury Lane | London | WC2 | Freehold  | 10.02.2022 |

## Source of Information and Scope of Works

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sources of Information</b>       | <p>We have carried out our work based upon information supplied to us by the Company, as set out within this report, which we have assumed to be correct and comprehensive.</p> <p>We have included a schedule in Appendix C of the various due diligence items provided to us by the Company and their advisors, for the purposes of our initial valuation as at December 2007 and thereafter on additional properties entering the portfolio.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>The Properties</b>               | <p>Our report contains a brief summary of the Property details on which our Valuation has been based.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Inspection</b>                   | <p>We have previously inspected all the properties within the scope of our instructions from the Company to carry out valuations for financial reporting purposes, under which we carry out external inspections of the properties every year and all properties are subject to internal re-inspection over a three-year period.</p> <p>In accordance with your instructions, we have not re-inspected the Properties for the purposes of this valuation, except where properties had not been inspected within twelve months of the valuation date.</p> <p>The Company has confirmed that they are not aware of any material changes to the physical attributes of these properties, since the last inspection. We have assumed this advice to be correct.</p> <p>Where properties have not been reinspected, the valuer will not carry out the usual range of enquiries performed during a full inspection of these properties and will make the appropriate assumptions based on the information provided or available that, without a full inspection, cannot be verified. The instructing parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis.</p> |
| <b>Areas</b>                        | <p>We have not measured the Properties but have relied upon the floor areas provided to us by the Company or their professional advisors, which we have assumed to be correct and comprehensive, and which the Company has advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Environmental Considerations</b> | <p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Services and Amenities</b>       | <p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p> <p>Enquiries regarding the availability of utilities/services to any proposed developments are outside the scope of our report.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Repair and Condition</b>         | <p>We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     | determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Town Planning</b>                | We have not undertaken planning enquiries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Titles, Tenures and Lettings</b> | <p>Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants</p> |

# Valuation Assumptions

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Introduction</b>                          | <p>An Assumption is defined in the Red Book Glossary and VPS 4 to be a "supposition taken to be true" (an "Assumption").</p> <p>Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.</p> <p>The Company has confirmed and we confirm that our Assumptions are correct as far as the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.</p> <p>For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.</p> |
| <b>Capital Values</b>                        | <p>Each valuation has been prepared on the basis of "Market Value", which is defined in the Red Book as:</p> <p>"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p> <p>The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>     |
| <b>Taxation, Costs and Realisation Costs</b> | <p>As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.</p> <p>Our valuations reflect purchasers' statutory and other normal acquisition costs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>VAT</b>                                   | <p>We have not been advised whether the properties are elected for VAT.</p> <p>All rents and capital values stated in this report are exclusive of VAT.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Passing Rent</b>                          | <p>Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Net Annual Rent</b>                       | <p>Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:</p> <ul style="list-style-type: none"> <li>(i) ignoring any special receipts or deduction arising from the property;</li> <li>(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and</li> <li>(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".</li> </ul>                                                                                                                                                                                                                                                                                                     |
| <b>Estimated Net Annual Rental Value</b>     | <p>The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Rental Values</b>                    | <p>Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:</p> <p>"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Fixtures, Fittings and Equipment</b> | <p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p> <p>Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.</p> <p>Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.</p> <p>All measurements, areas and ages quoted in our report are approximate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Environmental Matters</b>            | <p>In the absence of any information to the contrary, we have assumed that:</p> <ol style="list-style-type: none"> <li>the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law;</li> <li>any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;</li> <li>in England and Wales, the Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. We would draw your attention to the fact the Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 came into force on 1st September 2016. From this date, building owners are required to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;</li> <li>In January 2021 the Government closed the consultation period that focused on its latest proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals are wide</li> </ol> |

ranging and they introduce new demands on residential landlords through Energy Performance Certificates ('EPCs'). Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028. The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite; compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication is (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they fail to meet or exceed the minimum EPC requirement. It is expected that the Government will respond to the consultation process in Q2/Q3 2021 with any new regulations taking effect in Q3/Q4 2021. At present it is not clear how the market would respond to these proposals were they to be implemented as currently drafted; neither do we have any visibility of changes that may be made to the proposals following the consultation process. Our Valuation reflects market conditions and regulations effective at the Valuation date; we make no additional allowances for any future works that may be required in order to ensure that the subject assets would remain lettable under revised regulations;

- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

**Repair and Condition** In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- b) the Properties are free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure,  
Lettings, Planning,  
Taxation and  
Statutory & Local  
Authority  
Requirements**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Properties are not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
- k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.

In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable

## **Appendix A: Properties Details**

Property Details: Properties held for Investment

## **Appendix B: Properties Exceeding 5% of Aggregate Market Value of Portfolio**

Properties with a Market Value over 5% of the portfolio

## **Appendix C: Information Received**

## Appendix A: Properties Details

### Property Details: Properties Lotted by Location

| SUB-PORTFOLIO | DESCRIPTION, AGE AND TENURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | TENANCY                                                                                                                                                                                                                                                                                                 | MARKET VALUE |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1             | <p>Centred around Floral Court, a commercial and residential scheme completed in 2018 comprising 9 retail units, 2 restaurants and 45 residential units linking Floral Street and King Street. Floral Place links Long Acre and Floral Court which will be anchored by Uniqlo who will occupy units fronting both streets. The upper parts of the Long Acre properties comprise offices while on other properties there is a mix of offices and residential.</p> <p>Floral Place and 15-17 Long Acre are geared long leasehold interests whilst the majority of the remaining units are held freehold. The residential units (29) fronting Floral Street within Floral Court have been sold off on a long leasehold basis.</p> | Retail typically let on five year terms to a mixture of national and international retailers. The restaurants typically let on terms of at least ten years and the offices five, frequently with a break after three years. The residential is typically let on an AST basis or to a serviced provider. | £543,075,000 |
| 2             | <p>Comprising The Market Building, Royal Opera House Shops, Bedford Chambers and James Street retail. The Market Building, Royal Opera House shops and Bedford Chambers are all listed period buildings. Ground floor uses comprise exclusively retail and food and beverage with some office space above the retail on James Street. The Royal Opera House shops are held long leasehold with a 5% pay away. The remaining properties are held freehold albeit the Market Building and Bedford Chambers are subject to an intermediary long leasehold interest to the Covent Garden Area Trust with an RPI linked ground rent</p>                                                                                             | Retail typically let on terms between five and ten years with restaurants on at least ten years.                                                                                                                                                                                                        | £705,450,000 |
| 3             | <p>The Southern part of the Estate comprising Henrietta Street, Maiden Lane, Bedford Street, Southampton Street, Wellington Street and part of The Piazza including the London Transport Museum and Jubilee Hall. There is a concentration of restaurants around the Piazza and on Henrietta Street and Maiden Lane</p> <p>All properties held freehold with the exception of Walter House on Bedford Street/Strand which is held on a virtual freehold basis</p>                                                                                                                                                                                                                                                              | The London Transport Museum is let on a long term. The restaurants are typically let on terms of at least ten years. The majority of The Jubilee Hall is subject to a long leasehold at a nominal rent.                                                                                                 | £568,180,000 |

## Appendix B: Properties Exceeding 5% of Aggregate Market Value of Portfolio

| PROPERTY ADDRESS                                          | DESCRIPTION, AGE AND TENURE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | TENANCY                                                                                                                                                                                                                        | MARKET VALUE |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| The Market<br>Covent Garden, London WC2                   | <p>Covent Garden Market is the Grade II* Listed former covered fruit and vegetable market dating from circa 1830. It now comprises a mixture of retail and restaurant accommodation comprising a total of approximately 6,540 sq m (70,400 sq ft) arranged over basement, ground and first floor levels. The units are split into four parallel arcades fronting the North Hall, Central Avenue and South Hall and provide double frontages throughout. The open areas between the arcades, in the North and South Halls, provide additional space for outside seating and stall holders.</p> <p>The Market and the surface of the Piazza are both held freehold, subject to a long leasehold interest to the Covent Garden Area Trust (CGAT). The property is sub-let back to the freeholder, subject to a ground rent payment rising annually in line with RPI. The current ground rent passing is £54,463.</p> | <p>The Market is let to a total of 47 tenants on a variety of lease terms expiring between 2022 and 2042</p> <p>There are also a number of 'non-leased' sources of income comprising market stalls and promotional events.</p> | £292,000,000 |
| Royal Opera House<br>Retail, Covent Garden,<br>London WC2 | <p>The property comprises the retail units surrounding the Grade I listed Royal Opera House either side of the entrance to the Opera House off the Piazza. The units were created during the substantial reconstruction of the Royal Opera House during the 1990s. The property provides 21 units on ground with some having basement trading and ancillary areas. The units facing the Piazza face into an arcade, whilst those on James Street and Russell Street open directly onto the Street.</p> <p>Long leasehold expiring in 2241. Head rent geared to 5% of passing rents subject to a minimum of £270,000 per annum</p>                                                                                                                                                                                                                                                                                 | The Royal Opera House Retail is let to 13 separate tenants on a variety of lease terms expiring between 2026 and 2034.                                                                                                         | Confidential |
| Floral Court, Covent<br>Garden, London WC2                | <p>Floral Court is a mixed use development between King Street and Floral Street and is arranged around a pedestrian route and courtyard between the two streets. The development completed in 2018 and comprises 9 retail units, 2 restaurants and 45 apartments.</p> <p>The property is held freehold. The 29 residential units on Floral Street have been sold off on a long leasehold basis.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>The commercial element is let to 8 tenants on a variety of terms expiring between 2028 and 2037</p> <p>The residential is single let.</p>                                                                                   | £102,750,000 |
| Bedford Chambers, 1-7<br>The Piazza, London WC2           | <p>Grade II listed building redeveloped in 2009. Located on the western corner of James Street and the Piazza. The mixed retail and office property is arranged over basement, ground, mezzanine and four upper floors.</p> <p>Total floor area is approximately 3,795 sq. m. (40,852 sq. ft.)</p> <p>Freehold, subject to a long leasehold interest to the Covent Garden Area Trust. Sub-let back to freeholder, subject to a ground rent passing of £19,823 rising annually in line with RPI.</p>                                                                                                                                                                                                                                                                                                                                                                                                               | Single let Apple Retail UK until 2034.                                                                                                                                                                                         | Confidential |

## Appendix C: Information Received

| Address        | Legal Due Diligence | Tenancy Information* | Technical Due Diligence | Environmental Due Diligence | Measured Survey |
|----------------|---------------------|----------------------|-------------------------|-----------------------------|-----------------|
| All Properties | x                   | x                    | x                       | x                           | x               |

*\*Tenancy information includes leases, tenancy schedules and rent review memoranda as appropriate*

The Directors and Proposed Directors  
Capital and Counties Properties PLC ("Capco" or "Client")  
Regal House  
14 James Street  
London WC2E 8BU

The Directors  
Shaftesbury PLC ("Shaftesbury")  
22 Ganton Street  
Carnaby  
London W1F 7FD

N.M. Rothschild & Sons Limited  
New Court  
St. Swithin's Lane  
London EC4N 8AL

Evercore Partners International LLP  
15 Stanhope Gate  
London W1K 1LN  
(together, the "Addressees")

**Jones Lang LaSalle Ltd**  
30 Warwick Street London W1B 5NH  
+44 (0)20 7493 4933

jll.co.uk

Our ref CQS/435003

7<sup>th</sup> July 2022

Dear Sirs

## Terms of Reference

### Portfolio

Lillie Square Developments Limited  
Lillie Square GP Limited  
Lillie Square LP Limited

### The Properties

We attach at Appendix 1 a schedule of the properties within the portfolio.

### Tenure

Freehold and Leasehold

### Valuation Date

30<sup>th</sup> June 2022

### Instruction Date

28<sup>th</sup> March 2022

### Instruction and Purpose of Valuation

Our valuation report (the "Valuation Report") of the properties within the Portfolio is for the following purpose (the "Purpose"): inclusion in any scheme document, offer document, response circular, or any other document or supplementary circular (the "Scheme Document") pursuant to the City Code on Takeovers and Mergers (the "Code") that may be published or made available by Shaftesbury or the Client in accordance with the Code and any further document which you or Shaftesbury may be required to publish under the Code and for publication on the website of the Client, Shaftesbury and any other website as required by the Code in connection with the all share merger of Capco and Shaftesbury (the "Transaction").

### Basis of Valuation

We confirm that our valuations and report has been prepared in accordance with the current RICS Valuation – Global Standards,

incorporating the International Valuation Standards, and the RICS Valuation – Global Standards 2017 – UK national supplement published by the Royal Institution of Chartered Surveyors (the “RICS Red Book” as applicable) on the basis of the Market Value.

We further confirm our valuations and report are compliant with the Code, including, without limitation, Rule 29.

The report is subject to, and should be read in conjunction with, the General Principles Adopted in the Preparation of Valuations and Reports.

No allowance has been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges which may be secured thereon.

We have assumed that in the event of a sale of the properties, they would be marketed in an orderly manner and would not all be placed on the market at the same time.

#### **Inspection**

The properties have been inspected during 2021.

#### **Conflicts of Interest**

We confirm that we have previously valued, and are currently instructed to value, the properties on behalf of the Client, on a bi-annual basis for financial reporting purposes.

We do not consider that any of the above provides a conflict of interest preventing us from preparing the valuations.

We confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a) of the Code; and (ii) during the term of the engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a) of the Code.

#### **Disclosures**

In our firm’s preceding financial year the proportion of total fees payable by the Client commissioning this valuation was less than 5 per cent. of the firm’s total fee income.

It is not anticipated there will be a material increase in the proportion of fees payable to the firm by the client commissioning this Valuation Report since the end of the last financial year or in the next financial year.

#### **Personnel**

The valuation has been prepared by Chris Strathon FRICS, Director and Nick Carter, Director, MRICS and Liam Hall, Surveyor MRICS.

#### **Status**

In preparing this valuation, we have acted as External Valuers as defined in the RICS Red Book, subject to any disclosures made to you.

#### **Assumptions**

As detailed in our General Principles, we have made a number of assumptions, including:

We have assumed that a good and marketable title is held and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interests under consideration.

We have assumed that all leases are drawn on standard terms with no unusual or onerous clauses that would impact on value.

We have not undertaken planning enquiries and have assumed that the properties comply with all relevant regulations and legislation.

We have assumed that the properties are structurally sound and that there are no structural, latent or other material defects.

We have assumed that the properties are not affected by environmental contamination.

We have assumed that mains water, gas and electricity are connected to the properties, and that they drain into the public sewer.

We have made no "Special Assumptions".

## Sources of Information

We have not carried out any building surveys or environmental risk assessments. We have not measured the properties and have relied upon areas provided. We have not been supplied with Certificates of Title and assumed that the correct legal title is held.

We have relied on all the scheme drawings, floor areas, build costs and infrastructure costs provided by the Client in relation to the development site at Lillie Square.

We have been provided with up to date tenancy schedules and have relied on these for the purpose of the valuations.

## Valuation Approach

For the development site we have undertaken residual development appraisals where we have assessed an estimated gross development value based on what can be built on the site in terms of density and size less estimated construction costs, infrastructure costs, contingency, professional fees, section 106 costs, planning fees, finance and profit on cost for this type of development to arrive at a residual land value. We have also made deductions for other relevant costs, such as overage payments and planning risk where appropriate.

For the commercial investment properties we have applied the investment method whereby the income is capitalised at an appropriate investment yield based on comparable transactions in the market place.

For the residential properties, we have used both the investment method if the flats or houses are let and the comparative method.

## Market Value

|                                       |              |
|---------------------------------------|--------------|
| Lillie Square GP Limited              | £155,875,000 |
| Capco 50% of Lillie Square GP Limited | £77,937,500  |

|                                         |                     |
|-----------------------------------------|---------------------|
| Lillie Square LP Limited                | £2,070,000          |
| Lillie Square Developments Limited      | £7,520,000          |
| Capco 50% of Lillie Square Developments | £3,760,000          |
| <b>Total</b>                            | <b>£165,465,000</b> |

|             |             |
|-------------|-------------|
| Capco Share | £83,767,500 |
|-------------|-------------|

|           |              |
|-----------|--------------|
| Freehold  | £164,505,000 |
| Leasehold | £960,000     |

## Purchaser's Costs

We have allowed for Stamp Duty Land Tax for the land and commercial properties as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00 per cent.; remaining amount (the portion above £250,000), 5.00 per cent.

We have also allowed for agents' and legal fees plus VAT at standard market rates which amounts to 1.80 per cent.

## Responsibility

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, Rule 29 of the Code. We authorise its content for the purposes of Rule 29 of the Code.

(1) 1.2

## Reliance

Our report shall be addressed to the Addressees only. We acknowledge that the shareholders or prospective shareholders of the Client may rely on the Valuation Report in the form that is incorporated into the Scheme Document for the purposes of enabling them to make an informed assessment of the assets and liabilities, financial position, profits, losses and prospects of the Client and the rights attaching to the ordinary shares of the Client.

We further acknowledge that the shareholders or prospective shareholders of Shaftesbury may rely on the Valuation Report in the form that is incorporated into the Scheme Document.

## Restrictions on use

This Valuation Report has been prepared for inclusion in the Scheme Document and any supplementary scheme document. Neither the whole of the Valuation Report, nor any part, nor references thereto, may be published in any document, statement, circular or prospectus, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

JLL has given, and has not withdrawn its consent, for the Valuation Report to be included in the Scheme Document and any supplementary scheme document that may be required to be published by Capco or Shaftesbury.

We hereby consent to the Valuation Report being included on a website as required by the Code.

**Difference in valuation figures**

For the purposes of Rule 29.5 of the Code, we confirm that in our opinion the current valuation of the properties as at the date of this Valuation Report would not be materially different from the valuation of the properties as at the Valuation Date.

Yours faithfully

**Chris Strathon FRICS**

Director

For and on behalf of Jones Lang LaSalle Limited

**Nick Carter MRICS**

Director

For and on behalf of Jones Lang LaSalle Limited

## Appendix 1

### Lillie Square Developments Limited: Lillie Square, London

| PROPERTY REF | ADDRESS                                                                                                                                                           | TENURE   |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 1            | 3 Rickett Street, London SW6<br>The former Bolding Estate comprising 2-12 Rickett Street, 5-9 Rickett Street, 5-6 Roxby Place and 2b-3c Seagrave Road, London SW6 | Freehold |
| 2            |                                                                                                                                                                   | Freehold |

### Lillie Square GP Limited: Lillie Square, London

| PROPERTY REF | ADDRESS                                                                       | TENURE AND TENANCIES             |
|--------------|-------------------------------------------------------------------------------|----------------------------------|
| 3            | Lillie Square, London SW6 (Includes Roxby Place and former Network Rail land) | Freehold                         |
| 4            | The Atlas Public House, Seagrave Road, London SW6                             | Freehold                         |
| 5            | 19 Seagrave Road, London SW6<br>19A Seagrave Road, London SW6                 | Both properties held<br>Freehold |
| 6            | 1-5 Lillie Road, London SW6                                                   | Freehold                         |
| 7            | 17 Lillie Road, London SW6                                                    | Freehold                         |

### Lillie Square LP Limited: Lillie Square, London

| PROPERTY REF | ADDRESS                             | TENURE AND TENANCIES |
|--------------|-------------------------------------|----------------------|
| 8            | 4a and 4b Seagrave Road, London SW6 | Leasehold            |
| 9            | 6a and 6b Seagrave Road, London SW6 | Freehold             |

# Valuation Report

Longmartin Properties Limited

Shaftesbury PLC

Valuation date: 31 March 2022

***Important Notice to all readers of this report***

*Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.*

Shaftesbury PLC  
The Directors  
Shaftesbury PLC ("Shaftesbury")  
22 Ganton Street  
Carnaby  
London W1F 7FD

For the attention of Shaftesbury PLC

The Directors and Proposed Directors  
Capital & Counties Properties PLC ("Capco")  
Regal House  
14 James Street  
London WC2E 8BU

And

Evercore Partners International LLP ("Evercore")  
15 Stanhope Gate  
London W1K 1LN

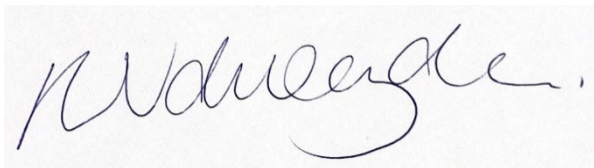
N.M. Rothschild & Sons Limited ("Rothschild & Co.")  
New Court  
St Swithin's Lane  
London EC4N 8AL

Date of issue: 7 July 2022  
Our Ref: I:1093115

## Valuation Report - Longmartin Properties Limited

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above properties. If you have any queries regarding this report, please let us know as soon as possible.

## Signed for and on behalf of Knight Frank LLP



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This report has been reviewed, but not undertaken, by:



**Andrew Low** MRICS

RICS Registered Valuer

Partner, Valuation & Advisory

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# Executive summary

**Properties to be valued in London WC2 (the "Properties"):**

- 1124/138 Long Acre
- 1/5 (odd) Mercer Street
- 10/12 Upper St. Martin's Lane
- Slingsby Place
- 13/14 Upper St. Martin's Lane
- 15-17 Mercer Street & Wellington House
- 6/9 Upper St. Martin's Lane
- Wellington Court
- 2/8 (even) Shelton Street and 7/13 (odd) Mercer Street
- 16/19 Upper St. Martin's Lane
- 139/142 Long Acre, Sussex House and the Sussex Public House, 143 Long Acre
- 20 Upper St. Martin's Lane

# 1. Terms of engagement

## Engagement of Knight Frank LLP

1.1 This valuation report (the "Valuation Report") has been prepared in accordance with our Terms of Engagement letter dated 23 May 2022 and our General Terms of Business for Valuation Services (together the "Agreement").

1.2 We now report to you formally our valuation of properties held in the Longmartin Properties Limited joint venture between Shaftesbury PLC and the Mercers' Company ("The Parties") (the "Valuation"). The Properties have been valued free and clear of the joint venture agreement and the figure reported represents 100% of the Market Value of the Properties.

### **Client**

1.3 Our client for this instruction is Shaftesbury PLC (the "Client", "you", "your"). We agree that our Valuation Report will be addressed to you, Shaftesbury directors, the directors and proposed directors of Capco, Evercore and Rothschild & Co (together the "Addressees").

1.4 The Addressees shall be entitled to rely on and enforce the terms of the Engagement as set out in the Engagement Letter and on the Valuation Report subject in each case to the terms of the Engagement.

### **Valuation standards**

1.5 This valuation has been undertaken in accordance with the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below. In this context "current edition" means the version in force at the Valuation Date.

1.6 The valuation and the Valuation Report will comply with Rule 29 of the City Code on Takeovers and Mergers (the "Code") as issued by The Takeover Panel (the "Panel").

## Independence and expertise

### **Regulated Purpose Valuations (RPVs)**

1.7 This valuation is a Regulated Purpose Valuation within the meaning of the Red Book, which requires us to make the following disclosures:

- It is our policy to rotate persons responsible for valuations and the signatory to valuations on a seven yearly basis, unless specifically agreed otherwise. In relation to our preceding financial year, the total fees payable by you as a percentage of our total fee income was less than 5%.
- We have acted for the Client for eighteen years. Please note that this relates to any service, not necessarily to valuation services.
- We have been undertaking this valuation role for eighteen years.
- The Lead Valuer (as defined below) has been the signatory to this report for three years. Simon Gillespie has been responsible for this instruction since 2019 and Anthony Dunnett since 2009.

**Disclosure of any conflicts of interest.**

We confirm that we do have a material connection or involvement giving rise to a potential conflict of interest, as set out below:

- We have valued the Properties for the Client within the last 2 years for accounts purposes and for the inclusion in the prospectus for the offering of the Company's securities, known as Project Cooper

1.8 This has been disclosed to you and you have given your consent to us proceeding with this instruction. We confirm that we are not aware of any undisclosed matter giving rise to a potential conflict of interest and that we are providing an objective and unbiased valuation.

1.9 Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

**Valuer and expertise**

1.10 The valuers, on behalf of Knight Frank LLP, with the responsibility for this report are Simon Gillespie MRICS and Anthony Dunnett MRICS, RICS Registered Valuers. We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.11 For the purposes of the Red Book, we are acting as External Valuers, as defined therein and by regulations made by the Financial Conduct Authority.

1.12 We are appointed as your valuation advisors; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.

1.13 For the avoidance of doubt, we are not acting as an "External Valuer" for the purposes of Directive 2011/61/EU and/or any implementing legislation, laws or regulations thereof (including, but not limited to, the Alternative Investment Fund Manager's Regulations 2013) ("AIFMD"). We shall not perform the valuation function referred to in Article 19 of AIFMD for the Fund, and, we are not responsible for making the final determination of the value of the Properties nor for the calculation of the Net Asset Value of the Fund.

1.14 By entering into this Agreement and instructing us you represent that no notice purporting to appoint or to have appointed us, or any member, employee, partner or consultant of Knight Frank LLP, as your 'external valuer' under AIFMD (or in any respect to have any meaning other than that defined by the Red Book) has been or will be sent to any regulatory body, nor will any announcement or communication of any nature to similar effect be made or sent to your investors. If we are determined to be or reasonably consider that we are at risk of being determined to be an 'external valuer' within the meaning of AIFMD then we reserve the right to terminate this Agreement immediately.

1.15 This report has been vetted as part of Knight Frank LLP's quality assurance procedures.

## Use of this Valuation

### **Purpose of valuation**

- 1.16 The Valuation is provided solely for the purpose (the "Purpose") of inclusion in any scheme document, offer document, response circular, or any other document or supplementary circular (the "**Code Documentation**"), that may be published or made available by Shaftesbury in response to a possible offer for you or merger by you with Capco in accordance with the Code and any further document which you are required to publish under the Code and for publication on the Company's website, Capco's website and any other websites as required in accordance with the Code.)
- 1.17 The Valuation may not be used for any other purpose (other than the Purpose set out in this letter), without our express written consent.

### **Third party reliance and liability**

- 1.18 Save for: (a) the Addressees; and (b) the shareholders of the Company in respect of any Code Documentation; as and to the extent there provided, in accordance with Clauses 3 & 4 of the General Terms and to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29 of the Code.
- 1.19 We acknowledge that shareholders or prospective shareholders of Shaftesbury and/or Capco may rely on the Valuation Report in the form it is included in any Code Document.
- 1.20 The Client agrees and acknowledges that we shall have no liability for any error, omission or inaccuracy in the Valuation Report to the extent resulting from our reliance on information provided by or on behalf of the Client unless such use was negligent, reckless or in bad faith or unless otherwise stated.

### **Disclosure**

- 1.21 Clauses 4.3 to 4.6 of the General Terms limit disclosure and generally prohibits publication of the Valuation and the Valuation Report. As stated therein, the Valuation is confidential to you and the Addressees and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and written approval of the form or context in which it may appear.
- 1.22 Notwithstanding this, the Valuation Report may be disclosed in accordance with the terms of the Agreement, for the Purpose and as set out below.
- 1.23 Our final Valuation Report will be included in the Code Documentation to be published by Shaftesbury. We will review the sections of the Code Documentation relating to the Properties and you agree to not publish the Code Documentation, containing the Valuation Report until you have received a Consent Letter from us. We also acknowledge that the Valuation Report will be published on a website in accordance with Rule 26 of the Code. We consent to the publication and reproduction of this Valuation Report as required by Rule 26 and 29 of the Code as issued by The Panel.

- 1.24 For the purposes of Rule 29.5 of the Code, we confirm that, in our opinion, the current valuation on the Property as at the date of this Valuation Report would not be materially different from the valuation of the property as at the Valuation Date.

### **Limitations on liability**

- 1.25 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.26 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.27 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.28 Nothing in this Agreement excludes or limits our liability to the extent that such liability may not be excluded or limited as a matter of applicable law or the requirements of the Financial Conduct Authority or the London Stock Exchange.

### **Scope of work**

#### **Information provided to us which we have relied upon**

- 1.29 In this report we have been provided with the following information by you, your advisors or other third parties and we have relied upon this information as being materially correct in all aspects.
- 1.30 In particular, we detail the following:
- Tenancy Schedules provided by Shaftesbury PLC & CBRE
  - Reports on title produced by Herbert Smith LLP on behalf of the Mercers' Company and by Lovells on behalf of Shaftesbury PLC
  - Headleases and occupational leases produced by Shaftesbury PLC
- 1.31 In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

#### **Investigations carried out by us**

- 1.32 We have not made planning enquiries of the Local Authority, but have relied upon information provided Shaftesbury PLC.

#### **Responsibility**

- 1.33 For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

1.34 The valuation and Valuation Report comply with Rule 29.4 of the Code.

**Consent to publication**

Knight Frank has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Code Documentation published by Shaftesbury dated 7 July 2022 in the form and context in which it is included.

## 2. The Properties

### Interests held in the Joint Venture

- 2.1 The head-leasehold interest held by Longmartin Properties Limited in 124/138 Long Acre, 1/5 (odd) Mercer street, 10/12 Upper St. Martin's Lane and Slingsby Place, London WC2, dated 1 February 2005, subject to the existing occupational leases.
- 2.2 The head-leasehold interest held by Longmartin Properties Limited in 13/14 Upper St. Martin's Lane, 17 Mercer Street and Wellington House, 6/9 Upper St. Martin's Lane, Wellington Court, 2/8 (even) Shelton Street and 7/13 (odd) Mercer Street, and 15 Mercer Street (basement), London WC2, dated 15 March 2005, subject to the existing occupational leases.
- 2.3 The head-leasehold interest held by Longmartin Properties Limited in 16/19 Upper St. Martin's Lane and 139/142 Long Acre, London WC2 dated 24 May 2005, subject to the existing occupational lease.
- 2.4 The head-leasehold interest held by Longmartin Properties Limited in Sussex House and the Sussex Public House at 143 Long Acre and 20 Upper St. Martin's Lane, London WC2 dated 8 November 2005, subject to the existing occupational leases.
- 2.5 Summary of property information:

Table 1:

| Property                                                                                                      | Description, Age & Tenure                                                                                                                                                                                                  | Terms of Existing Tenancies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 124-143 Long Acre, 6-19 Upper St Martin's Lane, 2-8 Shelton Street and 1-11 & 15/17 Mercer Street, London WC2 | A mixed-use scheme, completed is 2010, comprises retail, restaurants, offices and residential uses. The total area is c.266,000 sq ft.                                                                                     | The property is multi-let on approximately 94 commercial and residential lease. The commercial leases are mostly on effectively full repairing and insuring terms, including rent review. The residential units are predominantly let on Assured Shorthold terms with the landlord responsible for the maintenance and insurance. There are 10 vacant commercial units and 20 residential units representing c. 13% of the total estimated rental value of the property. The WAULT to break/expiry is c 4.3 years, 4.9 years excluding the residential element. |
|                                                                                                               | <b>Tenure:</b><br>Held leasehold under 4 head-leases with lease expiries between March 2125 and March 2180. 3 of the leases are subject to paying 7.50% of the net rents, with the 4th lease subject to a peppercorn rent. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## Scope of inspection

- 2.6 We were instructed to inspect the Properties externally and we will internally inspect selected parts as part of our ongoing bi-annual inspections of the Estate.
- 2.7 In accordance with instructions from the Parties, we have relied on full measurements provided to us by both parties.
- 2.8 We have not undertaken either structure or condition surveys on the Properties and are, therefore, unable to report that The Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. No tests were carried out on the technical services and we have not investigated ground conditions. In the course of our inspections, due regard has been paid to the apparent state of repair and condition of the Properties. We have had regard to these factors in arriving at our valuation.

## Environmental considerations

### Contamination

- 2.9 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.
- 2.10 Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the property is unaffected.

## Legal title

- 2.11 We have assumed there to be a good and marketable title to the Properties. We have taken account of comments, as far as we are aware, of unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect the Properties. We confirm that we have taken account of the limited guarantee with which the Mercers Lease is transferred by Mercers Reconstructions.
- 2.12 We have previously been provided with Reports on Title prepared by Herbert Smith LLP on behalf of The Mercers' Company and Hogan Lovells International LLP on behalf of Shaftesbury PLC and confirm that we have had regard to their contents in carrying out our valuations.
- 2.13 We recommend that our understanding of all legal title issues is referred to your legal advisers. It is also particularly important that your legal advisers should be asked to check whether there have been any transactions relating to the property which reveal price paid information which we should be made aware of.
- 2.14 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

## **Statutory licences & certificates**

- 2.15 We have assumed that the premises comply with all necessary statutory requirements including fire and building regulations.

### **Fire safety**

- 2.16 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. These requirements, which were introduced in 2006 replace the previous requirement for a Fire Certificate. We have not viewed any such documents relating to the property and have assumed for the purposes of our valuation that the relevant requirements have been fully complied with.

## **Taxation and costs**

- 2.17 We have made no allowances in our valuations for expenses of realisation or for taxation which may arise in the event of development or disposals and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.
- 2.18 We have made deductions in our valuations to reflect purchaser's acquisition costs.

## 3. Valuation

### Methodology

- 3.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

#### **Investment method**

- 3.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

### Valuation bases

#### **Market Rent**

- 3.3 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation - Global Standards as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

#### **Market Value**

- 3.4 The Properties have been valued on the basis of Market Value which is defined within RICS Valuation - Global Standards as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

### Valuation date

#### **Valuation date**

- 3.5 The valuation date is 31 March 2022.

### Market Value

#### **Market Value**

- 3.6 We are of the opinion that the Market Value of the long leasehold interest in the property, at the valuation date is:

**£345,500,000 Three Hundred and Forty Five Million Five Hundred Thousand Pounds).**

- 3.7 The Market Value of the Client's apportioned share of the Client's interest in the long leasehold interest in The Properties, at the valuation date is:

**£172,750,000 (One Hundred and Seventy Two Million Seven Hundred and Fifty Thousand Pounds)**

## Portfolio Valuation

Prepared for:

**Shaftesbury PLC**

Valuation Date:

**31 March 2022**

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Strictly Confidential – For Addressee Only

## VALUATION RECORD

**To:** The Directors of Shaftesbury PLC ("Shaftesbury")  
(the "**Company**" or "you")  
22 Ganton Street  
Carnaby  
London W1F 7FD

The Directors and Proposed Directors of Capital & Counties  
Properties PLC ("Capco")  
Regal House  
14 James Street  
London WC2E 8BU

Evercore Partners International LLP  
15 Stanhope Gate  
LONDON W1K 1LN  
(in its capacity as financial adviser to the Company)

N.M. Rothschild & Sons Limited  
New Court  
St Swithin's Lane  
London EC4N 8AL

(collectively referred to as the "**Addressees**")

**Property:** A portfolio of investment properties, the address, tenure and property  
type of which is included in Appendix A (the "**Properties**" and each a  
"**Property**").

**Report date:** 7 July 2022

**Valuation date:** 31 March 2022 ("**Valuation Date**")

## 1. Instructions

### 1.1. Appointment

We are pleased to submit our report and valuation (the "**Valuation Report**"), which has been prepared in accordance with the engagement letter entered into between us dated 23 May 2022 (the "**Engagement Letter**"). This Engagement Letter and the terms set out therein, together with our Terms of Business, which were sent to you with our Engagement Letter, constitute the "**Engagement**", which forms an integral part of this Valuation Report.

Included in the Engagement Letter is the Valuation Services Schedule, which is included as Appendix A ("**VSS**"). It is essential to understand that the contents of this Valuation Report are subject to the various matters we have assumed, which are referred to and confirmed as Assumptions in the Valuation Services Schedule (which forms part of the Engagement). Where Assumptions detailed in the Valuation Services Schedule are also referred to within this Valuation Report they are referred to as an "assumption" or "assumptions". Unless otherwise defined, all capitalised terms herein shall be as defined in the Engagement.

You have informed us that the Properties are categorised as investments.

We have valued the property interests in the above Property as at the Valuation Date. A list of the addresses of each of the properties in the portfolio, together with a note of their tenure, is included in Appendix 1 in the VSS.

### 1.2. Compliance with RICS Valuation – Global Standards

We confirm that the valuation and Valuation Report have been prepared in accordance with the RICS Valuation – Global Standards, which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"), edition current at the Valuation Date. It follows that the valuations are compliant with IVS.

### 1.3. Compliance with the City Code on Takeovers and Mergers (the "**Code**")

The valuation and the Valuation Report comply with Rule 29 of the Code.

### 1.4. Status of Valuer and Conflicts of Interest

We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. The Valuation is the responsibility of Charles Smith MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased Valuation, and who will act as "**External Valuer**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W have current involvement with the Properties in that they are the incumbent valuers to the Company and provide biannual valuations for inclusion in the Company's accounts. C&W undertake various instructions in providing property advice to the Company. We therefore confirm that C&W have current, anticipated and previous recent involvement with the Properties. The advice includes regular valuations of the Properties for accounts purposes as well as ongoing agency, development and other advice in respect of the Properties. We refer to paragraph 1.6 regarding the level of fees received from the Company.

In September 2020, we undertook a valuation of the Properties on behalf of the Company for inclusion in a combined prospectus and circular in connection with a proposed firm placing, placing and open offer and offer for subscription of new ordinary shares of the Company.

C&W acted on behalf of the vendor of the property at 47-49 Charing Cross Road when the Company acquired the property in 2017 and have also acted for Longmartin Properties Limited, a joint venture

company owned in equal shares by Shaftesbury PLC and the Mercers' Company. C&W are currently instructed as retail letting agents by the Company in respect of all its retail properties.

This involvement has been discussed with the C&W compliance officer and the Company, who have provided written confirmation that, and notwithstanding our previous involvement, we may proceed with the Valuation.

Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

## 1.5. Purpose of Valuation

The purpose of the Valuation Report ("**Purpose of Valuation**") is:

- a) For inclusion in any scheme document, offer document, response circular, or any other document or supplementary circular (the "**Code Documentation**"), that may be published or made available by you in connection with the all share merger of Capco and Shaftesbury (the "**Proposed Transaction**") in accordance with the Code and any further document which you are required to publish under the Code and for publication on the Company's website, Capco's website and any other websites as required pursuant to the Code; and
- b) to establish whether a material change has occurred in the Valuation of the Properties since the Valuation Date and the date of the relevant Code Documentation.

Therefore, in accordance with PS 2.5 and UK VPS 3, we have made certain disclosures in connection with this valuation instruction and our relationship with you. These are included in item 1.6 below.

## 1.6. Disclosures required under the provisions of PS 2.5 and UK VPS 3

### Signatories

Charles Smith MRICS has been the signatory of Valuation Reports provided to the Company in respect of the Properties for the purpose of inclusion in the Company's report and accounts, for a continuous period since 2013. This is the first time that Adam Patterson has been a signatory to a report addressed to the Company.

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals not exceeding seven years. C&W's policy in this regard is explained in the Engagement.

### Fee income from the Client

C&W's financial year end is 31 December. We confirm that the proportion of fees payable by the Client to C&W in the financial year to 2021 was less than 5%. We anticipate that the proportion of fees for the financial year to 31 December 2022 will remain at less than 5%.

### C&W's relationship with the Company and involvement in the Properties

C&W has been undertaking various instructions for the Company for a number of years and we confirm that we have current, anticipated and previous recent involvement with certain of the Properties. We confirm that this factor has been discussed with the Company who has agreed for C&W to act in such capacities.

C&W have not received an introductory fee or negotiated a purchase of any of the Properties within the last 12 months.

## 1.7. Inspection

The Properties were subject to internal or external inspection, by Chartered Surveyors who are qualified for the purposes of this instruction, between 1 April 2021 and 31 March 2022. We undertake a rolling inspection programme whereby each Property is subject to internal inspection at least once every five years.

The Properties have been revalued for the purpose of this Report without internal inspection of the majority of the Properties.

The Company has confirmed that no material changes to the physical attributes of the Properties or the nature of their location have occurred since our inspection, our valuation as at the Valuation Date and the date of this Report.

## 1.8. Departures

We have made no Departures from the RICS Red Book.

## 1.9. Limitations

The valuation is not subject to any limitations.

## 1.10. Floor Areas

Unless specified otherwise, floor areas and analysis in this report are based on the following bases of measurement, as defined in RICS Property Measurement and RICS Code of Measuring Practice (the edition current at the Valuation Date):

|             |     |
|-------------|-----|
| Retail      | NIA |
| Restaurant  | GIA |
| Office      | NIA |
| Residential | GIA |

## 1.11. Measurement

We have adopted floor areas as provided to us by the Company.

## 1.12. Accommodation

### Source of Floor Areas

The Company or its advisers have provided us with the floor areas of the Properties that are relevant to our valuation. As instructed, we have relied on these areas and have not checked them on site. We have made an Assumption that the floor areas supplied to us have been calculated in accordance with the RICS Property Measurement (the edition current at the Valuation Date).

## 1.13. Sustainability and ESG

Sustainability is an increasingly important factor in the UK real estate market. The UK has committed to net zero carbon by 2050, with legislation already in place to reduce CO2 emissions from buildings. We consider it likely that further legislation and regulations will be introduced in coming years. Alongside this, occupiers and investors in some sectors are becoming more particular in the sustainability aspects of the buildings they choose to occupy or purchase.

The existence of a green premium for the more sustainable buildings is a matter of ongoing market monitoring, investigation and debate. Appropriate levels of market evidence have yet to be established to demonstrate fully whether additional value can be ascribed to such buildings.

However, it should be noted that the market is evolving due to the focus from both occupiers and investors on a property's sustainability credentials. We expect that awareness of sustainability matters will increase throughout all sectors of the property market.

#### 1.14. Sources of Information

In addition to information established by us, we have relied on the information obtained from you and others listed in this Valuation Report, and in particular in Appendix B, Sources of Information.

Having taken reasonable care to ensure that, in our professional opinion, the information provided is likely to be reliable, we have made the Assumption that the information provided by you and your respective professional advisers in respect of the Properties we have valued is both full and correct. We have made the further Assumption that details of all matters relevant to value within your and their collective knowledge, such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to us, and that such information is up to date.

We confirm that the valuation has been undertaken bringing the required levels of independence and objectivity to bear on the instruction, applying professional scepticism to information and data where it is provided and relied on as evidence.

#### 1.15. General Comment

A high proportion of the total value of the Properties is accounted for by properties situated in adjacent and/or adjoining locations in four specific areas of the West End of London: Carnaby Street and its environs, Chinatown and the adjoining area immediately west of Wardour Street (south of its junction with Shaftesbury Avenue), and the areas around Seven Dials in the western part of Covent Garden and a block of properties to the east of the Central Covent Garden Piazza with its main frontage to Wellington Street. These areas are all dominated by retail and restaurant uses.

In our opinion, at the Valuation Date, this particular unusual confluence of ownership and use characteristics may cause some prospective purchasers to regard parts of the portfolio when combined as having a greater value than the aggregate of the individual values of the combined properties which make up those parts.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or Special Assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of value would exactly coincide with the price achieved were there an actual sale at the Valuation Date.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation were to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should you contemplate a sale, we strongly recommend that the Properties are given proper exposure to the market.

A copy of this Valuation Report should be provided to your solicitors and they should be asked to inform us if they are aware of any aspect which is different, or in addition, to that we have set out; in which case we will be pleased to reconsider our opinion of value in the light of their advice and / or opinions.

## 2. Taxation and costs

The opinion of value which C&W will attribute to the Properties will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development, of the Properties, nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Properties will be that receivable by a willing seller excluding VAT, if applicable.

## 3. VAT

The valuations and rents included in this Valuation Report are net of value added tax at the prevailing rate.

## 4. Property Information

### 4.1. Enquiries

We have undertaken and completed the various matters referred to in the "Scope of Services" section of the VSS in Appendix A. Save as referred to below, the results of our enquiries and inspections do not contradict the Assumptions which we have made and are referred to in the Engagement.

## 5. Basis of Valuation

The basis of value for this Valuation Report as required by the Code is Market Value. These valuations have, therefore, been prepared on a Market Value basis.

### Market Value

The value of the Properties has been assessed in accordance with the relevant parts of the current RICS Red Book. In particular, we have assessed Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation - Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK national supplement (the "RICS Red Book"), and applying the conceptual framework which is set out in IVS104:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."*

The Code requires that the basis of valuation should be Market Value. Our valuation as at 31 March 2022, addressed to the Company for financial reporting purposes, was on the basis of Fair Value – IFRS (the definition of which is reproduced in Appendix 2 to the Valuation Services Schedule attached at Appendix A). However, the references in the IFRS 13 definition to market participants and a sale make it clear that, for most practical purposes, the concept of Fair Value is consistent with that of Market Value, and so there would be no difference between them in terms of the valuation figure reported.

Our Valuation has been undertaken in accordance with the relevant provisions of the Code and has been undertaken by us as External Valuers as defined in the RICS Valuation Standards (being independent experts for the purposes of the Code). The Properties are held as investments and we have, therefore, used the appropriate property investment valuation methodology to calculate the Market Values.

In accordance with the requirements of the Code, we have also reported the Estimated Net Annual Rent Receivable which represents the total income receivable from all tenancies and licences, (including deemed income on outstanding rent reviews and any deemed income on tenancies that are holding over), less any non-recoverable revenue costs. The deemed income on outstanding rent reviews is our opinion of rental value assessed in accordance with our understanding of the terms of the occupational lease review provisions. Non-recoverable revenue costs include, but are not limited to, such items as any non-recoverable service charge, empty rates, insurance, marketing contribution or ground rent payable by the landlord.

## 6. Assumptions and Special Assumptions

The Glossary in the RICS Red Book refers to an Assumption as a "supposition taken to be true". In this context, Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. A Special Assumption is referred to in the Glossary in the RICS Red Book as an Assumption that "either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date". We confirm that no special assumptions have been made in undertaking our valuation.

## 7. Valuation Approach and Reasoning

Our opinion of the Market Value of the Property has been primarily derived using comparable recent rental and investment market transactions on arm's length terms. We have adopted an investment method of valuation based on an income approach and adopted a suitable market capitalisation rate.

For a property in the course of refurbishment/reconfiguration, the Market Value will reflect the investment value of the completed property, assuming that it had been completed at the valuation date, less the anticipated costs to complete.

Other than as stated below, each Property has been valued individually and we have excluded any addition or deduction that might arise if a sale as a portfolio were contemplated. We have assumed that each of the Properties had been marketed in an orderly way and not placed on the market at the same time.

In accordance with VPS1 Item 3.2 d) and VPGA 9 of the current edition of the RICS Valuation – Global Standards, in undertaking our valuations we have lotted together certain individual properties to form a separate property (each referred to as a "Property", collectively as the "Properties") in the manner we consider to be most likely to be adopted in the case of an actual sale. We consider that lotting the properties together on the basis reflected in our valuations would allow a purchaser to capitalise on the estate management advantages and opportunities available from such comprehensive ownership.

## 8. Valuation

Having regard to the foregoing, we are of the opinion that the aggregate of the Market Values ("Aggregate Value"), as at the Valuation Date, of the freehold and leasehold interests in the Properties owned by the Company, subject to the Assumptions and comments in our Valuation Report and the Appendices, was:

| Valuation       |                |                                                                                           |
|-----------------|----------------|-------------------------------------------------------------------------------------------|
| Total Aggregate | £3,261,650,000 | (Three billion, two hundred and sixty-one million, six hundred and fifty thousand pounds) |

The apportioned values, as at the Valuation Date, of the freehold, long leasehold and part freehold/leasehold elements were as follows:

|                                    |                       |                                                                                                  |
|------------------------------------|-----------------------|--------------------------------------------------------------------------------------------------|
| Freehold                           | £742,850,000          | (Seven hundred and forty-two million, eight hundred and fifty thousand pounds)                   |
| Part freehold, part long leasehold | £2,485,700,000*       | (Two billion, four hundred and eighty-five million, seven hundred thousand pounds)               |
| Long Leasehold                     | £33,100,000**         | (Thirty-three million, one hundred thousand pounds)                                              |
| <b>Total</b>                       | <b>£3,261,650,000</b> | <b>(Three billion, two hundred and sixty-one million, six hundred and fifty thousand pounds)</b> |

\* Within this sum are five properties (each a “Lotted Property”) which are the result of the lotting together of several smaller properties. The majority of each Lotted Property is held freehold but includes properties which are held on long leases. Also included is 23/27 New Row which is held part freehold and part leasehold, the majority of the value being in the leasehold element. For details of the tenure of each property, please refer to the Property Schedule in Appendix 1 to Appendix A. We have undertaken a notional apportionment of the Fair Value between the freehold and long leasehold elements of each Lotted Property below. The individual freehold and long leasehold figures above do not themselves represent the Fair Value of the two elements.

\*\* Long leasehold is defined as an interest with an unexpired term of more than 50 years.

| Property                  | Freehold                                                                                                     | Long Leasehold                                                                            | Total                                                                                         |
|---------------------------|--------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Carnaby Main Block        | £1,165,750,000<br>(One billion, one hundred and sixty-five million, seven hundred and fifty thousand pounds) | £24,650,000<br>(Twenty-four million, six hundred and fifty thousand pounds)               | £1,190,400,000<br>(One billion, one hundred and ninety million, four hundred thousand pounds) |
| Chinatown Central         | £383,700,000<br>(Three hundred and eighty-three million, seven hundred thousand pounds)                      | £119,150,000<br>(One hundred and nineteen million, one hundred and fifty thousand pounds) | £502,850,000<br>(Five hundred and two million, eight hundred and fifty thousand pounds)       |
| Chinatown Western         | £213,700,000<br>(Two hundred and thirteen million, seven hundred thousand pounds)                            | £9,250,000<br>(Nine million, two hundred and fifty thousand pounds)                       | £222,950,000<br>(Two hundred and twenty-two million, nine hundred and fifty thousand pounds)  |
| Soho – Berwick Street Lot | £120,975,000<br>(One hundred and twenty                                                                      | £8,675,000<br>(Eight million, six                                                         | £129,650,000<br>(One hundred and twenty-nine million, six                                     |

| Property                   | Freehold                                                                                                                       | Long Leasehold                                                                                                         | Total                                                                                                                  |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
|                            | million, nine hundred and seventy-five thousand pounds)                                                                        | hundred and seventy-five thousand pounds)                                                                              | hundred and fifty thousand pounds)                                                                                     |
| Covent Garden – Single Lot | £421,330,000<br><br>(Four hundred and twenty-one million, three hundred and thirty thousand pounds)                            | £13,770,000<br><br>(Thirteen million, seven hundred and seventy thousand pounds)                                       | £435,100,000<br><br>(Four hundred and thirty-five million, one hundred thousand pounds)                                |
| 23/27 New Row              | £900,000<br><br>(Nine hundred thousand pounds)                                                                                 | £3,850,000<br><br>(Three million, eight hundred and fifty thousand pounds)                                             | £4,750,000<br><br>(Four million, seven hundred and fifty thousand pounds)                                              |
| <b>Total</b>               | <b>£2,306,355,000</b><br><br><b>(Two billion, three hundred and six million, three hundred and fifty-five thousand pounds)</b> | <b>£179,345,000</b><br><br><b>(One hundred and seventy-nine million, three hundred and forty-five thousand pounds)</b> | <b>£2,485,700,000</b><br><br><b>(Two billion, four hundred and eighty-five million, seven hundred thousand pounds)</b> |

The figures quoted above are aggregated figures of the individual Market Values for each property interest in the portfolio. If the portfolio were to be sold as a single lot or in groups of properties, the total values could differ significantly.

In arriving at our opinion of Market Value of the aggregate of the interests of the above Properties, we have valued each property individually. We have assumed that the Properties would be marketed in an orderly way and not all placed on the market at the same time.

### Estimated Net Annual Rent Receivable

The Estimated Net Annual Rent Receivable, which represents the total income receivable from all tenancies and licences, (including deemed income on outstanding rent reviews and any deemed income on tenancies that are holding over), less any non-recoverable revenue costs as at the Valuation Date, was:

£101,131,173 per annum (One hundred and one million, one hundred and thirty-one thousand, one hundred and seventy-three pounds per annum)

### Properties with an individual value of more than 5% of the Company's total aggregate valuation

We have set out below the Properties included in the Aggregate Value where the Company owns a property with a value of more than 5% of the Company's total aggregate valuation.

| Property                              | Description, Age and Tenure                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Terms of Existing Tenancies                                                                                                                                                                                                                                                                                                                                                                                                | Market Value   |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Covent Garden Single Lot, London      | Primarily centered around the Seven Dials Monument in Covent Garden the "Single Lot" comprises a mix of retail, restaurant, office and residential accommodation. The single lot comprises buildings of various size and ages, including the recently refurbished Thomas Neals Centre. The bulk of the properties are situated on Earlham Street, Monmouth Street, Neal Street and in Neals Yard. The Single Lot is predominantly held freehold albeit there are six commercial long leasehold elements. | The commercial elements of the property are subject to around 120 commercial leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 10 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years. | £435,100,000   |
| Carnaby Estate, Main Block, London W1 | A primarily retail and restaurant mixed use estate located in London's West End comprising approximately 685,000 sq ft. The property is centred on Carnaby Street and its surrounding streets. We understand that the buildings in the block predominantly date from the 18th to 20 <sup>th</sup> centuries. The majority of the property is freehold with five long leasehold elements on long leases at an aggregate of £23 per annum                                                                  | The commercial elements of the property are subject to around 275 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.            | £1,190,400,000 |
| Central Chinatown Block, London W1    | Centred on Gerrard Street and its neighbouring streets to the east of Wardour Street, the property comprises a mixed use block of approximately 215,000 sq ft, primarily in restaurant                                                                                                                                                                                                                                                                                                                   | The commercial elements of the property are subject to around 90 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary;                                                                                                                                                                                                                                                       | £502,850,000   |

|                                    |                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                |              |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
|                                    | and retail uses. We understand that the buildings in the block predominantly date from the 18th to 20 <sup>th</sup> centuries. The majority of the property is freehold; there are 15 leasehold interests (11 of which relate to residential flats) at aggregate ground rents of £110 per annum.                                   | typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years.                                                                                                                                                                      |              |
| Western Chinatown Block, London W1 | Centred on the west side of Wardour Street and its neighbouring streets, the property comprises a mixed use block of approximately 130,000 sq ft, primarily in restaurant and retail uses. The property is freehold. We understand that the buildings in the block predominantly date from the 18th to 20 <sup>th</sup> centuries. | The commercial elements of the property are subject to around 45 leases, the majority of which are on effective full repairing and insuring terms. Lease terms vary; typically they are for terms of five years for retail and office premises and up to 25 years for restaurants. The majority of the residential flats in the upper parts are let on Assured Shorthold Tenancies for periods of three years. | £222,950,000 |

### Property Disposals

There have been no property disposals since the Valuation Date.

## 9. Disclosures in accordance with the Code

It is confirmed that the Valuation Report is issued solely for (i) inclusion in the Code Documentation and (ii) for publication on the websites as required by the Code.

### Material Difference

For the purposes of Rule 29.5 of the Code, we confirm that, in our opinion, there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of the Code Documentation.

### Consent

C&W has given and has not withdrawn its consent to the inclusion of this Valuation Report in the Code Documentation in the form and context in which it is included.

## Responsibility

For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that, to the best of our knowledge, (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its content for the purposes of Rule 29 of the Code.

## 10. Disclosure

Except in connection with the Purpose of the Valuation set out above, or as expressly contemplated in the Engagement Letter, you must not disclose the contents of this Valuation Report to a third party in any way, including where we are not referred to by name or if the Valuation Report is to be combined with other reports, documents or information, without first obtaining our written approval to the form and context of the proposed disclosure in accordance with the terms of the Engagement. We will not approve any disclosure that does not refer adequately to the terms of the Engagement and any Special Assumptions or Departures that we have made.

This Valuation Report or any part of it may not be modified, altered (including altering the context in which the Valuation Report is displayed) or reproduced without our prior written consent. To the extent permitted by law, we hereby exclude all liability arising from use of and/or reliance on this Valuation Report by any person or persons except as otherwise set out in the terms of the Engagement.

We consent to the publication and reproduction of this Valuation Report as required by Rules 26 and 29 of the Code, as issued by The Takeover Panel.

## 11. Reliance

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose, other than in connection with the Purpose of Valuation.

Save for any responsibility to any person arising under the Code, and to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any person other than the Addressees (save as otherwise provided for in the terms of the Engagement) for any loss suffered by any such other person as a result of, arising out of, or in connection with this Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29 of the Code.

This Valuation Report may be relied upon only in connection with the Purpose of Valuation stated and only by:

- (i) the Addressees;
- (ii) the shareholders and prospective shareholders of the Company; and
- (iii) by such other parties who have signed a Reliance Letter.

Signed for and on behalf of Cushman & Wakefield Debenham Tie Leung Limited



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## APPENDIX A: ENGAGEMENT

### Services Schedule – Valuation & Advisory

#### 1. Property Details

Appendix 1 includes the address, tenure and property type of each of the properties ("**Properties**", and each a "**Property**") to be valued ("**Property Schedule**").

The Properties are held by various subsidiary companies of Shaftesbury PLC (Shaftesbury PLC and its subsidiary companies are collectively referred to as the "**Client**").

It is important to note that, where the Company holds a proportion of the ownership in an individual property via a shareholding in a separate holding vehicle, our valuation will be of the 100% legal property interest held by the holding vehicle. In respect of the properties held in joint ventures or by associates, the Valuation Report will include apportionments of the Market Values of the property interests based on the Company's share of the proportionate interests in the joint ventures or associates.

#### 2. Client

Shaftesbury PLC ("**Client**"). For the avoidance of doubt, Evercore Partners International LLP, N.M. Rothschild & Sons Limited and Capital & Counties Properties PLC will not constitute a "Client" for the purposes of the Terms of Business.

#### 3. Addressees

The Valuation Report will be addressed to the directors of Shaftesbury PLC, to the directors and proposed directors of Capital & Counties Properties PLC ("**Capco**"), Evercore Partners International LLP (in its capacity as financial adviser and Rule 3 adviser to the Client) ("**Evercore**") and to N.M. Rothschild & Sons Limited ("**Rothschild & Co**") in its role as UK sponsor to Capco (together, the "**Addressees**"), and will also be publicly available when included in the Code Documentation.

The Addressees shall be entitled to rely on and enforce the terms of the Engagement as set out in the Engagement Letter and on the Valuation Report subject in each case to the terms of the Engagement.

By relying on the Valuation Report, Evercore shall be deemed to acknowledge and agree that C&W's duties and obligations to Evercore under and in connection with the Valuation Report shall be no different or greater and of no longer duration than the duties and obligations which C&W owes to the Client under the Engagement.

C&W shall have no greater liability to the Addressees by virtue of such reliance, either in nature, extent, or in time, than C&W has to the Client under the Engagement and C&W shall be entitled to rely on any limitation in the Engagement and to raise the equivalent rights in defence of liability or indemnity to the Addressees (both jointly and severally) as are available to C&W against the Client under the Engagement.

C&W's limit of liability under this Engagement represents the maximum total liability to Evercore and to all other parties permitted to rely on the Valuation Report in the aggregate.

Nothing in this Agreement excludes or limits C&W's liability to the extent that such liability may not be excluded or limited as a matter of applicable law or the requirements of the Financial Conduct Authority or the London Stock Exchange.

#### 4. Client Instructions

The Client has instructed C&W to:

- a. undertake a valuation of the legal interests in the Properties described in the Property Schedule ("**Valuation**") as at 31 March 2022 (the "**Valuation Date**");

- b. provide a valuation report in the format referred to in the 'Scope of Services' section below ("**Valuation Report**") for the following purposes of valuation ("**Purposes of Valuation**"). For inclusion in:
  1. any scheme document, offer document, response circular, or any other document or supplementary circular (the "**Code Documentation**"), that may be published or made available by you and/or Capco in connection with the Proposed Transaction in accordance with the Code; and
  2. for publication on any websites as required pursuant to the Code.
- c. Establish whether a material change has occurred in the Valuation of the Properties since the Valuation Date and the date of the relevant Code Documentation;
- d. Provide a consent letter, among other things, consenting to the inclusion of the Valuation Report in the Code Documentation;
- e. Provide a correct extraction letter in relation to information included in any Code Documentation extracted from the Valuation Report; and
- f. Provide a bring down comfort letter dated the date of publication and/or release of the relevant Code Documentation.

## 5. Timetable

C&W will provide: (a) a preliminary draft Valuation Report; and (b) a final Valuation Report.

A timetable covering the delivery of the draft and final Valuation Report will be drawn up and agreed with the Client prior to the commencement of the work.

C&W's work will be dependent upon receiving full co-operation from the Client and timely disclosure of all information, as we may need for the purposes of our work.

## 6. Basis of Valuation

The basis of valuation for the Valuation Report as required by the Code is Market Value and therefore the valuations have been prepared on a Market Value basis.

In accordance with the Client's instructions, C&W will undertake the Valuation on the following basis:

### 6.1 Market Value

Market Value as referred to in VPS4, Item 4 of the current edition of the RICS Valuation - Global Standards which incorporate the International Valuation Standards ("**IVS**") and the RICS UK national supplement (the "**RICS Red Book**"), and applying the conceptual framework which is set out in IVS104:

*"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"*

### 6.2 Special Assumptions

The Glossary of the RICS Red Book states that an Assumption "*that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date*" is a "**Special Assumption**".

As instructed, we will not make any Special Assumptions.

## 7. Scope of Services

Included in the Services are:

## 7.1 Valuation Report

Providing a Valuation Report that will be prepared in English. C&W will provide one electronic copy of the Valuation Report and, if requested, one signed hard copy. Where the Valuation Report is required to contain site plans these will be based on extracts of the Ordnance Survey or other maps showing, for identification purposes only, C&W's understanding of the extent of title based on site inspections or copy title plans supplied to C&W. The Client should not rely on C&W's plans to define boundaries.

As agreed, C&W will not provide full details of the valuation approach and reasoning in the Valuation Report. We will provide a summary property schedule for Properties with a value of over 5% of the aggregate valuation.

## 7.2 Currency

Providing a Valuation in UK Pounds Sterling (£).

## 7.3 Inspections

Inspections are undertaken in accordance with the Valuers Brief, set out in the letter of appointment from the Company to C&W in respect of undertaking the biannual valuations for inclusion in Company Accounts.

## 7.4 Floor Areas

Adopting floor areas provided to C&W for the purpose of the Valuation, (subject to the provisions of section 12.2 of the Assumptions).

## 7.5 Tenancies & Leasing

Relying on tenancy information provided by the Client, subject to the provisions of section 12.3 of the Assumptions. For the avoidance of doubt, C&W will not read copy leases.

## 7.6 Environmental Matters (including Flooding)

Reviewing the relevant Local Authority websites regarding environmental matters, including contamination and flooding and reviewing (subject to the provisions of section 0 of the Assumptions). For the avoidance of doubt, C&W will not undertake an environmental assessment or prepare a land quality statement, which would be the responsibility of an environmental consultant or chartered environmental surveyor. In this respect, C&W will have regard to any environmental reports provided to C&W (subject to the provisions of section 12.4 of the Assumptions).

## 7.7 Title

Reading a Certificate of Title where this is provided to C&W and C&W will reflect its contents in the Valuation (subject to the provisions of section 12.6 of the Assumptions).

C&W will not inspect the title deeds of the Properties.

Unless agreed in writing in advance with the Client, C&W will not obtain information from the Land Registry.

## 7.8 Condition of Structure & Services, Deleterious Materials and Ground Conditions

Taking into account the general condition of each Property as observed from the inspections undertaken for the purposes of the valuations for accounts purposes as at 31 March 2022 (subject to section 12.7 of the Assumptions). Where a separate condition or structural survey has been undertaken and made available to C&W, C&W will reflect the contents of the survey or condition report in the Valuation Report, but may need to discuss the survey or condition report with the originating surveyor.

## 7.9 Statutory Requirements and Planning

As previously instructed by the Client, C&W will not make enquiries of the relevant planning authorities in respect of each Property. C&W will make verbal enquiries of the Client's planning advisers as appropriate as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning

matters that could affect property values. C&W will also seek to ascertain whether any outstanding planning applications exist which may affect any Property, and whether any Property is listed or included in a Conservation Area. C&W will also attempt to verify the existing permitted use of each Property, and endeavour to have sight of any copies of planning permissions. For the avoidance of doubt, C&W will not undertake formal searches.

#### 7.10 Exclusion

Where C&W is engaged to prepare a Valuation Report in connection with a proposed transaction in respect of the Properties, expressly excluded from the Services is the provision of any recommendation or otherwise by C&W as to whether to proceed with such a proposed transaction. Accordingly, the Client must not in any circumstances construe the Valuation Report as a recommendation whether or not to proceed with such a proposed transaction.

### 8. Basis of Appointment

C&W confirms that:

1. The Valuation and Valuation Report will be undertaken in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS UK national supplement (the "**RICS Red Book**"). In this context "current edition" means the version in force at the Valuation Date.
2. The Valuation Report will comply with the requirements of Rule 29 of the Code.

The Valuation will be the responsibility of Charles Smith MRICS, who is a member of the RICS Valuer Registration Scheme and is in a position to provide an objective and unbiased Valuation. The Valuation will be undertaken by suitably qualified valuers, who have the knowledge, skills and understanding to undertake the Valuation competently and who will act as "**External Valuers**" (as defined in the RICS Red Book) qualified for the Purpose of Valuation.

C&W does not (and any affiliates of C&W do not) act as external valuers as defined under the Alternative Investment Fund Manager's Directive ("**AIFMD**") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing in advance by C&W. C&W have current involvement with the Properties in that they are the incumbent valuers to the Company and provide biannual valuations for inclusion in the Company's accounts. C&W undertake various instructions in providing property advice to the Company. We therefore confirm that C&W have current, anticipated and previous recent involvement with the Properties. The advice includes regular valuations of the Properties for accounts purposes as well as ongoing agency, development and other advice.

Most recently, in September 2020, we undertook a valuation for inclusion in a combined prospectus and circular in connection with a proposed firm placing, placing and open offer and offer for subscription of new ordinary shares of the Company.

C&W acted on behalf of the vendor of the property at 47-49 Charing Cross Road and have also acted for Longmartin Properties Limited, a joint venture company owned in equal shares by Shaftesbury PLC and the Mercers' Company. C&W are currently instructed as retail letting agents by the Client.

This involvement has been discussed with the C&W compliance officer and the Company, who have provided written confirmation that, and notwithstanding our previous involvement, we may proceed with the Valuation.

C&W confirms that we have had no previous material interest in the Company or material connection or involvement with any of the Properties other than as set out above, and that copies of our conflict of interest checks have been retained within the working papers.

Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.

The proposed Valuation is a "**Regulated Purpose Valuation**" (as defined in RICS UK national supplement ("**UKNS**") UK VPS 3. C&W confirms that the Properties do not include any interests which have been acquired by the Client within the 12 months preceding the Valuation Date and in respect of which C&W has either received an introductory fee or negotiated that purchase on behalf of the Client.

In accordance with the provisions of UK VPS 3.1, in terms of any future acquisitions, C&W would be unable to undertake a valuation of a property acquired by a C&W client within the twelve months preceding the Valuation Date if, in relation to that property, C&W received an introductory fee or negotiated the purchase on behalf of that client unless another firm, unconnected with C&W, has provided a valuation of that property for the client at the time of or since the transaction was agreed.

In accordance with PS 2.5 of the RICS Red Book and UK VPS 3, the Valuation Report will set out the length of time Charles Smith MRICS has been the signatory to valuations provided to the Client for the same purpose as the Valuation Report, the length of time C&W has continuously been carrying out that valuation instruction for the Client, the extent and duration of C&W's relationship with the Client and the proportion of C&W's total fee income made up by the fees payable by the Client (to the nearest five percentage points). C&W will require these disclosures to be made in any published references to the Valuation Report.

C&W must seek to ensure there will be no potential conflicts of interest arising not only from C&W's involvement with the Properties and with the Client but also any related parties to the Client. Accordingly, the Client must advise C&W of any relevant parties connected to the Client's organisation.

In accordance with PS 2.5 of the RICS Red Book, C&W confirm our policy on rotation of the valuer accepting responsibility for Regulated Purpose Valuations and a statement of the quality control procedures that C&W has in place, as follows:

*"C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals of not more than seven years, unless there are overriding circumstances to the contrary. C&W discusses the method of rotation of the signatory to Regulated Purpose Valuation reports with its clients.*

*C&W operates internal quality control procedures throughout its valuation practice including a system whereby the valuation of property meeting certain criteria requires the approval of an internal Value Committee."*

## 9. Inclusion in the Code Documentation

The Valuation Report is required for inclusion in the Code Documentation in connection with the Proposed Transaction.

C&W will, therefore, provide a final copy of the Valuation Report to be incorporated into the Code Documentation, together with a consent letter addressed to each of the Addressees by which C&W consents to:

1. the inclusion of the Valuation Report within the Code Documentation in the form and context in which it is included in the Code Documentation; and
2. the Valuation Report being published on any websites as required pursuant to the Code, provided that:
  - (i) C&W has first approved the form in which the Valuation Report is to appear within the Code Documentation; and
  - (ii) the consent letter is factually correct.

In addition, upon the date of publication of the Code Documentation, to the extent that the Valuation Report is dated prior to the date of publication of any such document, C&W will deliver a letter to the Addressees and address it to the Addressees and any person who we have allowed to rely on the Valuation Report for the Purpose of the Valuation (excluding members of the general public).

C&W will include the following confirmations in the Valuation Report in compliance with the requirements of the Code:

1. *"For the purposes of Rule 29.5 of the Code there is no material difference between the values stated in this Valuation Report and the values that would be stated were the Valuation Date the date of the scheme document."*
2. *"C&W has given and has not withdrawn its consent to the inclusion of this Valuation Report in the scheme document published by Shaftesbury dated 7 July 2022 in the form and context in which it is included."*
3. *"For the purposes of the Code, we are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with the Code. We authorise its content for the purposes of Rule 29 of the Takeover Code."*

If C&W is unable to make such a statement(s), C&W shall produce a valuation report with an effective valuation date as at the date of the Code Documentation.

In addition to reproduction of the full text, the Code Documentation may contain certain information extracted or derived from the Valuation Report. If so, C&W will confirm in a letter, addressed to each of the Addressees and dated the date of publication of the Code Documentation, whether such information has been properly and accurately extracted or computed from the Valuation Report .

Additionally, in accordance with Rule 29.4 of the Takeover Code, the Valuation Report will state the effective date at which the assets were valued and the professional qualifications and address of the valuer.

C&W also understands that the Client intends to distribute and publish announcements, presentations and other documents in connection with the Code Documentation, both before and after the publication of the final Code Documentation, which may include information extracted from the Valuation Report. Accordingly, we confirm that such information may be included in such announcements, presentations and other documents without our prior written consent, save that, where such announcements, presentation or other documents refers to C&W, the information may be included only with C&W's prior written consent (which may be by way of email) and with agreed non reliance disclaimer, which consent will not be unreasonably withheld or delayed.

C&W will, where requested: (i) circulate drafts of our Valuation Report and comfort letters, and liaise with the Addressees and their respective legal advisers, (ii) provide comments and mark-ups to the draft Code Documentation in relation to the property valuation sections and (iii) discuss with the Client, the Addressees and their respective legal advisers, any matters and issues relating to the Valuation as they arise prior to issuing the final form Valuation Report.

C&W acknowledges that Shaftesbury shareholders or prospective shareholders may, inter alia, rely on the Valuation Report in the form that it is included in any Code Documentation.

Except for any responsibility arising under Rule 29 of the Code, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person (save as otherwise set out in this Engagement Letter) for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Valuation Report or our statements set out above required by and given solely for the purposes of complying with Rule 29 of the Code.

## 10. Special and Additional Terms

### 10.1 Use of Valuation Report

The Valuation Report may be used only for the Purpose of Valuation referred to in item (b) of 'Client Instructions' in this Services Schedule.

## 10.2 Areas

The areas C&W report will be appropriate for the Purpose of the Valuation, but should not be relied upon for any other purpose.

## 10.3 Group of Properties / Lotting

Unless C&W has confirmed otherwise in this Services Schedule, each property will be valued individually; in the case of a portfolio, C&W will assume that each of the Properties would be marketed in an orderly way and not placed on the market at the same time.

In accordance with VPS1 Item 3 d) and VPGA 9 of the current edition of the RICS Valuation – Global Standards, in undertaking our valuations we will lot together certain individual properties to form a separate property in the manner we consider to be most likely to be adopted in the case of an actual sale. We consider that lotting the properties together on the basis reflected in our valuations would allow a purchaser to capitalise on the estate management advantages and opportunities available from such comprehensive ownership.

## 10.4 Limitations

There are no limitations.

## 10.5 Form of the Valuation Report

The Valuation Report will be drawn up to comply with mandatory requirements of the RICS Red Book, the requirements of the relevant provisions of the rules made by the Code (in particular Rule 29). .

## 10.6 Disclosure

We acknowledge that the Valuation Report will be published on a website in accordance with Rule 26 of the Code. C&W will not consent to publication or disclosure of the Valuation Report unless, where relevant, it incorporates adequate reference to the Special Assumptions and/or Departures from the RICS Red Book referred to in this Services Schedule. Where adequate reference to such Special Assumptions and/or Departures are made, such consent will not be unreasonably withheld or delayed

C&W acknowledges that the Valuation Report may be included in the Code Documentation and also in draft versions of the Code Documentation in accordance with section 10 above.

In addition, C&W agrees to the Client and Addressees disclosing the Valuation Report, strictly on a non-reliance and no-duty basis:

1. to each of their affiliates; and its, and their respective affiliates, professional advisers, insurers, auditors or bankers;
2. where required by law, order, rule (including the rules of any applicable stock exchange or any other applicable supervisory or regulatory authority having jurisdiction over it or any of its affiliates) or regulation, or a court of competent jurisdiction;
3. in seeking to establish any defence in any legal or regulatory proceeding or investigation relating to the matters set out herein; or
4. in connection with any actual or potential dispute or claim to which it may be a party and which relates to the matters set out herein

## 10.7 Age of Building

If C&W states the age of a building in the Valuation Report, this will be an estimate and for guidance only.

## 10.8 Condition of Structure, Foundations, Soil & Services

It is a condition of C&W or any related entity, or any qualified employee, providing advice and opinions as to value, that the Client and/or third parties (whether notified to C&W or not) accept that the Valuation Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services.

### 10.9 Plant & Machinery

No allowance will be made by C&W for any items of plant or machinery not forming part of the service installations of the buildings. C&W will specifically exclude all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. C&W will also exclude furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools, except where such items would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

### 10.10 Goodwill

No account will be taken by C&W in the Valuation of any business goodwill that may arise from the present occupation of the Properties, except where such business goodwill (excluding any personal goodwill) would ordinarily transfer to a prospective purchaser in the sale of a trading business as a going concern.

### 10.11 Statutory Requirements & Planning

Please note the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. Where a Client needs to rely upon the information given about town planning matters, the Client's legal advisers must be instructed to institute such formal searches. C&W recommends that the Client requests C&W to review its comments and Valuation in light of any resultant findings.

### 10.12 Defective Premises Act 1972

No allowance will be made by C&W for rights, obligations or liabilities arising under the Defective Premises Act 1972.

### 10.13 Legal Issues

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. No responsibility or liability will be accepted by C&W for the true interpretation of the legal position of the Client or any other parties in respect of the Valuation. Where C&W expresses an opinion on legal issues affecting the Valuation, then such opinion is subject to verification by the Client with a suitable qualified legal adviser.

### 10.14 Deduction of Notional Purchaser's Costs

The opinion of value which C&W will attribute to the Property will be the figure C&W considers would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

Furthermore, the Client's attention is drawn to the fact that when assessing Market Value, for balance sheet purposes, C&W will not include directly attributable acquisition or disposal costs in the Valuation. Where C&W is requested to reflect these costs, they will be stated separately.

### 10.15 Taxation & Disposal Costs

No adjustment will be made by C&W to reflect any liability to taxation that may arise on disposal, or development of the Property nor for any costs associated with disposal incurred by the owner. Furthermore, no allowance will be made by C&W to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

C&W's valuation figure for the Property will be that receivable by a willing seller excluding VAT, if applicable.

### 10.16 Monitoring

The compliance of the valuations undertaken in accordance with the RICS Red Book may be subject to monitoring by the RICS under its conduct and disciplinary regulations.

### 10.17 Valuation Components

The components of C&W's valuation calculations (such as future rental values, cost allowances, or void periods) may only be appropriate as part of the valuation calculations and should not be taken as a forecast or prediction of a future outcome. The Client should not rely on any component of the valuation calculations for any other purpose.

### 10.18 Properties to be Developed or in the Course of Development or Requiring Repair/Refurbishment and Recently Completed Developments

Unless specifically agreed in writing to the contrary, C&W's fee assumes that C&W will be provided with information relating to construction and associated costs in respect of both the work completed and the work necessary for completion, together with a completion date. Normally such figures will be provided by the Client's professional advisers involved in the construction programme. Unless specifically instructed to the contrary in writing, C&W will rely on such figures, dates and information and the Client should make this fact known to such advisers. Alternatively, on request, C&W can arrange for independent quantity surveyors to provide an assessment of costs and dates at an additional fee charge.

## 11. Assumptions

The RICS Red Book contains a glossary that defines various terms used in the RICS Red Book that have a special or restricted meaning. One such term is an assumption which is defined as "A supposition taken to be true" ("**Assumption**"). Accordingly in this context, C&W will make certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, the Valuation that C&W will not verify as part of the valuation process but rather, in accordance with the definition in the RICS Red Book, will treat as true because it is agreed that specific investigation by C&W is not required. In the event that any of these Assumptions prove to be incorrect then the Valuation will need to be reviewed.

### 11.1 Confirmation of Assumptions

The Client's counter-signature of the Engagement Letter represents confirmation that all of the Assumptions, referenced within the Assumptions section, are correct.

The Client must promptly notify C&W in writing if any of the Assumptions are incorrect. Should any amendment to the Assumptions set out in the Services Schedule result in an increase in the scope of the Engagement this may result in an appropriate increase in C&W's fees and expenses due under the Engagement.

Where the Properties are subject to a revaluation without re-inspection, unless the Client advises C&W in writing in advance, C&W will make an Assumption that no material changes to the physical attributes of the Properties and the areas in which the Properties are situated have occurred since the Properties were last inspected by C&W.

### 11.2 Areas

Where C&W is provided with floor areas, C&W will make an Assumption that the areas have been measured and calculated in accordance with the current edition of RICS Professional Statement RICS Property Measurement.

### 11.3 Tenancies and Leasing

C&W's opinion of the Market Value will be subject to existing leases of which the Client or its advisors have made C&W aware but otherwise will reflect an Assumption of vacant possession. Where C&W has undertaken to read the leases and related documents provided to it, C&W will make an Assumption that copies of all relevant documents will be sent to C&W and that they are complete and up to date.

Where C&W relies on tenancy and lease information provided to it, unless such information reveals otherwise, C&W will make the Assumption that all occupational leases are on full repairing and insuring terms, with no unusual or onerous provisions or covenants that would affect value.

C&W will make an Assumption that vacant possession can be given of all accommodation which is unlet or occupied by the entity or its employees on service tenancies. C&W will not take account of any leases between subsidiaries unless C&W states otherwise in the Services Schedule.

C&W will not undertake investigations into the financial strength of any tenants unless otherwise referred to in the Valuation Report. Unless C&W has become aware by general knowledge, or has been specifically advised to the contrary, C&W will make an Assumption that:

- a. where a Property is occupied under leases, then the tenants are financially in a position to meet their obligations, and
- b. there are no material arrears of rent or service charges, breaches of covenant, current or anticipated tenant disputes.

However, the Valuation will reflect a potential purchaser's likely opinion of the credit worthiness of the type of tenants actually in occupation, or responsible for meeting lease commitments, or likely to be in occupation.

C&W will take into account any information the Client or its advisors provide concerning tenants' improvements. Otherwise, if the extent of tenants' alterations or improvements cannot be confirmed, C&W will make an Assumption that the relevant Property was let with all alterations and improvements evident during C&W's inspection (or, in the case of a Valuation without internal inspection, as described within the information provided by the Client).

C&W will also make an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary changes, all notices have been served validly within the appropriate time limits.

#### 11.4 Environmental Matters

If C&W's enquiries or any reports supplied to C&W indicate the existence of environmental problems without providing method statements and costings for remedial works, then C&W may not be able to issue a Valuation Report except on the Special Assumption that the Properties are assumed NOT to be affected by such environmental matters. In certain circumstances, the making of such a Special Assumption may be unrealistic and may be a Departure from the requirements of the RICS Red Book. In these circumstances, the Valuation Report may include a recommendation that an investigation should be undertaken to quantify the costs and that subsequently the Valuation should be reviewed.

Where C&W's enquiries lead C&W to believe that the Properties are unaffected by contamination or other adverse environmental problems, including but not limited to the risk of flooding, mining or quarrying, radon gas, and the proximity of high voltage electrical equipment then, unless the Client instructs C&W otherwise, the Valuation will be based on an Assumption that no contamination or other adverse environmental matters exist in relation to the Properties sufficient to affect value.

If any of the Properties lie within or close to a flood plain, or have a history of flooding, C&W will make the Assumption that building insurance is in place and available to be renewed to the current or any subsequent owner of the relevant Property, without payment of an excessive premium or excess.

In the absence of any information to the contrary, C&W will make the assumption that invasive species such as Japanese Knotweed are not present at the Properties.

Depending on the nature of the investigations made and the information revealed, the Valuation Report may include a statement that, in practice, a purchaser might undertake further investigations and that if these revealed contamination or other adverse environmental problems, then this might reduce the value reported.

#### 11.5 Mineral Rights

C&W will make an Assumption that any mineral rights are excluded from the Properties.

## 11.6 Title

Save as disclosed either in any Certificate of Title, or unless specifically advised to the contrary by the Client or its legal advisers and as referred to in the Valuation Report, C&W will make the Assumption that there is good and marketable title in all cases and that the Properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoing. C&W will also make an assumption that the Properties are free from mortgages, charges or other encumbrances.

If verification of the accuracy of any site plans contained in the Valuation Report is required, the matter must be referred to the Client's legal advisers.

C&W will make the Assumption that roads and sewers serving the Properties have been adopted and that the Properties have all necessary rights of access over common estate roads, paths, corridors and stairways, and rights to use common parking areas, loading areas and other facilities.

## 11.7 Condition of Structure and Services, Deleterious Materials and Ground Conditions

Due regard will be paid by C&W to the apparent general state of repair and condition of each Property, but a condition or structural survey will not be undertaken, nor will woodwork or other parts of the structure which are covered, unexposed or inaccessible, be inspected. Therefore, C&W will be unable to report that each Property is structurally sound or is free from any defects. C&W will make an Assumption that each Property is free from any rot, infestation, adverse toxic chemical treatments, and structural, design or any other defects other than such as may be mentioned in the Valuation Report.

The current versions of the BRE publication *"List of excluded materials – a change in practice"* and British Council for Offices publication *"Good Practice in the Selection of Construction Materials"* make recommendations for good building practice and whether construction materials are considered to be deleterious, hazardous or harmful ("**Prohibited Materials**"). C&W will not arrange for investigations to be made to determine whether any Prohibited Materials have been used in the construction or any alterations of the Properties. C&W will not be able to confirm that each Property is free from risk to health and safety or the fitness for purpose (suitability and durability) of any construction works, nor will C&W be able to confirm that the nature or application of any materials do not contravene any relevant British Standard or EU equivalent. For the purposes of the Valuation, C&W will make an Assumption that each Property has been constructed in accordance with good building practice and any investigation of each of the Properties by a Chartered Building Surveyor would not reveal the presence of Prohibited Materials in any adverse condition.

C&W will not carry out an asbestos inspection and will not act as an asbestos inspector in completing the valuation inspection of each Property that may fall within the Control of the Asbestos at Work Regulations 2012. C&W will not make an enquiry of the duty holder (as defined in the Control of Asbestos at Work Regulations 2012), of an existence of an Asbestos Register or of any plan for the management of asbestos to be made. Where relevant, C&W will make an Assumption that there is a duty holder, as defined in the Control of Asbestos at Work Regulations 2012 and that a Register of Asbestos and Effective Management Plan is in place, which does not require any immediate expenditure, or pose a significant risk to health, or breach the HSE regulations. C&W recommends that such enquiries be undertaken by the Client's legal advisers during normal pre-contract or pre-loan enquiries.

No mining, geological or other investigations will be undertaken by C&W to certify that the sites are free from any defect as to foundations. C&W will make an Assumption that all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual or adverse effect on building costs, property values or viability of any development or existing buildings.

C&W will make the Assumptions that there are no services on, or crossing, the site in a position which would inhibit development or make it unduly expensive, and that the site has no archaeological significance, which might adversely affect the present or future occupation, development or value of each Property.

No tests will be carried out by C&W as to electrical, electronic, heating, plant and machinery equipment or any other services nor will the drains be tested. However, C&W will make an Assumption that all building services (including, but not limited to lifts, electrical, electronic, gas, plumbing, heating, drainage, sprinklers, ventilation, air conditioning and security systems) and property services (such as incoming mains, waste, drains, utility supplies etc.) are in good working order and without any defect whatsoever.

## 11.8 Statutory Requirements and Planning

Save as disclosed in a Certificate of Title, or unless otherwise advised, C&W shall make the Assumption that all of the buildings have been constructed in full compliance with valid town planning and building regulations approvals and that where necessary, they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005. Similarly, C&W shall also make the Assumption that the Properties are not subject to any outstanding statutory notices as to construction, use or occupation and that all existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

C&W shall make the Assumption that the Properties comply with all relevant statutory requirements.

Energy Performance Certificates ("EPC") must be made available for all properties, when bought or sold, subject to certain exemptions. If the Properties are not exempt from the requirements of this Directive C&W shall make an Assumption that an EPC is made available, free of charge, to a purchaser of all the interests which are the subject of the Valuation.

In addition, in England and Wales the Minimum Energy Efficiency Standards Regulations are effective from 1 April 2018. The regulations prohibit the granting of a new tenancy or lease renewal of privately rented residential or business premises which do not have an EPC rating of 'E' or above. C&W will ask the Client or its advisors for information relating to the EPC ratings of the Properties if the Properties are not exempt from these requirements. In any instance where C&W is not provided with an up to date EPC rating C&W will make the Assumption that the Properties meet the minimum requirements to enable it to be let.

In any instance where C&W is to value Properties with the benefit of a recently granted planning consent, or on the Special Assumption that planning consent is granted, C&W will make an Assumption that it will not be challenged under Judicial Review. Such a challenge can be brought by anyone (even those with only a tenuous connection with the Properties, or the area in which it is located) within a period of three months of the granting of a planning consent. When a planning consent is granted subject to a Section 106 Agreement, the three month period commences when the Section 106 Agreement is signed by all parties.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

If a planning consent is subject to Judicial Review, the Client must inform C&W and request C&W to reconsider its opinion of value. Advice would be required from the Client's legal advisers and a town planner, to obtain their opinion of the potential outcomes of such a Judicial Review, which C&W will reflect in its reconsideration of value.

## 11.9 Information

Notwithstanding the Terms of Business, C&W will make an Assumption that the information provided by the Client and/or its professional advisers in respect of each Property to be valued is both full and correct. C&W will make an Assumption that details of all matters relevant to value within their collective knowledge, including but not limited to matters such as prospective lettings, rent reviews, outstanding requirements under legislation and planning decisions, have been made available to it, and that such information is up to date.

If the Valuation is required for the purpose of purchase, loan security or other financial transaction, the Client accepts that full investigation of the legal title and any leases is the responsibility of its legal advisers.

Where comparable evidence is included in the Valuation Report, this information is often based on C&W's verbal enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where C&W had reason to believe its general accuracy or where it was in accordance with expectation. It is unlikely that C&W will have inspected comparable properties.

## 11.10 Landlord and Tenant Act 1987

The Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use.

Where this is applicable, C&W will make an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposal into the open market is unrestricted.

#### 11.11 Leasehold Reform Housing and Urban Development Act 1993 and Leasehold Reform Act 1967

If C&W value the freehold or leasehold interest in either blocks of flats or in houses, the following will apply. The Leasehold Reform Housing and Urban Development Act 1993, as amended by the Commonhold and Leasehold Reform Act 2002, or The Leasehold Reform Act 1967 (collectively the "Act") give certain rights to residential tenants to acquire either the freehold/leasehold interest in any building which qualifies under the Act, or the right to lease extension. If this is applicable, C&W shall make an Assumption that no residential tenants have elected under the provisions of that Act to acquire the freehold or head leasehold interests, nor have they elected to acquire a lease extension, unless the Client and/or its advisers specifically inform C&W to the contrary.

#### 11.12 Properties to be developed or in the course of development or requiring repair/refurbishment and recently completed developments

Where C&W undertake a Valuation of the completed Properties this will be based on an Assumption that all works of construction have been satisfactorily carried out in accordance with the building contract and specification, current British Standards and any relevant codes of practice. C&W will also make an Assumption that a duty of care and all appropriate warranties will be available from the professional team and contractors, which will be assignable to third parties.

### 12. Information requested from Client

Please provide the following information:

- Tenancy schedules
- Service charge details
- Irrecoverable outgoings information
- Details of current negotiations such as rent reviews / lettings / lease renewals / dilapidation claims
- Development costs to be expended/dates of practical completion/ specifications
- Any available information regarding potential EPC capital expenditure

C&W believes that reliance on this information will not render our Valuation Report unreliable.

**Appendix 1 - Property Schedule** (all properties have been inspected externally between 31 March 2021 and 31 March 2022 and internally in accordance with the rolling programme referred to in 7.3 above)

| PROPERTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | INTEREST                                                                                                                                  | PROPERTY TYPE |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>CARNABY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                           |               |
| <p>The Carnaby Estate Main Block which comprises the following:<br/>South Block, Carnaby Estate, London W1: 44-57 Carnaby Street; 1-17 Kingly Street; 15-23 (odd) Ganton Street; 17-25 (odd) Beak Street and Kingly Court;</p> <p>North Block, Carnaby Estate, London W1: 32-43 Carnaby Street, 6-22 Foubert's Place (even), 19-30 Kingly Street, 14-22 Ganton Street and 26 Ganton Street;</p> <p>Foubert's Place East, Carnaby Estate, London W1: 23-43 (odd) Foubert's Place * and 30/31 Great Marlborough Street;</p> <p>37/39 Great Marlborough Street, Carnaby Estate, London W1 &amp;</p> <p>31-35 (odd numbers) Beak Street and 2-4 (inclusive) Carnaby Street, 37, 41*, 43*, 45*, 47 Beak Street, 61-69 Broadwick Street, 5-7 (inclusive) 5a, 8, 9, 10-20 Carnaby Street &amp; 74 Broadwick Street*, 21, 22, 23, 24, 25, 26-27, 28-28a, 29, 30, 31 Carnaby Street, 9-11 (odd numbers), 13-15 (odd numbers), 17, 19, 21, 30-32 (even numbers) Fouberts Place, 2, 4-6 (even numbers), 8, 10, 12, 13, Ganton Street, 27/28 &amp; 35/36 Great Marlborough Street, Lasenby House, Kingly Street, 31 Kingly Street (inc 5 and 7 Fouberts Place), 2 Lowndes Court (inc 12a Newburgh Street), 3 Lowndes Court, 1, 2 Marlborough Court, 33, 34, 35, 36, 37, 47, 49, 51 Marshall Street, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 Newburgh Street, 13-15 (inclusive) Newburgh Street (inc 3, 4 Marlborough Court, 5, 6 Lowndes Court), 16, 17 Newburgh Street, London W1.</p> | All properties are freehold except where marked with an asterisk (within 23-43 Foubert's Place, 23-27 Foubert's Place are held leasehold) | Investment    |
| 20 Beak Street & 6 Upper John Street, London, W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Freehold                                                                                                                                  | Investment    |
| 46-48 Beak Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Freehold                                                                                                                                  | Investment    |
| 61-63 Beak Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Freehold                                                                                                                                  | Investment    |
| 1 & 2 Marshall Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Freehold                                                                                                                                  | Investment    |
| 57 Broadwick Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Freehold                                                                                                                                  | Investment    |
| 37-38 Golden Square, 5-6 Upper James Street & 36 Beak Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Leasehold                                                                                                                                 | Investment    |
| <b>SOHO</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                           |               |
| <p>The Berwick Street Single Lot which comprises the following:<br/>1-4 Berwick Street &amp; 4 Peter Street*, 8, 11, 12, 17, 18, 19, 20, 22, 24, 26, 27-29 (inclusive), 30 Berwick Street &amp; 13 Wardour Mews,</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Freehold with the exception of properties marked with an asterisk                                                                         | Investment    |

| PROPERTY                                                                                                                                                       | INTEREST  | PROPERTY TYPE |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| 32, 36, 37, 40, 45, 46 Berwick Street & 6a Noel Street, 52, 60, 61, 68, 75, 79, 80, 81, 90 Berwick Street, 18 Broadwick Street, 29 D'Arblay Street, London W1* |           |               |
| 15/35 Brewer Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 26/28 Brewer Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 49 Brewer Street, London W1*                                                                                                                                   | Leasehold | Investment    |
| 58 Brewer Street, London W1                                                                                                                                    | Freehold  | Investment    |
| 60 Brewer Street, London W1                                                                                                                                    | Freehold  | Investment    |
| 8-12 Broadwick Street, London W1                                                                                                                               | Freehold  | Investment    |
| 19-25 Broadwick Street, London W1                                                                                                                              | Freehold  | Investment    |
| 46 Broadwick Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 103 Charing Cross Road, London WC2                                                                                                                             | Freehold  | Investment    |
| 2/4 Denman Street, London W1                                                                                                                                   | Freehold  | Investment    |
| 12/14 Denman Street.                                                                                                                                           | Freehold  | Investment    |
| 15 Denman Street, London W1                                                                                                                                    | Freehold  | Investment    |
| 50 Frith Street, London W1                                                                                                                                     | Freehold  | Investment    |
| 41 Lexington Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 48 Lexington Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 49 Lexington Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 53 Lexington Street, London W1                                                                                                                                 | Freehold  | Investment    |
| 14/14a Old Compton Street, London W1                                                                                                                           | Freehold  | Investment    |
| 16 Old Compton Street, London W1                                                                                                                               | Freehold  | Investment    |
| 61 Old Compton Street, London W1                                                                                                                               | Freehold  | Investment    |
| 23 Romilly Street, London W1                                                                                                                                   | Freehold  | Investment    |
| 1-2 Silver Place and Flat 3, London W1                                                                                                                         | Freehold  | Investment    |
| CHINATOWN                                                                                                                                                      |           |               |

| PROPERTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | INTEREST                                                          | PROPERTY TYPE |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|---------------|
| The Central Chinatown Block, which comprises the following: 64-92 (even nos.) 96 & 98 Shaftesbury Avenue and Macclesfield Chambers, 3, 4, 5, 6, 7-11, 13-23, 36, 37, 38, 39 & 48 Gerrard Street, 1/2a Gerrard Place, 1/3, 4 & 8 Horse & Dolphin Yard, 32-32A, 34 & 36 Wardour Street, 2-7 Dansey Place and 2-5, 12 & 13 Macclesfield Street, London W1, 14, 15, 18, 19, 20, 21, 26/27* & 28-30 Lisle Street, 1 & 11-13 Newport Place, 7, 8, 9, 12-13 & 15 Little Newport Street, 21-24a Newport Court, London WC2; Parts of 100-124 Shaftesbury Avenue, London W1* which comprise the following: at ground floor and basement level 100, 102, 104 (no basement), 108, 110, 112, 114, 118, 120 and 124 Shaftesbury Avenue. 7 and 8 Egmont House on the first floor of 116 Shaftesbury Avenue and 5 Egmont House on the second floor. 5 and 7 Nassau House on the first floor and 8 Nassau House on the second floor of 122 Shaftesbury Avenue. Flats 1, 3, 4, 5, 6 and 8 Exeter Mansions on the first, second and fourth floors of 106 Shaftesbury Avenue. Flats 1, 2, 3 and 4 Egmont House on the third and fourth floors of 116 Shaftesbury Avenue. Flat 3 on the fourth floor of Nassau House, 122 Shaftesbury Avenue, London W1; 47-49 Charing Cross Road, London WC2; Central Cross, London WC2* which comprises 51-59 (odd) Charing Cross Road, 28-35 Newport Court and 10-18 (even) Newport Place. | Freehold with the exception of properties marked with an asterisk | Investment    |
| The Western Chinatown Block, which comprises properties at 9, 11, 20, 21, 22/22A & 24, 25, 27, 31, 33/37 & 39 Wardour Street; 29 Wardour Street & 1-4 Rupert Court; 5-8 Rupert Court; 13/21 Wardour Street & 14/16 Rupert Street; 16a, 20, 24, 26, 28, 30, 34, 36/40 & 42 Rupert Street; 50/56, 58/60 & 62 Shaftesbury Avenue; 5 Lisle Street*, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | All properties are freehold with the exception of 5 Lisle Street  | Investment    |
| 4 Leicester Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Freehold                                                          | Investment    |
| FITZROVIA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                   |               |
| 8 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Freehold                                                          | Investment    |
| 10 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Freehold                                                          | Investment    |
| 11/13 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Freehold                                                          | Investment    |
| 18 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Freehold                                                          | Investment    |
| 19/23 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Freehold                                                          | Investment    |
| 22 Charlotte Street, London W1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Freehold                                                          | Investment    |
| 28 Charlotte Street, London W1*                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Leasehold                                                         | Investment    |

| PROPERTY                                                                                                                                                                                 | INTEREST  | PROPERTY TYPE |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| 30 Charlotte Street, London W1                                                                                                                                                           | Freehold  | Investment    |
| 1 Charlotte Place, London W1                                                                                                                                                             | Freehold  | Investment    |
| 2 Charlotte Place, London W1                                                                                                                                                             | Freehold  | Investment    |
| 5 Charlotte Place, London W1                                                                                                                                                             | Freehold  | Investment    |
| 6 Rathbone Place, London W1                                                                                                                                                              | Freehold  | Investment    |
| 25 Rathbone Place, London W1                                                                                                                                                             | Freehold  | Investment    |
| 29/30/31 Rathbone Place, London W1                                                                                                                                                       | Freehold  | Investment    |
| 47 Rathbone Street, London W1                                                                                                                                                            | Freehold  | Investment    |
| 23 Rathbone Street, London W1                                                                                                                                                            | Freehold  | Investment    |
| 36-39 Newman Street, London W1*                                                                                                                                                          | Leasehold | Investment    |
| 48 Newman Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 22 Goodge Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 27 Goodge Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 32/34 Goodge Street, London W1                                                                                                                                                           | Freehold  | Investment    |
| 43 Goodge Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 47 Goodge Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 49 Goodge Street, London W1                                                                                                                                                              | Freehold  | Investment    |
| 62/64 Goodge Street, London W1                                                                                                                                                           | Freehold  | Investment    |
| 62/63 Tottenham Court Road, 1-7 & 11-13 Goodge Street*                                                                                                                                   | Leasehold | Investment    |
| OPERA QUARTER                                                                                                                                                                            |           |               |
| The Opera Quarter, which comprises properties at 20/26a, 30/40 & 44 Wellington Street, 1-3 Russell Street, 15/17 & 21/33 Catherine Street and 13/21 & 34/42 Tavistock Street, London WC2 | Freehold  | Investment    |
| Bow Street, London WC2                                                                                                                                                                   | Freehold  | Investment    |
| SEVEN DIALS                                                                                                                                                                              |           |               |

| PROPERTY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | INTEREST                                                                                                           | PROPERTY TYPE |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------|
| The Covent Garden Single Lot which comprises the following: 1/1A, 3, 5, 7, 8, 9, 10, 15-23, 36, 38/39 & 43 Earlham Street, 1/1A, 3, 4, 14-18, 23, 29-39, 42, 44, 46, 48, 50/52, 53, 55, 57/59, 61, 63, 65/67, 69/71 & 73 Monmouth Street, 5/7, 9-11, 13-16, 20-23 Shorts Gardens, 148, 150, 154/6, 178, 180, 184, 186/8 Shaftesbury Avenue, 22, 25A, 27/27A, 29, 30-32, 31, 33, 35/7, 39, 41/45, 47-51, 50, 52, 53A, 54, 55-59, 56, 58, 62, 64, 66, 68-70, 72 & 74 Neal Street, 1-2/2A, 3-7, 8/10, 11/13, 14/15, 16 & 17 Neals Yard, 21 Tower Street, 1, 5, 11-13, 15/17, 19 & 25 Shelton Street, 33-34 Mercer Street, Thomas Neals Centre, London WC2 | Freehold (except 7/7A Neals Yard, 8 & 36/38 Earlham Street and Flat 5, 148 Shaftesbury Avenue which are Leasehold) | Investment    |
| 140 Cambridge Circus WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Freehold                                                                                                           | Investment    |
| 15/21 Endell Street & 45 Shelton Street, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Freehold                                                                                                           | Investment    |
| 18 Endell Street, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Freehold                                                                                                           | Investment    |
| 31 Endell Street, London, WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Freehold                                                                                                           | Investment    |
| 37 Endell Street, London, WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Freehold                                                                                                           | Investment    |
| 24 Litchfield Street, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Freehold                                                                                                           | Investment    |
| 25 Litchfield Street, London, WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Freehold                                                                                                           | Investment    |
| 27/29 Shorts Gardens, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Leasehold                                                                                                          | Investment    |
| 4-10 Tower Street, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Freehold                                                                                                           | Investment    |
| 2-4 Upper St Martins Lane, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Freehold                                                                                                           | Investment    |
| 7a Upper St Martins Lane, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Freehold                                                                                                           | Investment    |
| 36/38 West Street & 142 Shaftesbury Avenue, London, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Freehold                                                                                                           | Investment    |
| COLISEUM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                    |               |
| 4 Bedfordbury, London, WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Freehold                                                                                                           | Investment    |
| 60/61 Chandos Place, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Freehold                                                                                                           | Investment    |
| William IV Street & Chandos Place Lot, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Freehold                                                                                                           | Investment    |
| 32/34 Cranbourn Street & 77 St Martins Lane, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Freehold                                                                                                           | Investment    |
| 44a & 44b Floral Street, London WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Freehold                                                                                                           | Investment    |
| 23/25 Garrick Street, London, WC2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Freehold                                                                                                           | Investment    |

| PROPERTY                           | INTEREST  | PROPERTY TYPE |
|------------------------------------|-----------|---------------|
| 39 King Street, London, WC2        | Freehold  | Investment    |
| 11 Long Acre, London, WC2          | Freehold  | Investment    |
| 4 New Row, London WC2              | Freehold  | Investment    |
| 7-8 New Row, London WC2            | Freehold  | Investment    |
| 12 New Row, London WC2             | Freehold  | Investment    |
| 13 New Row, London WC2             | Freehold  | Investment    |
| 19 New Row, London WC2             | Freehold  | Investment    |
| 21-22 New Row, London W1           | Freehold  | Investment    |
| 23-27 New Row, London WC2          | Leasehold | Investment    |
| 36/36a St Martins Lane, London WC2 | Freehold  | Investment    |
| 37/39 St Martins Lane, London WC2  | Freehold  | Investment    |
| 55/58 St Martins Lane, London WC2  | Freehold  | Investment    |

## APPENDIX B: SOURCES OF INFORMATION

In addition to information established by us, we have relied on the information as listed below:

| Information                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Floor areas                                                                                                                                                                       |
| Leasing information                                                                                                                                                               |
| Floor areas                                                                                                                                                                       |
| Details of planning uses and relevant planning consents                                                                                                                           |
| Service charge information                                                                                                                                                        |
| Details of irrecoverable outgoings                                                                                                                                                |
| Details of current negotiations in hand, including rent reviews, dilapidation claims, details of any CPOs, highway schemes, outstanding requirements under legislation or similar |
| Details of recent, current or proposed marketing of the Property and offers received                                                                                              |
| Costs, timetables and specification details relating to properties in the course of refurbishment / development or to be refurbished / developed in the future                    |
| Potential EPC capital expenditure                                                                                                                                                 |



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