THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from your Central Securities Depository Participant ("CSDP"), stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended (the "FSMA") if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your existing ordinary shares in Capital & Counties Properties PLC ("**Capco**" or the "**Company**", and together with its subsidiary and group undertakings, the "**Capco Group**"), please send this document, together with the accompanying form of proxy (the "**Form of Proxy**") (other than documents or forms personalised to you) as soon as possible to the purchaser or transferee, or to the CSDP, stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded, distributed or transmitted in, in whole or in part, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you sell or have sold or otherwise transferred only part of your holdings of ordinary shares (the "**Capco Shares**") in Capco you should retain these documents and contact the CSDP, bank, stockbroker or other agent through whom the sale or transfer was effected.

This document is a circular relating to the Merger which has been prepared in accordance with the Listing Rules and approved by the Financial Conduct Authority (the "**FCA**"). This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase or subscribe for, any securities.

Capital & Counties Properties PLC

(Incorporated and registered under the laws of England and Wales with registered number 07145051)

Proposed issue and application for admission to the premium listing segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange of up to 1,095,507,008 new ordinary shares in connection with the recommended all-share merger of Capco and Shaftesbury

and

Circular to Capco Shareholders

and

Notice of General Meeting

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 15 to 41 of Part I (*Chairman's Letter*) of this document and which recommends you vote in favour of the Resolutions to be proposed at the General Meeting referred to below. Your attention is also drawn to the risk factors set out in Part II (*Risk Factors*) of this document that you should consider carefully when deciding whether or not to vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of the general meeting of Capco to be held at 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on Friday 29 July 2022 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG, United Kingdom (the "**General Meeting**") is set out at the end of this document (the "**Notice of General Meeting**"). To be valid, a Form of Proxy should be completed, signed and returned in accordance with the instructions printed thereon and the Notice of General Meeting so as to be received by (for UK Shareholders) Link Group at Link Group, PXS1, at Central Square, 29 Wellington Street, Leeds, LS1 4DL or (for South African Shareholders) Computershare Investor Services Proprietary Limited at Private Bag X9000, Saxonwold, 2132, South Africa (the "**Registrars**"), as soon as possible but in any event must arrive no later than 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on 27 July 2022.

If you have any questions about this document, the General Meeting or the completion and return of a Form of Proxy, please contact the Registrars. For Link Group, please contact between 9:00 a.m. and 5:30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales) on 0371 664 0300 (from the United Kingdom), or +44 (0) 371 664 0300 (from outside the United Kingdom, international rates apply). Calls will be charged at the local rate. For Computershare Investor Services Proprietary Limited, please contact between 8:30 a.m. and 5:30 p.m. (Johannesburg time) Monday to Friday (excluding public holidays in South Africa) on 086 11 00 933 (from South Africa) or +27 11 370 5000 (from outside South Africa, international rates apply). Please note that calls may be monitored or recorded and the Registrars cannot provide financial, legal or tax advice on the merits of the Merger.

N.M. Rothschild & Sons Limited ("**Rothschild & Co**") is authorised and regulated in the United Kingdom by the FCA. Rothschild & Co is acting exclusively for the Company as UK Sponsor and lead financial adviser and no one else in connection with the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger, Admission or any other matter or arrangement referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document.

Jefferies International Limited ("**Jefferies**") is authorised and regulated in the United Kingdom by the FCA. Jefferies is acting exclusively for the Company as joint financial adviser and joint corporate broker and no one else in connection with the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger, Admission or any other matter or arrangement referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Jefferies, nor for providing advice in relation to the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document.

UBS AG London Branch ("**UBS**") is authorised by the Prudential Regulation Authority and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. UBS is acting exclusively for the Company as joint financial adviser and corporate broker and no one else in connection with the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger, Admission or any other matter or arrangement referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of UBS, nor for providing advice in relation to the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document.

Peel Hunt LLP ("**Peel Hunt**") is authorised and regulated in the United Kingdom by the FCA. Peel Hunt is acting exclusively for the Company as joint corporate broker and no one else in connection with the contents of this document, the Merger, Admission or any other matter or arrangement referred to in this document, and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Merger, Admission or any other matter or arrangement referred to in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the contents of this document, the Merger, Admission or any other matter or arrangement referred to in 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. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

BNP Paribas SA is authorised and regulated by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution. In the UK, BNP Paribas London Branch ("**BNP Paribas**" or "**BNP Paribas London Branch**") is deemed authorised by the PRA with deemed variation of permission, and is subject to regulation by the FCA and limited regulation by the PRA. Details of the Temporary Permissions Regime, which allows EEA based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. BNP Paribas London Branch is registered in the UK under number FC13447 and UK establishment number BR000170, and its UK establishment office address is 10 Harewood Avenue, London NW1 6AA. BNP Paribas is acting exclusively as joint financial adviser for 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 BNP Paribas or for providing advice in relation to the matters described in this document or any transaction or arrangement referred to herein.

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.

Barclays, BNP Paribas and HSBC are original lenders under the Loan Facility Agreement and have provided financial advice to Capco in relation to the Merger

Apart from the responsibilities and liabilities, if any, which may be imposed on Rothschild & Co, Jefferies, Peel Hunt, UBS, Barclays, BNP Paribas and HSBC (together, the "**Banks**") under FSMA or the regulatory regime established thereunder, none of the Banks nor any of their respective subsidiaries, branches or affiliates, shall assume any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this document, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by or on Capco's behalf, or by the Banks, or on the Banks' behalf, and nothing in this document will be relied upon as a promise or representation in this respect, whether to the past or future. To the fullest extent permitted by law, the Banks and their respective subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this document or any such statement 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 the Company and no one else in connection with the Merger and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Java Capital, nor for providing advice in relation to the Merger, Admission or any other matter or arrangement referred to in this document. As the Company's JSE sponsor, Java Capital has a responsibility to the JSE to ensure compliance by the Company with the JSE Listings Requirements and notify the JSE of any deviation from the JSE Listings Requirements. Java Capital is satisfied that there is nothing in this document that is in conflict with the JSE Listings Requirements.

Apart from the responsibilities and liabilities, if any, which may be imposed on Java Capital under the South African Financial Markets Act, 19 of 2012 or the regulatory regime established thereunder, neither Java Capital nor any of its subsidiaries, branches or affiliates shall assume any duty, liability or responsibility whatsoever (whether direct or indirect) to any person for any acts or omissions of the Company as to the contents of this document, or makes any representation or warranty, express or implied, as to the contents of this document, including its accuracy, completeness, verification or sufficiency or for any other statement made or purported to be made by or on Capco's behalf, or by Java Capital, or on Java Capital's behalf and nothing in this document will be relied upon as a promise or representation in this respect, whether to the past or future. To the fullest extent permitted by law, Java Capital and its subsidiaries, branches and affiliates accordingly disclaim all and any duty, liability and responsibility whether arising in tort, contract, statute or otherwise (save as referred to above) in respect of this document or any such statement or otherwise.

This document is dated 7 July 2022.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Expected timetable

All references to time in this document and in the expected timetable below are to the time in London, United Kingdom, unless otherwise stated. Each of the times and dates in the table below are indicative only and may be subject to change.

Event	Time and Date
Announcement of the Merger	7:00 a.m. on 16 June 2022
Publication of the Circular, the Prospectus and the Scheme Document	7 July 2022
Posting of the Circular and the Form of Proxy	By 5:00 p.m. on 8 July 2022
Last day to trade on the JSE in order to be eligible to vote at the Capco General Meeting	22 July 2022
Latest time and date for receipt of Form of Proxy for Capco General Meeting	11:15 a.m. on 27 July 2022
Voting record date for Capco General Meeting	6:30 p.m. on 27 July 2022[1]
Court Meeting	10:00 a.m. on 29 July 2022
Shaftesbury General Meeting	10:15 a.m. on 29 July 2022
Capco General Meeting	11:15 a.m. on 29 July 2022
Publication of results of Capco General Meeting	on 29 July 2022
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**")[2]
Scheme Record Time	6:00 p.m. on D+1[2]
Suspension of trading of Shaftesbury Shares on the LSE	7:30 a.m. on D+2[2][3]
Effective Date of the Scheme	**D+3[2]**
Delisting of Shaftesbury Shares on the LSE	By 8:00 a.m. on D+3[2]
New Capco Shares issued to Shaftesbury Shareholders	By 8:00 a.m. on D+3[2]
New Capco Shares listed and commencement of dealings in New Capco Shares on the LSE	By 8:00 a.m. (London time) on D+3[2]
New Capco Shares listed and commencement of dealings in New Capco Shares on the JSE	By 9:00 a.m. (Johannesburg time) on D+3[2]
CREST accounts of Shaftesbury Shareholders credited with New Capco Shares	As soon as reasonably practicable on D+3[2]
Expected publication of finalisation announcement in respect of name change on SENS	On or soon after 8:00 a.m. on D+3[2]
Expected last day to trade in Capco Shares on the JSE prior to the name change	D+5[2]
Expected trading in new name of Shaftesbury Capital PLC on the JSE under the share code SHC commences on	D+6[2]

Event	Time and Date
Record date on the JSE in respect of the name change	D+8[2]
Date of issue of new replacement share certificates for shareholders on the South African Register (provided that the old share certificates have been lodged by 12:00 on D+8)	D+9[2]
CSDP and broker accounts of dematerialised shareholders are to be updated with new name	D+9[5]
CREST accounts credited with any cash due to Restricted Shareholders under the Scheme and in relation to the sale of fractional entitlements	within 14 days of the Effective Date[2]
Despatch of share certificates for New Capco Shares and cheques for the cash due to Restricted Shareholders under the Scheme and in relation to the sale of fractional entitlements for those Shaftesbury Shareholders who do not hold their Shaftesbury Shares in CREST	within 14 days of the Effective Date[2]
Long Stop Date	30 April 2023[4]

The above dates and times associated with the Merger are subject to change and will depend on, among other things, the date on which the Conditions to the Merger are satisfied or, if capable of waiver, waived and on the date on which the Court sanctions the Scheme. Capco will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service and on SENS. Further updates and changes to these times will, at Capco's discretion, be notified in the same way.

Notes:

(1) If the Capco General Meeting is adjourned, the Voting Record Time for the adjourned Capco General Meeting will be 6:30 p.m. (UK time) on the date which is two days before the date set for the adjourned Capco General Meeting.

(2) 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.

(3) This will be the last day for dealings in, and for registration of transfer of and disablement in CREST of, Shaftesbury Shares.

(4) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as may be agreed in writing by Capco and Shaftesbury (with the Panel's consent and as the Court may approve (if such approval(s) are required)).

(5) For certificated shareholders on the South African Register, share certificates in the name of Capital & Counties Properties PLC may not be dematerialised or rematerialised after D+5. Shares may not be transferred between registers between D+6 and D+8, both days included.

(*) All dates by reference to "D+x" will be to the Business Day(s) falling immediately after the date indicated.

INDICATIVE SHARE CAPITAL STATISTICS

Number of New Capco Shares to be issued for each Shaftesbury Share	3.356
Number of Existing Capco Shares in issue as at 5 July 2022, being the Latest Practicable Date[(1)]	851,274,235
Number of Shaftesbury Shares held by Capco as at the Latest Practicable Date	96,971,003
Percentage of Shaftesbury's issued share capital held by Capco as at the Latest Practicable Date	approximately 25.2%
Number of New Capco Shares to be issued to Shaftesbury Shareholders excluding shares held by Capco[(2)]	967,313,921
Maximum number of New Capco Shares to be issued pursuant to the Merger[(2)(5)]	1,095,507,008
Maximum number of Capco Shares in issue immediately following Admission[(3)(4)(5)]	1,953,191,868
New Capco Shares as a percentage of the issued share capital of Capco immediately following Admission[(3)(4)]	approximately 53%
Maximum number of Capco Shares in issue immediately following Admission held as Secured New Capco Shares[(5)]	128,193,087
Maximum number of Capco Shares in issue immediately following Admission excluding those held as Secured New Capco Shares[(5)(6)]	1,824,998,781

Notes:

(1) There are currently no Treasury Shares, nor shares treated as Treasury Shares.

(2) Assumes that 990,327 new Shaftesbury Shares (equivalent to approximately 3,323,537 New Capco Shares at the Exchange Ratio) will be issued as a result of the exercise of options or awards vesting under the Shaftesbury Share Plans between the Latest Practicable Date and Scheme Record Time and that the maximum number of Secured New Capco Shares are issued pursuant to the Merger.

(3) Assumes that 6,410,625 new Capco Shares will be issued as a result of the exercise of options or awards vesting under the Capco Share Plan between the Latest Practicable Date and Admission and that the maximum number of New Capco Shares are issued pursuant to the Merger.

(4) Based on the number of Existing Capco Shares in issue at the Latest Practicable Date, the Capco Shares expected to be issued under the Capco Share Plan as referred to above and assumes that the maximum number of New Capco Shares are issued pursuant to the Merger.

(5) Based on the maximum authority to allot for the Secured New Capco Shares being sought as part of the Share Issue Resolution.

(6) Secured New Capco Shares will be held by the Company as Exchange Property pursuant to the terms of Capco's Exchangeable Bonds. These shares will be treated similarly to Treasury Shares for accounting purposes and are excluded from the diluted number of shares for the calculation of EPRA NTA while they do not have a dilutive effect.

IMPORTANT INFORMATION

1. Introduction

The contents of this document should not be construed as legal, business or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser for legal, financial or tax advice. In making an investment decision, each prospective investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Merger, including the merits and risks involved.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, the Directors, the Capco Group, the Shaftesbury Group, the Banks, Java Capital or any other person involved in the preparation of this document. Any decision to invest in the New Capco Shares should be based on a consideration of this document as a whole by the investor. No representation or warranty, express or implied, is made by the Company, the Directors, the Capco Group, the Shaftesbury Group, the Banks, Java Capital or any other person involved in the preparation of this document as to the accuracy or completeness of such information or representation. Nothing contained in this document is, or shall be relied upon as, a promise or representation by the Company, the Directors, the Capco Group, the Shaftesbury Group, the Banks, Java Capital or any other person involved in the preparation of this document as to the past, present or future.

The Banks and their affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to, the Company for which they would have received customary fees. The Banks and their affiliates may provide such services to the Company and any of its affiliates in the future.

2. Forward-looking statements

This document includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this document, including, without limitation, those regarding the Capco Group's and/or the Shaftesbury Group's intentions, beliefs or current expectations concerning, among other things, their future financial condition and performance and results of operations; their strategy, plans, objectives, prospects, growth, goals and targets; future developments in the industry and markets in which the Capco Group and/or the Shaftesbury Group participate or are seeking to participate; and anticipated regulatory changes in the industry and markets in which the Capco Group and/or the Shaftesbury Group operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "plan", "project", "should" or "will" or, in each case, their negative, or other variations or comparable terminology.

By their nature, forward-looking statements are subject to known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. Capco Shareholders and potential investors are cautioned that forward-looking statements are not guarantees of future performance and that the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's actual financial condition, results of operations, cash flows and distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if their financial condition, results of operations, cash flows and distributions to shareholders and the development of their financing strategies, and the development of the industry in which they operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Forward-looking statements should, therefore, be construed in light of the foregoing risk factors and the other factors identified in Part II of this document entitled "Risk Factors". Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are made as at the date of this document and are not intended to give any assurance as to future results. The Capco Group will update this document as required by applicable law, including the Listing Rules, Prospectus

Regulation Rules, MAR, the Disclosure Guidance and Transparency Rules, the requirements of the LSE and the JSE, but otherwise the Capco Group, the Shaftesbury Group, the Banks and Java Capital expressly disclaim any obligation or undertaking to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. You are advised to read this document and the information incorporated by reference into this document in their entirety, and, in particular, Part II (*Risk Factors*) of this document. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document and/or the information incorporated by reference into this document may or may not occur. Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital.

3. Market and industry data

Certain information in this document has been sourced from third parties. Where information in this document has been sourced from third parties, the source of such information has been clearly stated adjacent to the reproduced information.

All information contained in this document which has been sourced from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

All references to market data, industry statistics and forecasts and other information in this document consist of estimates based on data and reports compiled by industry professionals, organisations, analysts, publicly available information or the Company's own knowledge of its sales and markets.

Market data and statistics are inherently speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets may be defined differently, (ii) the underlying information may be gathered by different methods and (iii) different assumptions may be applied in compiling the data. Accordingly, the market statistics included in this document should be viewed with caution.

4. Presentation of financial and other information

4.1 Sources of financial information

Unless otherwise indicated, the financial information included in this document has been extracted without material adjustment from the following sources:

- the consolidated financial statements of the Capco Group as at and for the year ended 31 December 2021 (the "**Capco Annual Financial Statements**") included in the Capco Group's 2021 annual report made available to shareholders on 22 March 2022 (the "**Capco Annual Report 2021**");
- the unaudited interim consolidated financial statements of the Shaftesbury Group for the six months ended 31 March 2022 (the "**2022 Shaftesbury Interim Financial Statements**");
- the consolidated financial statements of the Shaftesbury Group as at and for the year ended 30 September 2021 (the "**2021 Shaftesbury Annual Financial Statements**") included in the Shaftesbury Group's 2021 annual report made available to shareholders on 21 December 2021 (the "**Shaftesbury Annual Report 2021**");
- the consolidated financial statements of the Shaftesbury Group as at and for the year ended 30 September 2020 (the "**2020 Shaftesbury Annual Financial Statements**") included in the Shaftesbury Group's 2020 annual report made available to shareholders on 19 January 2021 (the "**Shaftesbury Annual Report 2020**"); and
- the consolidated financial statements of the Shaftesbury Group as at and for the year ended 30 September 2019 (the "**2019 Shaftesbury Annual Financial Statements**" and, together with the 2021 Shaftesbury Annual Financial Statements and the 2020 Shaftesbury Annual Financial Statements, the "**Shaftesbury Annual Financial Statements**") included in the Shaftesbury

Group's 2019 annual report made available to shareholders on 19 December 2019 (the "**Shaftesbury Annual Report 2019**").

The Capco Annual Financial Statements, the 2022 Shaftesbury Interim Financial Statements and the Shaftesbury Annual Financial Statements (collectively, the "**Financial Statements**") are incorporated by reference into this document as set out in paragraph 13 (*Documentation incorporated by reference*) of Part V (*Additional Information*) this document. The Financial Statements were prepared in accordance with UK-adopted international accounting standards in accordance with International Financial Reporting Standards ("**IFRS**").

4.2 Non-IFRS measures of the Capco Group's and the Shaftesbury Group's performance

This document contains certain non-IFRS financial measures of the Capco Group's and the Shaftesbury Group's financial performance that are not required by, or presented in accordance with, IFRS. Such non-IFRS measures are included because they are used by the Capco Group and the Shaftesbury Group to measure business performance and the Directors believe these or similar measures are widely used in the real estate industry as a means of evaluating financial and operating performance.

The non-IFRS measures contained in this document should not be considered in isolation from, or as a substitute for, measures presented in accordance with IFRS. In addition, the relevant non-IFRS measure presented by the Capco Group or the Shaftesbury Group may not be comparable to similarly titled measures presented by other businesses, as such businesses may define and calculate such measures differently than the Capco Group or the Shaftesbury Group. Accordingly, undue reliance should not be placed on the non-IFRS measures contained in this document.

5. Key Operating Metrics

In this document, the following key financial and operational metrics are presented:

Capco Group

- **Underlying earnings per share**: represents the underlying earnings divided by the weighted average number of shares in issue during the period.
- **Underlying net rental income (Covent Garden)**: represents the rental revenue generated by the property assets in Covent Garden, less property expenses directly associated with the generation of that revenue including service charge and expected credit losses.

The Capco Group and the Shaftesbury Group

- **EPRA NTA per share**: represents EPRA NTA divided by the diluted number of ordinary shares.

The meanings of these terms are set out in Part VI (*Definitions*) of this document.

6. Illustrative information on the Combined Group

In this document, certain illustrative operating information is presented to illustrate the effect of the Merger and the performance and position of the Combined Group on a historical basis. The bases and sources of this information are set out below. This information addresses hypothetical situations and therefore does not represent the Combined Group's performance or position, nor is it indicative of the performance or position that may, or may not, be expected to be achieved in the future.

7. Pro forma financial information

In this document, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the Unaudited Pro Forma Financial Information contained in Part IV (*Unaudited Pro Forma Financial Information*) of this document.

The Unaudited Pro Forma Financial Information is for illustrative purposes only. Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of the Capco Group, the Shaftesbury Group or the Combined Group.

Future results of operations may differ materially from those presented in the Unaudited Pro Forma Financial Information due to various factors.

8. No profit forecast or profit estimate

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.

9. Rounding

Certain financial data and percentages have been rounded. As a result of such rounding, the totals of financial data presented in this document may vary slightly from the actual arithmetic totals of such data and percentages in tables may not add up to 100%.

10. Currency

The Capco Group and the Shaftesbury Group prepare their financial statements in pounds sterling. All references to "GBP", "pounds", "pounds sterling", "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom.

11. Incorporation by reference

Certain information in relation to the Capco Group and the Shaftesbury Group is incorporated by reference in this document, as set out in paragraph 13 (*Documentation incorporated by reference*) of Part V (*Additional Information*) this document.

The contents of Capco's and Shaftesbury's websites or any hyperlinks accessible from them do not form part of this document and investors should not rely on them.

12. Definitions

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part VI (*Definitions*) of this document.

Reference to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended or re-enacted.

13. Enforcement of civil liabilities

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Shares are governed by English law and by the Company's memorandum and articles of association. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The majority of the Directors, and executive officers are residents of the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within that shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of that shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the United Kingdom against the Directors or executive officers who are residents of the United Kingdom or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

DIRECTORS, PROPOSED DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors

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	Independent Non-executive Director

Proposed Directors (Position on the Combined Group Board)

Jonathan Nicholls	Chairman
Chris Ward	Chief Operating Officer
Richard Akers	Senior Independent Director
Ruth Anderson	Independent Non-executive Director
Helena Coles	Independent Non-executive Director
Jennelle Tilling	Independent Non-executive Director

Company Secretary

Ruth Pavey

Registered and head office of the Company (including following the Merger)

Capital & Counties Properties PLC
Regal House
14 James Street
London, WC2E 8BU
United Kingdom

Lead Financial Adviser and UK Sponsor

Rothschild & Co
New Court
St Swithin's Lane
London, EC4N 8AL
United Kingdom

Joint Financial Advisers and Joint Corporate Brokers

Jefferies International Limited
100 Bishopsgate,
London, EC2N 4JL
United Kingdom

UBS AG London Branch
5 Broadgate
London, EC2M 2QS
United Kingdom

Joint Corporate Broker

Peel Hunt LLP
7th Floor
100 Liverpool Street
London, EC2M 2AT
United Kingdom

Lenders under the Loan Facility Agreement and Joint Financial Advisers

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas SA, acting through its London Branch
10 Harewood Avenue
London, NW1 6AA
United Kingdom

HSBC Bank plc
8 Canada Square
London, E14 5HQ
United Kingdom

JSE Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
6th Floor
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Wierda Valley
Sandton, 2196
P O Box 522606, Saxonwold, 2132
Republic of South Africa

Legal advisers to the Company as to English law

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United Kingdom

Legal advisers to the Company as to South African law

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Rosebank Towers—4th Floor
15 Biermann Avenue
Rosebank
Johannesburg, 2196

Legal advisers to the UK Sponsor as to English law

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99 Bishopsgate
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United Kingdom

Legal advisers to Shaftesbury as to English law

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London, EC1A 2FG
United Kingdom

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London, WC2N 6RH
United Kingdom

Reporting Accountants

KPMG LLP
15 Canada Square
London, E14 5GL
United Kingdom

UK Registrar and Receiving Agent

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds, LS1 4DL
United Kingdom

South Africa Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(Private Bag X9000, Saxonwold, 2132)
Republic of South Africa

PART I

CHAIRMAN'S LETTER

(Incorporated and registered in England and Wales with registered number 07145051)

Registered Office:
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United Kingdom
Tel: +44 (0)20 3214 9150
www.capitalandcounties.com

Directors:

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

7 July 2022

To the Capco Shareholders and, for information only, to persons with information rights

Dear Shareholder

Recommended all-share merger of Capital & Counties Properties PLC

and Shaftesbury PLC and

Notice of General Meeting

1. Introduction

On 16 June 2022, the Boards of Capco and Shaftesbury announced that they had reached an agreement on the terms of a recommended all-share merger to form the Combined Group. It is intended that the Merger will be implemented by way of a scheme of arrangement of Shaftesbury under Part 26 of the Companies Act 2006, which, together with the Existing Capco Shareholding, will result in the Capco Group owning 100% of the issued and to be issued share capital of Shaftesbury on Completion.

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 rental income of approximately £166 million and an estimated rental value ("**ERV**") of approximately £218 million as at 31 March 2022.

Under the terms of the Merger, Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) will own approximately 53% of the Combined Group and Capco Shareholders will own approximately 47% of the Combined Group, subject to satisfaction or, where applicable, waiver of the conditions to completion of the Merger summarised in paragraph 15 (*Structure of the Merger and the Scheme*) of this Part I (*Chairman's Letter*).

As a result of its size, the Merger constitutes a Class 1 Transaction for Capco for the purposes of the Listing Rules. Accordingly, Capco will be required to seek the approval of Capco Shareholders for the Merger at the Capco General Meeting. The Merger will also be conditional on the approval of Capco Shareholders of the issuance 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. Accordingly, the Merger will also be conditional on the approval of Capco Shareholders, excluding Norges Bank, of the Related Party Transaction at the Capco General Meeting.

Accordingly, a Capco General Meeting has been convened for 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on Friday 29 July 2022 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG, United Kingdom to approve various matters required in connection with the Merger.

The purpose of this letter is to give you further details of the Merger, including the background to and reasons for it, to explain why the Capco Board considers it to be in the best interests of Capco and Capco Shareholders as a whole and to seek your approval for the Merger.

The Capco Board unanimously recommends that Capco Shareholders vote in favour of all Resolutions to be proposed at the General Meeting, as each Director who is a Capco Shareholder has irrevocably agreed to do in respect of his or her own legal and beneficial holdings of Capco Shares.

2. Summary of the terms of the Merger

Under the terms of the Merger, which will be conditional on the conditions summarised in paragraph 15 (*Structure of the Merger and the Scheme*) of this Part I (*Chairman's Letter*), and subject to the full terms and conditions set out in the Scheme Document, Scheme Shareholders will be entitled to receive:

3.356 New Capco Shares for each Shaftesbury Share held as at the Scheme Record Time (the "Exchange Ratio")

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

The Exchange Ratio has been agreed between the Boards of each of Capco and Shaftesbury 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% of Shaftesbury's issued share capital, as at close of business on the day before the Announcement Date. Further details of the Existing Capco Shareholding are contained in paragraph 12 (*Shaftesbury Shares owned by the Capco Group and Capco's Exchangeable Bonds*) of this Part I (*Chairman's Letter*) below. It is intended that the Merger will be implemented by means of a court-sanctioned scheme of arrangement of Shaftesbury under Part 26 of the Companies Act 2006, further details of which are contained in paragraph 15 (*Structure of the Merger and the Scheme*) of this Part I (*Chairman's Letter*) 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 paragraph 13 (*Irrevocable undertakings and letter of intent to vote in favour of the Merger*) of this Part I (*Chairman's Letter*) below.

Subject to Completion, 967,313,921 New Capco Shares will be issued to Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) in connection with the Merger and up to 128,193,087 New Capco Shares will be issued in respect of the Secured New Capco Shares. This will result in Capco's issued share capital increasing up to approximately 114% compared to the number of shares in issue as at 5 July 2022 and new Capco Shares to be issued as a result of the exercise of options or awards vesting under the Capco Share Plan. Following Completion, and assuming that 967,313,921 New Capco Shares are issued to Shaftesbury Shareholders, existing Capco Shareholders will be subject to an immediate dilution as a result of the issue, following which they will own approximately 47% of the Combined Group (excluding the Secured New Capco Shares).

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. 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 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 the Permitted Shaftesbury Dividends to Shaftesbury Shareholders prior to Completion without any adjustment to the Exchange Ratio under the terms of the Merger on the basis as set out at paragraph 10 below.

3. Background to and reasons for the Merger

3.1 Overview

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:

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

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 further detail in paragraph 4 below.

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.

Capco and Shaftesbury 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.

3.2 **Reasons for the Merger**

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% 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 Capco and Shaftesbury'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's 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 Merger 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, Capco and Shaftesbury 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

- Capco and Shaftesbury 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 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 Merger 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. Capco and Shaftesbury 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 will retain a tax-efficient REIT structure and as such, will be required to distribute a minimum of 90% 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% and, from 1 April 2023, 25%, if the minimum PID requirement is not met within 12 months of the end of the relevant accounting period.
- 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.

3.3 **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% 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 (the "**Loan Facility Agreement**"). 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.

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% 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% 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% 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% 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% 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.

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out in Appendix 1 (*Quantified Financial Benefits Statement*) of this document.

None of the statements contained in this paragraph 4 are intended as a profit forecast and should not be interpreted as such.

5. 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 12 (*Shaftesbury Shares owned by the Capco Group and Capco's Exchangeable Bonds*) of Part I (*Chairman's Letter*). 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% guaranteed first mortgage bonds due 2027 and (ii) £285 million 2.487% guaranteed first mortgage bonds due 2031 (the "**Shaftesbury Mortgage Bonds**"). The Shaftesbury Mortgage Bonds contain a change of control provision which will be triggered by the Merger. This will permit the holders of Shaftesbury Mortgage Bonds to 'put' their relevant Shaftesbury Mortgage Bonds back to Shaftesbury following Completion at par value plus accrued interest up to the date of redemption. See further paragraph 8.2(v) (*2017 First Mortgage Bonds*) and paragraph 8.2(vi) (*2016 First Mortgage Bonds*) of Part V (*Additional Information*) of this document. If all holders of Shaftesbury Mortgage Bonds exercised such put right, this would require the Combined Group to fund £575 million in redemptions plus any interest accrued thereon up to the date of redemption. See further paragraph 8.1(iv) (*Loan Facility Agreement*) of Part V (*Additional Information*) of this document.

Shaftesbury has held discussions with holders of the Shaftesbury Mortgage Bonds to seek consent of such holders to make 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.

Capco has entered into the Loan Facility Agreement of £576 million provided by Barclays Bank PLC, BNP Paribas London Branch and HSBC Bank plc dated 16 June 2022 to fund the redemption of all or part of the Shaftesbury Mortgage Bonds together with related costs, should the holders of those bonds exercise their put option as a result of the Merger. The term of the £576 million loan facility is 24 months, which may be extended for a further six months at the option of Capco subject to the satisfaction of the extension requirements as outlined in the facility. There is subsequently a further six month extension option available which requires the approval of each lender in respect of its respective participation in the loan. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuringh 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.

See further paragraph 8.1(iv) (*Loan Facility Agreement*) of Part V (*Additional Information*) of this document.

6. Information on Capco

6.1 Summary

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 Covent Garden area is home to a wide variety of British, global and independent brands including Apple, Chanel, Tom Ford, Strathberry, Ave Mario, Balthazar and SUSHISAMBA, with upcoming openings from Peloton and Tudor. As at the Latest Practicable Date, Capco owns 25.2% 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's investment and development property was valued at approximately £1.8 billion (excluding the Lillie Square Joint Venture). Capco's 50% share of investment, development and trading property 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.

As at 31 March 2022, the external property valuation of Capco's Covent Garden estate was approximately £1,769 million, representing a like-for-like increase of 2.1% in the first quarter of the year. The movement was driven by an increase of 1.0% 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% reflecting positive asset management and leasing activity as well as high occupancy levels across all uses.

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% 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 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 perfume brand 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.

6.2 Capco trading update

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% in the first half of the year. The movement over the first half of the year was driven by an increase of 4% in ERV to approximately £79 million as well as a reduction in the equivalent yield of 6 basis points to 3.82% reflecting asset management and leasing activity across all uses.

Operational gmetrics 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% 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%.

7. Information on Shaftesbury

7.1 Summary

Shaftesbury is a REIT which invests exclusively in the heart of London's West End and is also 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 1,556 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. As at 31 March 2022, the Annualised Gross Income and ERV of the Shaftesbury Group portfolio were £107.2 million and £140.9 million respectively. In addition, Shaftesbury has a 50% 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.

As at 31 March 2022, Shaftesbury's investment property was valued at £3.3 billion, and its 50% share of investment property held in the Longmartin Joint Venture was valued at £172.8 million. Shaftesbury's unaudited net assets were £2.6 billion and its unaudited EPRA NTA per Shaftesbury Share was 679 pence.

7.2 Shaftesbury trading update

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. 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% (31 March 2022: 4.7%), of which 1.7% was under offer.

8. Directors, management, employees and head office

8.1 Change of name

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

8.2 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 and Chair of the Nomination Committee of the Combined Group;
- 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, 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.

8.3 **Management, employees and head office**

Details of the proposed board of the Combined Group are set out in paragraph 8.2 (*Board of the Combined Group*) 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 Capco and Shaftesbury 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% 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 Capco and Shaftesbury, 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 Capco and Shaftesbury 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.

8.4 **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.

8.5 **REIT Status**

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

9. Capco and Shaftesbury Share Plans

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

The Merger constitutes a reverse takeover by Capco of Shaftesbury for the purposes of the Takeover 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 Admission (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 and the Capco Share Plan will be contacted regarding the effect of the Merger on their share options and awards (which for Shaftesbury participants will take the form of appropriate proposals under Rule 15 of the Takeover Code, where applicable) in due course.

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 as set out in the Indicative Share Capital Statistics summary have been taken into account by the parties in finalising the Exchange Ratio.

10. 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.

10.1 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).

10.2 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.

11. Related Party Transaction

Norges Bank, which holds 98,925,310 Shaftesbury Shares and 127,656,465 Capco Shares as at the Latest Practicable Date (representing approximately 25.75% and 15% of Shaftesbury and the Company's respective issued ordinary share capital as at the Latest Practicable Date), is a substantial shareholder of the Company for the purposes of the Listing Rules and, as a result, the issue of New Capco Shares to Norges Bank pursuant to the Merger is a related party transaction (the "**Related Party Transaction**") and will require the prior approval of Capco Shareholders.

In line with the requirement in relation to related party transactions under the Listing Rules, Norges Bank is not entitled to vote, and has undertaken to take all reasonable steps to ensure that its associates will not vote, on the RPT Resolution at the General Meeting.

12. Shaftesbury Shares owned by the Capco Group and Capco's Exchangeable Bonds

12.1 Background

On 30 November 2020, Capco issued £275,000,000 2.00% 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**").

12.2 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%. 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%. 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 Capco's Exchangeable Bonds (including the holders of Capco's Exchangeable Bonds) (the "**Exchangeable Bond Secured Parties**") (see further paragraph 8.1(vii) (*Capco's Exchangeable Bonds*) of Part V (*Additional Information*) of this document).

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

12.3 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 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.

12.4 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, 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 it is expected that 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. 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 Shares 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 Shares, it is intended that the Secured Existing Capco Shares 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 Shares and (upon replacement of the Secured Existing Capco Shares 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.

12.5 **The Scheme and commitments from SLP**

The Original Chargors (and their nominees, if any) which hold the Secured Existing Capco Shares will irrevocably consent to be bound by the terms of the Scheme and will not 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 to bondholders if directed by Capco 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) for up to market value (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 per New Capco Share.

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 Capco's Exchangeable Bonds, such Capco Shares will become voting shares in the hands of the holder of such shares (and such holder will become a Capco shareholder) and, as a consequence, the number of voting shares in the Combined Group would increase.

12.6 **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 XV (*Additional Information*) of the Prospectus), representing approximately 1.37% 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% 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 as at the Announcement Date, being 38,008,138 Shaftesbury Shares, multiplied by the Exchange Ratio, with additional headroom of 0.5% (which is contained within the shareholder authority to allot shares in the Share Issue Resolution) 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% 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% 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 12 in relation to Capco's Exchangeable Bonds impacts the Exchange Ratio, which is calculated disregarding the Secured Existing Capco Shares and the Unsecured Existing Capco Shareholding.

See further paragraph 8.1(vii) (*Capco's Exchangeable Bonds*) of Part V (*Additional Information*) of this document.

13. Irrevocable undertakings and letter of intent to vote in favour of the Merger

Shaftesbury Directors

Capco and Shaftesbury 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 resolutions proposed at the Shaftesbury 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 for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme), representing in aggregate approximately 0.88% 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 .

These irrevocable undertakings remain binding if a competing offer for Shaftesbury is made but will cease to be binding if either the board of Shaftesbury or Capco change their respective recommendations or on the date on which the Merger is withdrawn or lapses in accordance with its terms.

Shaftesbury Shareholders

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 resolutions to be proposed at the Shaftesbury General Meeting. When taken together with the irrevocable undertakings provided by the Shaftesbury Directors, this represents total support in aggregate of 101,445,159 Shaftesbury Shares, representing in aggregate approximately 35.3% 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.

This irrevocable undertaking remains binding if a competing offer for Shaftesbury is made but will cease to be binding if either the board of Shaftesbury or Capco change their respective recommendations or on the date on which the Merger is withdrawn or lapses in accordance with its terms.

The entities within the Capco Group which hold the Secured Existing Capco Shares, which form part of the Scheme Shares, undertake to be bound by the terms of the Scheme and will not vote at the Court Meeting. They have also undertaken 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. It is expected that the entities within the Capco Group which hold the Secured Existing Capco Shares shall form their own class for the purposes of the Scheme but that a separate class meeting shall not be required, as such entities will irrevocably consent to be bound by the terms of the Scheme.

Capco Directors

Capco and Shaftesbury have 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% of Capco's issued share capital as at close of business on the Latest Practicable Date.

These irrevocable undertakings remain binding if a competing offer for Shaftesbury or Capco is made but will cease to be binding if either the board of Shaftesbury or Capco change their respective recommendations or on the date on which the Merger is withdrawn or lapses in accordance with its terms.

Capco Shareholders

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% 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.

This irrevocable undertaking remains binding if a competing offer for Shaftesbury is made but will cease to be binding if either the board of Shaftesbury or Capco change their respective recommendations or on the date on which the Merger is withdrawn or lapses in accordance with its terms.

In addition, Capco has received a non-binding, revocable letter of intent to vote in favour of the resolutions proposed at the Capco General Meeting from Madison International Realty in respect of 34,783,462 Capco Shares, representing approximately 4.1% 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 all of the Capco Resolutions.

14. Offer-related arrangements and other arrangements

14.1 Confidentiality Agreement

Capco and Shaftesbury have entered into the Confidentiality Agreement on 16 June 2022, pursuant to which each of Capco and Shaftesbury has undertaken, amongst other things: (a) 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 (b) 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.

14.2 Co-operation Agreement

Capco and Shaftesbury 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. Capco and Shaftesbury 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.

Capco and Shaftesbury 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) Capco and Shaftesbury 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, the Scheme Document (including the Shaftesbury Recommendation) is not posted

by the date agreed by Capco and Shaftesbury and consented to by the Panel; (iv) the Court Meeting and the Shaftesbury 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 Capco and Shaftesbury 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 Shaftesbury General Meeting; (viii) the Scheme 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 Capco and Shaftesbury 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 Shaftesbury 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, however, Capco shall be entitled to elect to implement the acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement, which permit Capco to implement the Merger by way of a Takeover Offer if, inter alia, (i) Shaftesbury gives 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) if 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.

14.3 **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 Shaftesbury 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.

15. Structure of the Merger and the Scheme

15.1 **Structure of the Merger**

It is intended that the Merger will be implemented by means of a court-sanctioned scheme of arrangement of Shaftesbury under Part 26 of the Companies Act. However, Capco shall be entitled to elect to implement the acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement on the basis set out in paragraph 14.2 (*Co-operation Agreement*) of this Part I (*Chairman's Letter*).

It is expected that the Scheme Document will be posted to Shaftesbury Shareholders on the date of the publication of this document and the Prospectus.

The purpose of the Scheme is to provide for Capco to become the owner of the entire issued and to be issued share capital of Shaftesbury. In order to achieve this, the Scheme Shares will be transferred to Capco under the Scheme. In consideration for this transfer, the Scheme Shareholders will receive New Capco Shares on the basis set out in paragraph 2 (
Summary of the terms of the Merger) of this Part I (*Chairman's Letter*). The transfer to Capco of the Scheme Shares will result in Shaftesbury becoming a wholly owned subsidiary of Capco.

The Scheme requires approval by Scheme Shareholders who are present and vote (and who are entitled to vote) by the passing of a resolution at the Court Meeting. This resolution must be approved 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% in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted. In addition, special resolutions to amend the articles of association of Shaftesbury in connection with the implementation of the Scheme and to deal with certain ancillary matters must be passed at the Shaftesbury General Meeting, requiring the approval of Shaftesbury Shareholders representing at least 75% of the votes cast at the Shaftesbury General Meeting, either in person or by proxy. The Shaftesbury General Meeting will be held immediately after the Court Meeting. It is intended that the Court Meeting and the Shaftesbury General Meeting will be held at or around the same time as the Capco General Meeting.

Following the Court Meeting and the Shaftesbury General Meeting, the Scheme must be sanctioned by the Court. Any Shaftesbury Shareholder is entitled to attend the Scheme Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme. The Scheme will only become Effective upon delivery to the Registrar of Companies of a copy of the Court Order.

The Scheme will also be subject to certain Conditions and certain further terms and conditions set out in the Scheme Document.

Once the Scheme becomes Effective: (i) it will be binding on all Scheme Shareholders, whether or not they voted at the Court Meeting and the Shaftesbury General Meeting and, if they did vote, whether or not they voted in favour of or against the resolutions proposed at those meetings; and (ii) share certificates in respect of Shaftesbury Shares will cease to be valid and entitlements to Shaftesbury Shares held within the CREST system will be cancelled.

The terms of the Scheme will provide that the Scheme Shares will be acquired under the Scheme 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 (other than, if applicable, any Permitted Capco Dividends) declared, paid or made with a record date after the Scheme Record Time, save for the Permitted Shaftesbury Dividends.

Subject to the need to take their own tax advice in relation their particular circumstances, Scheme Shareholders are generally expected to be able to roll-over any chargeable gain in respect of their Scheme Shares into their New Capco Shares for UK capital gains tax purposes. In relation to that exchange, clearance has been received from HM Revenue & Customs under the UK capital gains tax legislation that HM Revenue & Customs is satisfied that the Scheme is being effected for bona fide commercial reasons and is not part of any scheme or arrangement of which a main purpose is avoidance of liability to UK capital gains tax or corporation tax.

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 as described in the Scheme Document), so far as applicable, as those which would apply to the Scheme. Furthermore, if such Takeover Offer is made and sufficient acceptances of such Takeover 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 2006 to acquire compulsorily any outstanding Shaftesbury Shares to which such offer relates.

Further details of the Scheme, including an expected timetable for the implementation of the Merger are set out in the Scheme Document.

15.2 **Conditions to the Merger**

The Merger is subject to the Conditions set out in the Announcement and the full terms and conditions set out in the Scheme Document, including, amongst other things:

(a) 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 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% in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted by such Scheme Shareholders;

(b) the passing of all Shaftesbury Resolutions required to approve and implement the Scheme, being the Shaftesbury General Resolution and the Shaftesbury Articles Resolution;

(c) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Capco and Shaftesbury);

(d) the delivery of the Court Order to the Registrar of Companies;

(e) the passing of the resolutions required to approve and implement the Merger, being the Merger Approval Resolution, the Share Issue Resolution and the RPT Resolution, by the requisite majority of Capco Shareholders at the Capco General Meeting;

(f) the Court Meeting and the Shaftesbury General Meeting being held on or before the 22nd day after the expected date of the Court Meeting, which are set out in the Scheme Document (or such later date as may be agreed by Capco and Shaftesbury 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 in lieu under Section 73 EA 2002 which are reasonably satisfactory to Capco and Shaftesbury (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) (the "**CMA Condition**");

(h) the Scheme Court Hearing being held on or before the later of (i) the 22nd day after the expected date of the hearing, which is set out in the Scheme 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 Capco and Shaftesbury with the consent of the Panel and, if required, the Court);

(i) the Scheme becoming effective by 11:59 p.m. on the Long Stop Date (or such later time and date as may be agreed by Capco and Shaftesbury with the consent of the Panel and, if required, the Court); and

(j) Admission.

15.3 **CMA Condition**

The Merger is conditional on the CMA Condition and Capco and Shaftesbury 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 Capco and Shaftesbury.

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 Capco and Shaftesbury, with the aim of securing Phase 1 clearance, are not accepted as sufficient by the CMA.

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 board of Shaftesbury at the time.

15.4 **Completion**

Assuming the satisfaction or waiver of all Conditions, Completion is expected to occur by the end of 2022. Any revision to this will be promptly notified to Capco Shareholders, by Capco, via a Regulatory Information Service and via SENS. Following Completion, Capco will announce that the Merger has taken effect. The announcement will be made by way of a press release dispatched via a Regulatory Information Service and via SENS.

16. De-listing of Shaftesbury Shares and listing of New Capco Shares

16.1 **De-listing and re-registration**

Applications will be made to the FCA for the cancellation of the listing of the Shaftesbury Shares on the Official List and to the London Stock Exchange for the cancellation of the admission to trading of Shaftesbury Shares on the Main Market. It is expected that such delisting and cancellation of admission to trading would take effect on the Effective Date.

It is intended that the last day of dealings in, and for registration of transfers of, Shaftesbury Shares (other than the registration of the transfer of the Scheme Shares to Capco pursuant to the Scheme) will be the Business Day immediately after the Court Hearing to sanction the Scheme, following which all Shaftesbury Shares will be suspended from the Official List and from trading on the Main Market, and Shaftesbury Shares will be disabled in CREST and no transfers shall be registered after this time.

On the Effective Date, entitlements to Shaftesbury Shares in CREST will be cancelled and such entitlements rematerialised and all share certificates in respect of Shaftesbury will cease to be valid and should be destroyed.

If the Scheme is sanctioned, any Shaftesbury Shares held in treasury will be cancelled prior to the Scheme becoming Effective.

It is anticipated that the Combined Group will, as soon as reasonably practicable following the Effective Date, re-register Shaftesbury as a private company under the relevant provisions of the Companies Act 2006.

16.2 **Settlement, listing and dealing of New Capco Shares**

Once the Scheme has become Effective, up to 1,095,507,008 New Capco Shares will be allotted to Scheme Shareholders (including up to 128,193,087 New Capco Shares in respect of the Secured 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 9.00 a.m. (Johannesburg time) on the Effective Date.

The existing Capco Shares are admitted to CREST and Strate. 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 or the Strate system. The New Capco Shares will be issued to CREST and initially held on the UK Register. The New Capco Shares will trade under ISIN GB00B62G9D36.

Further details on listing, dealing and settlement are included in the Scheme Document.

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 Effective Date to New Capco Shares shall be aggregated and Capco shall procure that the maximum whole number of New Capco Shares resulting from such aggregation 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 Effective Date and that the net proceeds of such sale (after deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on such commissions and expenses) 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 such commissions and expenses) 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.

17. Overseas Shareholders

The distribution of this Circular to Capco Shareholders who are not resident in the United Kingdom or South Africa may be affected by the laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Capco Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

18. General Meeting and Resolutions

18.1 General Meeting

Completion of the Merger is conditional upon Shareholders' approval being obtained at the General Meeting. Accordingly, you will find set out on pages 96 to 108 of this document the Notice of General Meeting to be held at 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on Friday 29 July 2022, at which the Resolutions (summarised below) will be proposed. The full text of the Resolutions is set out in the Notice of General Meeting.

The Company is calling the General Meeting on not less than 14 clear days' notice pursuant to the authority granted to it at its annual general meeting on 28 June 2022.

18.2 Resolutions

The Merger is conditional upon, among other things, Shareholders' approval of the following resolutions:

Class 1

- *Resolution 1 (ordinary resolution)*: to approve the Merger, which constitutes a Class 1 Transaction pursuant to the Listing Rules, and to take all steps and to do all things which the Board considers necessary or desirable to implement the Merger (the "**Merger Approval Resolution**");

Share Issue

- *Resolution 2 (ordinary resolution)*: to grant the Board authority to allot the New Capco Shares pursuant to Section 551 of the Companies Act 2006 (the "**Share Issue Resolution**"); and

Related Party Transaction

- *Resolution 3 (ordinary resolution):* to approve the Merger and the issue of New Capco Shares to Norges Bank as a related party transaction pursuant to the Listing Rules, by reason of Norges

Bank being a related party because it is a substantial shareholder in the Company (the "**RPT Resolution**"),

(together, the "**Merger Resolutions**").

If any of the Merger Resolutions are not approved at the General Meeting, the Company will be unable to complete the Merger. Norges Bank will not be able to vote on resolution 3, the RPT Resolution.

Subject to and conditional on the approval of the Merger Resolutions and the Scheme becoming Effective, Shareholder approval will also be sought at the General Meeting for the following resolutions:

Directors' authority to allot equity securities, disapplication of pre-emption rights, and purchase of own shares

- *Resolution 4* (*ordinary resolution*): to approve off-market purchases by the Company in accordance with the Buyback Contract (the "**Share Buyback Resolution**");
- *Resolution 5* (*ordinary resolution*): in addition to the Share Issue Resolution, to grant the Board further renewed authority to allot Capco Shares pursuant to Section 551 of the Companies Act 2006, giving the Board authority to allot Capco Shares up to an aggregate nominal amount of £152,083,232 (representing in aggregate approximately one third of the Combined Group's expected issued share capital on Completion (excluding the Secured New Capco Shares)), and a further authority to allot Capco Shares up to approximately a further one third of the Combined Group's expected issued share capital on Completion (excluding the Secured New Capco Shares) in connection with an offer by way of rights issue. The Investment Association ("**IA**") guidelines on directors' authority to allot shares state that IA members will regard as routine resolutions seeking authority to allot shares representing up to two-thirds of a company's issued share capital, provided that any amount in excess of one-third of the company's issued share capital is only used to allot shares pursuant to a fully pre-emptive rights issue. In light of these guidelines, the Directors consider it appropriate that the Directors be granted authority to allot shares in the capital of the Combined Group on the basis set out in this resolution. If this authority is passed, it will expire on the earlier of the date of the next Annual General Meeting of the Combined Group or 28 September 2023.
- Other than the allotment of shares pursuant to Resolution 2 above, and under the terms of employee share schemes operated by the Combined Group, the Directors have no present intention to undertake a rights issue or to allot new shares. However, the Directors consider it appropriate to maintain the flexibility that this authority provides. Capco does not hold any treasury shares as at the Latest Practicable Date;
- *Resolution 6* (*special resolution*): to grant the Board authority to allot:
    - equity securities for cash and sell treasury shares representing two-thirds of the Combined Group's expected issued share capital on Completion (excluding the Secured New Capco Shares) on an offer to existing shareholders on a pre-emptive basis, with one-third being available only in connection with a rights issue;
    - equity securities for cash and sell treasury shares representing approximately 5% of the expected issued ordinary share capital of the Combined Group on Completion (excluding the Secured New Capco Shares) otherwise than in connection with a pre-emptive offer to existing shareholders;
- *Resolution 7* (*special resolution*): to grant the Board authority to allot additional equity securities and sell treasury shares up to an aggregate nominal amount of £22,812,485 representing approximately a further 5% of the expected issued share capital of the Combined Group on Completion (excluding the Secured New Capco Shares) otherwise than in connection with a pre-emptive offer to existing shareholders for the purposes of financing or refinancing a transaction.

These disapplication authorities are within UK institutional shareholder guidance, and in particular with the Pre-Emption Group's Statement of Principles (the "**Pre-Emption Principles**"). The Pre-Emption Principles were revised in March 2015 to allow the authority for an issue of shares for cash otherwise than in connection with a pre-emptive offer to include: (i) an authority over 5% of a company's issued share capital for use on an unrestricted basis; and (ii) an additional authority over a further 5% of a

company's issued share capital for use in connection with an acquisition or specified capital investment announced contemporaneously with the issue, or which has taken place in the six month period preceding the announcement of the issue. The maximum amount of equity securities which could be allotted if both of the authorities conferred by Resolution 6(ii) and Resolution 7 were used in full would represent approximately 10% of the expected issued share capital of the Combined Group on Completion (excluding the Secured New Capco Shares).

The Directors and the Proposed Directors consider that it is in the best interests of the Combined Group and its shareholders generally that the Combined Group should seek the maximum authority permitted by the Pre-Emption Principles and have the flexibility conferred by Resolutions 6 and 7 to conduct pre-emptive offerings without complying with the strict requirements of the statutory pre-emption provisions and to finance business opportunities quickly and efficiently when they arise. The Directors also confirm that, in accordance with the Pre-Emption Principles, they do not intend to issue shares for cash representing more than 7.5% of the Company's issued ordinary share capital in any rolling three-year period to those who are not existing shareholders (save in accordance with Resolution 7) without prior consultation with shareholders. As noted in relation to Resolution 5 above, the Directors have no present intention to allot new shares, other than pursuant to Resolution 2 above, and the allotment of shares under the terms of the employee share schemes operated by the Combined Group. If these authorities are passed, they will expire on the earlier of the date of the next Annual General Meeting of the Combined Group or 28 September 2023;

Share Buyback

- *Resolution 8* (*special resolution*): authority for the Combined Group to buy back its own shares in the market up to an aggregate nominal amount of £45,624,970 representing approximately 10% of the Combined Group's expected issued share capital on Completion (excluding the Secured New Capco Shares). The authority sets minimum and maximum prices. If this authority is passed, it will expire on the earlier of the date of the next Annual General Meeting of the Combined Group or 28 September 2023.

The Directors and the Proposed Directors have no present intention of exercising the authority to purchase the Combined Group's ordinary shares (other than in connection with Resolution 4 above) but consider it prudent to obtain the flexibility this resolution provides. In considering whether to use this authority, the Directors and the Proposed Directors will take into account factors including (without limitation) the financial resources of the Combined Group, the Combined Group's share price, and future investment and funding opportunities.

Any shares purchased would be cancelled or held as treasury shares which may, at the discretion of the Directors and the Proposed Directors, be resold for cash, transferred in connection with an employee share scheme, or cancelled. No dividends will be paid on, and no voting rights will be exercised in respect of, treasury shares. If Resolution 8 is passed, it is the Directors' and the Proposed Directors' current intention that of any shares repurchased under this authority, sufficient shares will be held in treasury to meet the Combined Group's requirements, including of its share incentive arrangements, with the remainder being cancelled. However, the Directors and the Proposed Directors will reassess at the time of each repurchase programme whether to hold the shares in treasury or cancel them, depending on the circumstances at the time.

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 (described in paragraph 9 of Part XV (Additional Information) of the Prospectus), representing approximately 1.37% 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% of Capco's issued ordinary share capital at the Latest Practicable Date.

The buyback authority relates to the position of the Combined Group following Completion. Assuming the maximum number of New Capco Shares (including the Secured New Capco Shares) for which shareholder authority 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). Assuming no further shares are issued or repurchased between Completion and the date on

which the buyback of shares pursuant to Resolution 8 occurs, if the buyback authority being sought at Resolution 8 were to be exercised in full, 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% 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% of the Combined Group's issued ordinary share capital (excluding the Secured New Capco Shares) at the relevant date.

(together, resolutions 5, 6, 7 and 8 being the "**Share Capital Resolutions**").

The Share Capital Resolutions reflect the current authorisations in place for Capco which were approved by Capco Shareholders at the Annual General Meeting of Capco held on 28 June 2022, and which are to be increased to reflect the expected issued share capital of the Combined Group on Completion (taking into account that the Secured New Capco Shares are already held by members of the Capco Group). Following Completion, the Combined Group will be listed in London and Johannesburg, and a proportion of the Combined Group's shares will be held by South African investors who sometimes have different market expectations particularly regarding the level of authority to issue new shares that shareholders expect to grant to boards. The Directors feel that, to preserve flexibility and competitive positioning, it is appropriate to seek a level of authority more closely aligned with the expectations of UK shareholders. The Board therefore recommends that you vote in favour of the Share Capital Resolutions, all of which align with UK investor guidance.

Regardless of whether the Share Capital Resolutions are passed, the current authorisations in place for Capco which were approved by Capco Shareholders at the Annual General Meeting of Capco held on 28 June 2022 will remain in place for the Combined Group on Completion. However, the Directors believe that it is in the best interests of the Company and the Combined Group to ensure that the Combined Group, following Completion, has the flexibility to allot and repurchase shares based on the increased share capital of the Combined Group on Completion, given that there may be a period of time between Completion and the holding of an annual general meeting of the Combined Group at which such authorities would also be sought.

The Share Capital Resolutions are conditional on Completion of the Merger but are not conditions to the Merger.

Change of Name

- *Resolution 9 (special resolution)*: to approve the change of registered name of the Company to Shaftesbury Capital PLC (the "**Change of Name Resolution**"),

(together with the Merger Resolutions and the Share Capital Resolutions, the "**Resolutions**").

The Change of Name Resolution is conditional on Completion of the Merger but is not a condition to the Merger.

19. Action to be taken

It is important that you vote electronically on the Resolutions or complete, sign and return a Form of Proxy.

To be valid, your online votes or the Form of Proxy must be lodged with the Registrars by not later than 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on 27 July 2022 or, if the meeting is adjourned, no later than 48 hours (exclusive of non-working days) before the time fixed for the adjourned meeting. Hard copy Forms of Proxy are not enclosed with this document, however these are available on request from the appropriate Registrar and electronic copies will be available on www.capitalandcounties.com.

UK shareholders

If you hold your ordinary shares in CREST, and you wish to appoint a proxy through the CREST electronic proxy appointment service, please see the notes to the Notice of General Meeting.

20. Further information

Your attention is drawn to the further information contained in Part II (*Risk Factors*) to Part V (*Additional Information*) of this document. Shareholders should read the whole of this document and not rely solely on information summarised in this letter.

21. Financial advice

The Capco Board has received financial advice from Rothschild & Co, UBS and Jefferies in relation to the Merger. In providing their financial advice to the Board, each of Rothschild & Co, UBS and Jefferies has relied upon the Capco Board's commercial assessment of the Merger.

22. Related Party Transaction

The Capco Board consider the terms of the Related Party Transaction, as described herein, to be fair and reasonable as far as Shareholders are concerned and the Directors have been so advised by Rothschild & Co acting in its capacity as the Company's UK Sponsor.

In providing its advice to the Directors, Rothschild & Co has taken into account the Directors' commercial assessment of the Related Party Transaction.

23. Recommendation

The Capco Board believes the Merger to be in the best interests of Capco and Capco Shareholders as a whole. Accordingly, the Capco Board unanimously recommends that Capco Shareholders vote in favour of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings.

As at the Latest Practicable Date, the Directors' beneficial holdings amount in aggregate to 952,777 Capco Shares, representing approximately 0.11% of the existing ordinary share capital of Capco in issue.

Yours faithfully

Henry Staunton
Chairman

PART II

RISK FACTORS

A number of factors affect the business, results of operations, financial condition, cash flows and prospects of Capco and, following Completion of the Merger, will affect the Combined Group. This section describes the risk factors considered by the Directors to be material risk factors in relation to the Merger, or which will be material new risk factors to Capco as a result of the Merger, or which are existing material risk factors to Capco which will be impacted by the Merger. If any of the following risks actually materialise, Capco or, following Completion, the Combined Group's business, financial condition, results of operations, cash flows or prospects could be materially adversely affected and the value of the Capco or, following Completion, the Combined Group's Shares could decline. The risks described below are not the only risks faced and should be used as guidance only. Additional risks not presently known to the Directors or that the Directors currently deem immaterial may also, whether individually or cumulatively, have a material adverse effect on Capco's business, financial condition, results of operations, cash flows or prospects, or following the Merger, that of the Combined Group, and could negatively affect the price of the Capco, or following Completion, the Combined Group's Shares. Capco Shareholders could lose all or part of their investment.

The information included herein is based on information available as at the date of this document and, except as requested by the FCA or required by the Listing Rules, MAR, the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, will not be updated. Any forward-looking statements are made subject to the reservations specified under the heading "Forward-looking statements" of the section of this document entitled "Presentation of Information".

Capco Shareholders should consider carefully the risks and uncertainties described below, together with all other information contained in this document (including any information incorporated into this document by reference) before deciding whether or how to vote in respect of the Resolutions at the General Meeting.

1. Material risks relating to the Merger

1.1 Completion is subject to a number of Conditions which may not be satisfied or waived or which may be satisfied subject to conditions imposed by regulatory bodies or other third parties and may result in Completion being delayed or the Merger not completing

The Scheme is subject to certain Conditions, including, amongst other things:

(a) 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 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% in value of the Scheme Shares (or the relevant class or classes thereof, if applicable) voted by such Scheme Shareholders;

(b) the passing of all Shaftesbury Resolutions required to approve and implement the Scheme, being the Shaftesbury General Resolution and the Shaftesbury Articles Resolution;

(c) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Capco and Shaftesbury);

(d) the delivery of the Court Order to the Registrar of Companies;

(e) the passing of the resolutions required to approve and implement the Merger, being the Merger Approval Resolution, the Share Issue Resolution and the RPT Resolution, by the requisite majority of Capco Shareholders at the Capco General Meeting;

(f) the Court Meeting and the Shaftesbury General Meeting being held on or before the 22nd day after the expected date of the Court Meeting, which are set out in the Scheme Document (or such later date as may be agreed by Capco and Shaftesbury 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 in lieu under Section 73 EA 2002 which are

reasonably satisfactory to Capco and Shaftesbury (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);

(h) the Scheme Court Hearing being held on or before the later of (i) the 22nd day after the expected date of the hearing, which is set out in the Scheme 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 Capco and Shaftesbury with the consent of the Panel and, if required, the Court);

(i) the Scheme becoming effective by 11:59 p.m. on the Long Stop Date (or such later time and date as may be agreed by Capco and Shaftesbury with the consent of the Panel and, if required, the Court); and

(j) Admission.

There is no guarantee that the Conditions will be satisfied (or if applicable, waived) in the necessary time frame and the Merger may, therefore, be delayed or not complete. Although Capco and Shaftesbury have agreed in the Co-operation Agreement to use all their reasonable efforts, subject to certain limitations, to complete the Merger as promptly as practicable, the Conditions may fail to be satisfied. In addition, satisfying the Conditions may take longer, and could cost more, than Capco and Shaftesbury expect. Any delay in completing the Merger may adversely affect the synergies and other benefits that the Combined Group expects to achieve if the Merger and the integration of the companies' respective businesses are completed within the expected timeframe. In addition, Capco's and Shaftesbury's management would have spent significant time and expense in connection with the Merger, which could otherwise have been spent in connection with other activities of the Capco Group and the Shaftesbury Group, as applicable. Therefore, the aggregate consequences of a material delay in completing or failure to complete the Merger may have a material adverse effect on the business, financial condition and operating or financial results of the Capco Group, the Shaftesbury Group and, in the case of a delay only, the Combined Group.

1.2 The Combined Group's success will be dependent upon its ability to integrate the Capco Group and the Shaftesbury Group following the Merger. Failure to deliver the full benefits and synergies expected from the Combined Group, and effective operational management and integration, including harmonising business cultures, may impact the success of the Merger

The Capco Group and the Shaftesbury Group have operated and, until Completion, will continue to operate, independently and there can be no assurances that their businesses can be integrated successfully. The success of the Combined Group will depend, in part, on the effectiveness of the integration process and the ability of the Combined Group to realise the anticipated benefits and synergies from combining the respective businesses.

In particular, some of the principal integration challenges of combining the businesses include retaining key personnel, harmonising business cultures, procedures, processes, facilities, systems, policies, remuneration structures, rationalising third party supplier relationships, retaining key contracts, consolidating and co-ordinating services and operations and realising synergies for the Combined Group. If the Combined Group does not manage these challenges effectively, they may affect the efficient running of the business in the ordinary course and the appropriate allocation, including redeployment, of resources in the Combined Group.

While the Directors and Proposed Directors believe that the benefits and synergies of the Merger and the costs associated with the Merger have been reasonably estimated, unanticipated events or liabilities may arise or become apparent which result in a delay or reduction in the benefits anticipated to be derived from the Merger, or in costs significantly in excess of those estimated. No assurance can be given that the integration process will deliver all or substantially all of the expected benefits or realise any such benefits within the assumed timeframe, or that the costs to integrate and achieve the financial benefits and synergies will not be higher than anticipated.

The above factors and the demands that the processes for integrating the Capco and Shaftesbury businesses may have on management time could also result in diversion of the attention of the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's management and personnel from pursuing other potential business opportunities, and may cause a delay in other projects currently contemplated by each group, or those anticipated following completion of, the Merger.

To the extent that the Combined Group is unable to efficiently integrate the operations of the Capco Group and the Shaftesbury Group, realise anticipated financial benefits and synergies, retain key personnel, address and consolidate existing and new corporate and financing structures and avoid unforeseen costs or delay including unanticipated operational costs arising as a result of the larger corporate structure, there may be a material adverse effect on the business, financial condition, operating or financial results and/or prospects of the Combined Group.

1.3 Capco may not be able to invoke the Conditions and terminate the Merger

The Merger is subject to a number of Conditions, including that there is no material adverse change affecting the Shaftesbury Group. The Merger is governed by the Takeover Code, under which Capco may only invoke a condition to the Merger, thereby preventing Completion occurring, if the Panel is satisfied that circumstances which give rise to the right to invoke the condition are of material significance to the Capco Group in the context of the Merger. Further, since July 2021, the ability to lapse a takeover on a Phase 2 CMA Reference is no longer automatic and requires the consent of the Panel.

If circumstances arise that may result in a condition not being satisfied, for example if a material adverse change to the Shaftesbury Group's business or prospects were to occur prior to Completion and / or the CMA were to refer the Merger to a Phase 2 CMA Reference, Capco may not be able to invoke the conditions and terminate the Merger were the Panel to determine that the relevant factors which allow invocation of the relevant condition are not material to the Capco Group. As a result, the Merger may not deliver the anticipated long-term returns to Capco Shareholders and the synergies and other benefits that Capco expects to achieve if the Merger completes. This may have a material adverse effect on the Capco Group and, following Completion, the Combined Group's business, results of operations, financial condition and prospects.

1.4 Capco Shareholders and Shaftesbury Shareholders may have a reduced ownership and voting interest in the Combined Group than they currently have in Capco and Shaftesbury, respectively

Following Completion, Capco Shareholders and Shaftesbury Shareholders may own a smaller percentage of the Combined Group than they currently own of Capco and Shaftesbury, respectively. As a result of the Merger, Shaftesbury Shareholders (excluding the Existing Capco Shareholding) will own approximately 53% of the Combined Group and Capco Shareholders will own approximately 47% of the Combined Group. As a consequence, the number of voting rights that can be exercised by Capco Shareholders and Shaftesbury Shareholders in the Combined Group will be reduced.

1.5 A third party may be able to obtain a large enough shareholding in either Capco or Shaftesbury and delay or prevent Completion

Capco and Shaftesbury are listed companies whose ordinary shares are freely traded on the LSE and, in the case of Capco, on the LSE and the JSE. It is possible that one or more existing or new shareholders may acquire or currently hold a significant shareholding in Capco and/or Shaftesbury which they could use, or threaten to use, to vote against the Merger when shareholder approval is requested. Any such action by a significant shareholder could materially delay or prevent the implementation of the Scheme or the approval of the Merger and therefore deprive the parties of some or all of the anticipated benefits of the Merger.

2. Risks relating to the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's properties

2.1 The location of the majority of the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's properties in Central London means risks are not diversified across a number of geographical areas and external events affecting Central London may have a negative impact and reduce property values and rental incomes

The majority of the Capco Group's and all of the Shaftesbury Group's properties are and, following Completion, the majority of the Combined Group's properties will be concentrated in Central London. The prosperity of Central London and in turn, the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's retail, hospitality and leisure occupiers, is dependent on domestic and overseas visitors. Retail, hospitality and leisure occupiers represented approximately 80% of the Capco Group's annualised current income and approximately 68% of the Shaftesbury Group's annualised current income as at 31 March 2022.

As a result of the location of their assets in Central London, the Capco Group and the Shaftesbury Group are and, following Completion, the Combined Group will be more exposed to events that threaten visitor security or health and safety or lead to sustained public transport disruption and any other events that might otherwise adversely affect the desirability or popularity of Central London as a location or destination compared with businesses whose assets are located across a number of geographic areas, which thereby have a greater spread in their risk.

The popularity or status of Central London as a domestic and an international tourist destination, a global and financial business centre and location to work, live and study could be adversely impacted by, among other things:

- the occurrence of events such as terrorist attacks, an outbreak of an infectious disease or natural disaster could result in a reduction of demand for the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's retail and hospitality premises, offices and residential properties. Furthermore, such events, including any further travel restrictions resulting from any new COVID-19 variants or other outbreaks of infectious diseases, could impact domestic and global travel patterns and reduce domestic and international tourist numbers;
- significant and sustained public transport disruption, a detrimental change to local or national transport policy or limits on capacity at London's stations or airports could reduce the volume of visitors to Central London, negatively affecting the trading conditions for the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's properties, which could result in a decline in occupancy levels of the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's properties;
- if London's status as a global financial and business centre were to be damaged or diminished, or occupier demand for space in Central London decreases, this could reduce the ability of the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group to let vacant space, leading to decreases in lease rents, increases in vacancy costs and causing property values in Central London to decrease; and
- currency exchange rate movements or volatility could affect the volume of overseas visitors to Central London, or the relative attractiveness of London as a shopping and leisure destination for domestic visitors, compared with other overseas cities. This may lead to a decrease in visitor numbers, spending and overseas investment in London. In addition, if sterling strengthens against other currencies, it would also become less expensive for UK-based visitors to visit overseas cities, which could lead to a decline in domestic visitor numbers and spending in Central London.

Such external events may result in the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's properties no longer being perceived as attractive, convenient, geographically well-located or safe. If sustained, this could result in a prolonged and significant reduction in visitor numbers, adversely affecting trading conditions for the Capco Group's, the Shaftesbury Group's, or following Completion, the Combined Group's occupiers, which may limit or prevent them from meeting their lease obligations. Insurance cover may not be available or sufficient to cover the full extent of any loss of income or damage suffered to property and if a major event were to occur, it may not be possible for the Capco Group, the Shaftesbury Group, or following Completion, the Combined Group to secure adequate insurance cover in the future.

If trading conditions for the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's occupiers deteriorate as a result of any of the above factors, the ability of the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group to maintain or increase occupancy levels at their properties may be adversely affected, which could result in a reduction in property income. If vacancies increase, the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group will be required to maintain a greater number of vacant properties which could lead to an increase in irrecoverable property outgoings.

Any of these factors, if sustained, could adversely affect the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to maintain or grow rental income and could have an adverse impact on the value of their properties and their business, results of operations, financial condition and prospects.

3. Risks relating to the financing of the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group

3.1 The terms of certain existing indebtedness, or the need to refinance such indebtedness, is expected to result in an increase of the financing costs of the Combined Group (which are not included in the assessment of the synergies) following Completion

Shaftesbury has two secured mortgage bonds totalling £575 million: (i) £290 million 2.348% guaranteed first mortgage bonds due 2027 and (ii) £285 million 2.487% 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 completes, 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 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.

The term of the £576 million loan facility is 24 months, which may be extended for a further six months at the option of Capco subject to the satisfaction of the extension requirements as outlined in the facility. There is subsequently a further six month extension option available which requires the approval of each lender in respect of its respective participation in the loan. Should this loan be drawn, the Combined Group will likely seek to refinance such loan on or before its contractual expiry and there is no guarantee that the Company will be able to do so or that the terms of such refinancing will be on terms commercially acceptable to the Combined Group, which may result in an increase to the financing costs of the Combined Group (see also Risk Factor 3.2 *"—If the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group are perceived as less creditworthy, it may be more difficult and costly for the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group to maintain or secure favourable finance or credit, payment or hedging terms and in the medium to long term the Combined Group's liquidity may be adversely impacted"*).

3.2 If the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group are perceived as less creditworthy, it may be more difficult and costly for the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group to maintain or secure favourable finance or credit, payment or hedging terms and in the medium to long term the Combined Group's liquidity may be adversely impacted

The Capco Group and the Shaftesbury Group are, and following Completion the Combined Group will be, subject to assessments on their ability to service and repay their debt financing obligations in order to assess their creditworthiness.

A deterioration in their perceived creditworthiness could make it more difficult and costly for the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group to obtain new financing, refinance any of their existing debt, negotiate payments terms with new suppliers and/or retain existing payment terms with its suppliers. A deterioration in perceived creditworthiness would also likely increase the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's borrowing costs as lenders identify the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group as at an increased credit risk. A deterioration in their perceived creditworthiness in the future may also cause the Capco Group, the Shaftesbury Group

and, following Completion, the Combined Group to be subject to terms and conditions that are more onerous and restrictive than those terms and conditions that govern its existing credit arrangements.

Accordingly, any downgrade or withdrawal of the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's perceived creditworthiness may increase the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's cost of funding and in the longer-term (i.e. beyond the end of the period covered by the Capco Group's or, following Completion, the Combined Group's working capital statement) adversely impact the Capco Group's, the Shaftesbury Group's or, following Completion, the Combined Group's liquidity and make it more difficult and costly for the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group to raise finance or otherwise have a material adverse effect on the Combined Group's business, results of operations, financial condition and prospects.

In addition, the Capco Group maintains, and following Completion the Combined Group will maintain, hedging policies in order to manage exposure to interest rate risk. Should the perceived creditworthiness of the Capco Group or, following Completion, the Combined Group deteriorate, hedge counterparties may not enter into new hedging arrangements with the Capco Group or, following Completion, the Combined Group. In this case, this could result in an increase in interest rate exposure, which in turn could have a material adverse effect on the Capco Group's or, following Completion, the Combined Group's business, results of operations, financial condition and prospects.

3.3 Contractual restrictions in the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's banking facilities and other debt financing arrangements may restrict the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to engage in certain business activities

The Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's banking facilities and other debt financing arrangements impose certain restrictions, which may affect, limit or prohibit the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to, among other things, incur additional indebtedness, sell, transfer, lease or otherwise dispose of all or substantial parts of their assets, or, increasing the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's leverage beyond certain agreed thresholds. If Capco or Shaftesbury were to seek to vary or waive any of these restrictions and the relevant lenders did not agree to such variation or amendment, the restrictions may restrict the Capco Group's, the Shaftesbury Group's activities, or following Completion, the Combined Group's investments or business plans.

The inability to vary or waive restrictions and react to changing market conditions could materially and adversely affect the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to invest in its portfolio and could generally have a material adverse effect on its business, results of operations, financial condition and prospects.

4. Risks relating to the operation of the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's portfolio

4.1 Failure to attract and retain key personnel could adversely impact the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's success

The Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's success depends, to a significant extent, on the continued services of their management teams, which have substantial experience in the Central London property sector. In addition, the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to continue to identify asset management and leasing opportunities, acquisitions and disposals and manage properties depends on their management's knowledge of, and expertise in, the property sector and its local market.

A number of changes to the Capco Board have been agreed with the Shaftesbury Board as part of the Merger. There can be no guarantee that other members of the management teams will remain employed by the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group, and if one or more of the management or other senior personnel leave the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group, it may not be possible to replace such individuals easily or at all, and the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's business and operations may be materially and adversely affected. Prior to and following Completion, current and prospective employees may experience

uncertainty about their future roles within the Combined Group, which may also adversely affect the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to retain or recruit key employees.

Further, if any key personnel leave and carry on any activities competing with the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group, the Capco Group, the Shaftesbury Group or, following Completion, the Combined Group may lose occupiers and staff members and legal remedies against such individuals may be limited, notwithstanding any contractual restrictions.

The sudden and/or unanticipated loss of the service of one or more members of the management team could have an adverse impact on the Capco Group's, the Shaftesbury Group's and Combined Group's business, results of operations, financial condition and prospects.

4.2 Joint ventures within the Capco Group, the Shaftesbury Group and, following Completion, the Combined Group may be subject to shared ownership and change of control risk

The Capco Group, the Shaftesbury Group and, following Completion, the Combined Group, has or will have investments in joint ventures companies which hold property assets. The Shaftesbury Group's proportionate share of property held by the Longmartin Joint Venture formed 5% of the Shaftesbury Group's property assets and the Capco Group's proportionate share of property held by the Lillie Square Joint Venture formed approximately 5% of the Capco Group's property assets as at 31 March 2022 (the "**Joint Ventures**").

By definition control of the Joint Ventures is shared with the respective joint venture partners, and the Capco Group and the Shaftesbury Group are not able to exclusively direct the strategy and operating decisions of their respective Joint Ventures, nor do they have complete financial control of, their respective Joint Ventures. In particular, material decisions relating to the Joint Ventures will require the consent of both joint venture partners, which may restrict the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to proceed with operational change or development. As is common in joint ventures, there is also a risk that the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's economic interest in the Lillie Square Joint Venture and the Longmartin Joint Venture, respectively, may no longer be aligned with that of the joint venture partner or the joint venture itself.

Conflict with a joint venture partner may lead to deadlock and impact the ability of the Capco Group or the Shaftesbury Group, respectively, to pursue their strategy or exit the joint venture at a time or in a manner that is most advantageous, by virtue of pre-emption rights given to the joint venture partner and/or the requirement for the approval of the joint venture partner in respect of a disposal to a particular purchaser, which may not align with its current investment strategy and may result in the Capco Group, the Shaftesbury Group or following Completion, the Combined Group paying a premium to maintain the Joint Venture asset or being unable to realise the full value of the Joint Venture asset.

In the case of the Longmartin Joint Venture, in the event of a deadlock, the parties may agree to terminate the Joint Venture or either party (the "**Proposing Transferor**") may offer to sell its interest in the Longmartin Joint Venture to the other party or to a third party (which could be on potentially disadvantageous terms or at a time when such party would not otherwise seek to make such a disposal or acquisition) subject to the provisions contained within the articles of association for the Longmartin Joint Venture. Where the other shareholder declines to accept an offer from the Proposing Transferor or to permit a sale to a third party or if the offer lapses, the Longmartin Joint Venture will terminate and its assets will be sold with any debt being required to be repaid with a prepayment penalty.

In the case of the Lillie Square Joint Venture, in the event of deadlock at the Lillie Square Joint Venture board level, the Capco Group may be required to make an offer to the joint venture partner for its interests in Lillie Square LP (the "**Partnership**") and any debt owed to the joint venture partner by the Partnership (the "**Interests**").

If neither the Capco Group nor the other party to the Joint Venture makes an offer for the other party's interests, a sale or wind-up process of the Partnership commences.

Under the terms of the Longmartin Joint Venture, a change of control of Shaftesbury, which would be triggered by the Merger, will result in the joint venture partner having the right to require the Combined Group to make an offer to sell its shares in the Longmartin Joint Venture either to the joint venture partner or to a third party purchaser identified by the joint venture partner. If the joint venture partner

fails to require the Combined Group to make an offer to sell its shares in the Longmartin Joint Venture either to the joint venture partner or to a third party purchaser identified by the joint venture partner within nine months of Completion (at which time the change of control of the Combined Group will have occurred), the joint venture partner shall be deemed to have waived its right to require Shaftesbury to offer to sell its shares in the Longmartin Joint Venture and the Combined Group shall retain its shares in the Longmartin Joint Venture.

If the joint venture partner requires the Combined Group to sell its shares in the Longmartin Joint Venture to a third party purchaser, such sale will separately constitute a change of control under the terms of the Shaftesbury AV LM Facility Agreement, which means that Aviva Commercial Finance Limited, as lender, could demand repayment of the loan (including any applicable prepayment fee) from the Longmartin Joint Venture. Such risk may, in turn, adversely impact the value of the Combined Group's shares in the Longmartin Joint Venture and the price it is able to sell its shares to the third party purchaser.

Any of the foregoing may adversely affect the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's ability to maintain or grow rental income and could have an adverse impact on the Capco Group's, the Shaftesbury Group's and, following Completion, the Combined Group's business, results of operations, financial condition and prospects.

PART III

HISTORICAL FINANCIAL INFORMATION OF THE SHAFTESBURY GROUP

The audited consolidated financial statements of the Shaftesbury Group for the years ended 30 September 2021, 30 September 2020 and 30 September 2019, together with the independent audit reports in respect of those financial statements, and the unaudited interim consolidated financial statements of the Shaftesbury Group for the six months ended 31 March 2022 are set out in Part XII (*Historical Financial Information of the Shaftesbury Group*) of the Prospectus, which is incorporated by reference into, and forms part of, this Circular.

The Directors and the Proposed Directors confirm that no material adjustment needs to be made to the financial information of the Shaftesbury Group for the years ended 30 September 2021, 30 September 2020 and 30 September 2019 and the six months ended 31 March 2022 to achieve consistency with the Capco Group's accounting policies for the year ended 31 December 2021. The Shaftesbury Group's accounting policies under which this financial information was prepared are not materially different to the Capco Group's accounting policies.

PART IV

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Section A—Unaudited Pro Forma Financial Information

The unaudited pro forma income statement of the Combined Group (the "**Unaudited Pro Forma Income Statement**") has been prepared on the basis of the audited consolidated income statement of the Capco Group for the year ended 31 December 2021 and the audited consolidated income statement of the Shaftesbury Group for the year ended 30 September 2021 to illustrate the effect on the income statement of the Capco Group of the Merger as if it had taken place on 1 January 2021.

The unaudited pro forma statement of net assets of the Combined Group (the "**Unaudited Pro Forma Statement of Net Assets**") has been prepared on the basis of the audited consolidated balance sheet of the Capco Group as at 31 December 2021 and the unaudited consolidated balance sheet of the Shaftesbury Group as at 31 March 2022 to illustrate the effect on the net assets of the Capco Group of the Merger as if it had taken place on 31 December 2021.

The Unaudited Pro Forma Income Statement and the Unaudited Pro Forma Statement of Net Assets (the "**Unaudited Pro Forma Financial Information**"), which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Capco Group's, the Shaftesbury Group's or the Combined Group's actual financial position or results. Such information may not, therefore, give a true picture of the Capco Group's, the Shaftesbury Group's or the Combined Group's financial position or results of operations nor is it indicative of its future results.

The Unaudited Pro Forma Financial Information is presented on the basis of the accounting policies adopted by Capco in preparing the audited consolidated financial statements for the year ended 31 December 2021 and in accordance with Annex 20 of the Prospectus Delegated Regulation.

The Unaudited Pro Forma Financial Information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IV.

1. Unaudited pro forma statement of net assets relating to the Combined Group as at 31 December 2021

		Adjustments				
	Capco Group as at 31 December 2021[1]	Shaftesbury Group as at 31 March 2022[2]	Adjustment for elimination of investment in Shaftesbury via reserves[3]	Adjustment for Capco revaluation of investment property to 31 March 2022[4]	Adjustment forTransaction costs[5]	Combined Group pro forma[6]
	£m	£m	£m	£m	£m	£m
Non-current assets						
Investment and development property	1,694.5	3,216.6	—	37.2	—	4,948.3
Property, plant and equipment	0.6	0.9	—	—	—	1.5
Investments in joint ventures	0.3	90.9	—	—	—	91.2
Financial assets at fair value through profit or loss	596.4	—	(596.4)	—	—	—
Derivative financial assets	1.1	—	—	—	—	1.1
Deferred tax	6.1	—	—	—	—	6.1
Trade and other receivables	120.8	50.0	—	—	—	170.8
Total non-current assets	2,419.8	3,358.4	(596.4)	37.2	—	5,219.0
Current assets						
Trade and other receivables	59.2	32.3	—	—	—	91.5
Tax assets	0.5	—	—	—	—	0.5
Cash and cash equivalents	319.0	203.9	—	—	(78.8)	444.1
Total current assets	378.7	236.2	—	—	(78.8)	536.1
Total assets	2,798.5	3,594.6	(596.4)	37.2	(78.8)	5,755.1
Liabilities						
Non-current liabilities						
Borrowings, including lease liabilities	(940.3)	(952.9)	—	—	—	(1,893.2)
Derivative financial liabilities	(32.1)	—	—	—	—	(32.1)
Total non-current liabilities	(972.4)	(952.9)	—	—	—	(1,925.3)
Current liabilities						
Borrowings, including lease liabilities	(0.7)	—	—	—	—	(0.7)
Tax liabilities	—	—	—	—	—	—
Trade and other payables	(39.0)	(36.9)	—	—	—	(75.9)
Total current liabilities	(39.7)	(36.9)	—	—	—	(76.6)
Total liabilities	(1,012.1)	(989.8)	—	—	—	(2,001.9)
Net assets	1,786.4	2,604.8	(596.4)	37.2	(78.8)	3,753.2
EPRA NTA[7]	1,809.7	2,615.9	(596.4)	37.2	(78.8)	3,787.6

Notes:

(1) The net assets of the Capco Group as at 31 December 2021 have been extracted without material adjustment from its audited consolidated financial statements as at 31 December 2021.

(2) This adjustment includes the assets and liabilities of the Shaftesbury Group, which were extracted without material adjustment from the unaudited consolidated balance sheet of the Shaftesbury Group as at 31 March 2022.

(3) Capco's investment in Shaftesbury has been eliminated to present the pro forma net assets of the Combined Group.

(4) The investment and development property of Capital & Counties Properties PLC has been adjusted to 31 March 2022 to reflect the valuations by the Capco Group's external third party valuers at that date.

(5) This adjustment reflects estimated transaction costs and stamp duty on the purchase of Shaftesbury Shares.

(6) No adjustment has been made to reflect the trading results of the Capco Group since 31 December 2021, the Shaftesbury Group since 31 March 2022 or any other change in either group's financial position in the respective periods to the date of this document with the exception of the investment and development property of Capital & Counties Properties PLC as described in note 4.

(7) EPRA NTA includes EPRA required adjustments to reported IFRS net assets. The adjustments, which have been extracted without material adjustment from the Capco Group audited consolidated financial statements as at 31 December 2021 and from the Shaftesbury Group unaudited consolidated balance sheet as at 31 March 2022, were £23.3 million and £11.1 million respectively, a total of £34.4 million. EPRA NTA per share for the Combined Group, which is calculated as EPRA NTA of £3,787.6 million divided by 1,825 million Combined Group diluted number of shares in issue, is 208 pence.

(8) This unaudited pro forma net asset statement does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

2. Unaudited pro forma income statement relating to the Combined Group for the year ended 31 December 2021

		Adjustments			
	Capco Group for the 12 months ended 31 December 2021[1]	Shaftesbury Group for the 12 months ended 30 September 2021[2]	Adjustment for elimination of investment in Shaftesbury via reserves[3]	Adjustment for Transaction costs[4]	Combined Group pro forma[4,5,6,7]
	£m	£m	£m	£m	£m
Revenue	68.0	112.7	—	—	180.7
Cost of sales	(21.8)	(30.3)	—	—	(52.1)
Gross profit	46.2	82.4	—	—	128.6
Other income/(costs)	3.0			—	3.0
Administrative expenses	(22.8)	(21.6)	—	(78.8)	(123.2)
Expected credit loss	—	(16.4)	—	—	(16.4)
Loss on revaluation and sale of investment and development property	(15.8)	(196.8)	—	—	(212.6)
Change in value of investments and other receivables	11.6	(1.3)	—	—	10.3
Fair value gain on financial assets at fair value through profit or loss	44.6	—	(44.6)	—	—
Operating profit/(loss)	66.8	(153.7)	(44.6)	(78.8)	(210.3)
Finance income	0.5	0.7	—	—	1.2
Finance costs	(31.7)	(30.9)	—	—	(62.6)
Other finance income	8.1	—	—	—	8.1
Other finance costs	(1.8)	—	—	—	(1.8)
Change in fair value of derivative financial instruments	(11.9)	—	—	—	(11.9)
Net finance costs	(36.8)	(30.2)	—	—	(67.0)
Share of post-tax loss from joint venture	—	(11.0)	—	—	(11.0)
Profit/(loss) before tax	30.0	(194.9)	(44.6)	(78.8)	(288.3)
Current tax	—	—	—	—	—
Deferred tax	(0.7)	—	—	—	(0.7)
Taxation	(0.7)	—	—	—	(0.7)
Profit/(loss) for the year	29.3	(194.9)	(44.6)	(78.8)	(289.0)

Notes:

(1) The income statement of the Capco Group for the year ended 31 December 2021 has been extracted without material adjustment from its audited consolidated financial statements for the year ended 31 December 2021.

(2) This adjustment includes the income statement of the Shaftesbury Group, which have been extracted without material adjustment from the audited consolidated income statement of the Shaftesbury Group for the year ended 30 September 2021.

(3) This adjustment eliminates the revaluation movement of Capco's current investment in Shaftesbury to demonstrate the pro forma trading results of the Combined Group.

(4) This adjustment reflects estimated transaction costs and stamp duty on the purchase of Shaftesbury Shares.

(5) No adjustment has been made to reflect the trading results of the Capco Group since 31 December 2021, the Shaftesbury Group since 30 September 2021 or any other change in its financial results the respective periods to the date of this document.

(6) No adjustment has been made to align property revaluation periods due to the availability of information. As a result the "loss on revaluation and sale of investment property" does not reflect the increase in the value of the portfolio for Capco since 31 December 2021 or Shaftesbury since 30 September 2021. Details of the valuations are set out in the Prospectus.

(7) The Combined Group pro forma income statement includes non-concurrent periods, both of which have been significantly affected by the impact of the pandemic on the real estate industry. It is not indicative of the past performance of periods unaffected by the significant impact of the pandemic.

(8) The Combined Group pro forma income statement is not illustrative of potential results for the year ending 31 December 2022 as under IFRS the acquirer will only include the acquiree within its income statement for the period of ownership.

(9) The Combined Group pro forma income statement is not necessarily indicative of results in future years due to the non-concurrent periods and the impact of the pandemic.

(10) This unaudited pro forma income statement does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

(11) Each of the adjustments in Notes (3) and (4) are non-recurring items.

Section B: Accountant's Report on the Unaudited Pro Forma Financial Information

The Directors
Capital & Counties Properties PLC
Regal House
14 James Street
London WC2E 8BU
United Kingdom

7 July 2022

Ladies and Gentlemen

Capital & Counties Properties PLC ("Capco Group")

We report on the pro forma financial information (the "Pro forma financial information") set out in Part IV of the class 1 circular dated 7 July 2022. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Opinion

In our opinion:

the Pro forma financial information has been properly compiled on the basis stated; and such basis is consistent with the accounting policies of the Capco Group.

Responsibilities

It is the responsibility of the directors of the Capco Group to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by Section 3 of Annex 20 of the UK version of Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, 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 connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Class 1 circular.

Basis of Preparation

The Pro forma financial information has been prepared on the basis described in Section A of Part IV of the circular, for illustrative purposes only, to provide information about how the Merger might have affected the financial information presented on the basis of the accounting policies adopted by the Capco Group in preparing the financial statements for the period ended 31 December 2021.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom (the "FRC"). We are independent, and have fulfilled our other ethical responsibilities, in accordance with the relevant ethical requirements of the FRC's Ethical Standard as applied to Investment Circular Reporting Engagements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Capco Group.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Capco Group.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully

KPMG LLP

PART V
ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names are set out in paragraph 3 (*Directors*) below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

2. Incorporation and registered office

The Company was incorporated and registered in England and Wales on 3 February 2010 as a public limited company limited by shares with the name Capital & Counties Properties PLC, registered number 07145051 in England and Wales and registered as an external company with registration number 2010/003387/10 in South Africa.

The principal legislation under which the Company operates, and pursuant to which the Existing Capco Shares have been created, and the New Capco Shares will be created, is the Companies Act 2006 and the regulations made thereunder.

The Company is domiciled in the United Kingdom with its registered office and principal place of business at Regal House, 14 James Street, London, WC2E 8BU, United Kingdom. The telephone number of the Company's registered office is +44 (0)20 3214 9150 and its Legal Entity Identifier is 549300TTXXZ1SHUI0D54.

The Company's website is www.capitalandcounties.com. The information on the Company's website does not form part of this document unless that information is incorporated by reference into this document, as set out in paragraph 13 (*Documentation incorporated by reference*) of this document.

3. Directors

The Directors of the Company and their functions are as follows:

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

4. Directors' interests

4.1 Share interests

The Directors have the following interests in Capco Shares (including beneficial interests or interests of a person connected with a Director) as at the Latest Practicable Date, and expect to have up to the following interests immediately following Admission.

	Interests as at the Latest Practicable Date		Interests immediately following Admission[1][2]			
Name	No. of Capco Shares	% of total issued share capital[1]	No. of Capco Shares	No. of Capco Shares to be sold to cover income tax and/or employee social security contributions[3]	Net no. of Capco Shares after sales to cover income tax and/or employee social security contributions[3][5]	% of total issued and to be issued share capital
Directors						
Henry Staunton	350,000	0.04%	350,000	—	350,000	0.02%
Ian Hawksworth[4]	909,492	0.11%	3,263,457	1,135,789	2,127,668	0.12%
Situl Jobanputra[4]	100,000	0.01%	1,629,773	738,116	891,657	0.05%
Michelle McGrath	40,000	0.00%	1,104,483	513,614	590,869	0.03%
Anthony Steains	0	0.00%	—	—	—	0.00%
Charlotte Boyle	15,052	0.00%	15,052	—	15,052	0.00%
Jonathan Lane	250,000	0.03%	250,000	—	250,000	0.01%

Notes:

(1) Assuming: (i) that the holdings of such person in Capco at the Latest Practicable Date do not change prior to delivery of New Capco Shares under the Merger other than in connection with the exercise of options under the Capco Share Plan; (ii) the maximum number of New Capco Shares are issued in connection with the Merger (including in respect of Shaftesbury Shares issued pursuant to the vesting or exercise of awards and options under the Shaftesbury Share Plans (excluding options under the Shaftesbury Sharesave Scheme));(iii) that, save in respect of shares issued pursuant to the vesting or exercise of awards and options under the Capco Share Plan (excluding CSOP Options) or the Shaftesbury Share Plans (excluding the Shaftesbury Sharesave Scheme), no other issues of Capco Shares or Shaftesbury Shares occur between the Latest Practicable Date and Admission; and (iv) that such options and awards under Shaftesbury Share Plans and the Capco Share Plan are exercised to the fullest extent possible (where applicable) and settled prior to Admission (in the case of the Capco Share Plan) or the Scheme Record Time (in the case of the Shaftesbury Share Plans).

(2) Capco Shares acquired by the Executive Directors 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.

(3) Assuming: (i) a combined rate of income tax and employee's social security contributions of 48.25%; (ii) that no dealing or other costs or expenses apply in respect of such sell-to-cover arrangements; and (iii) that all relevant options under the Capco Share Plan are exercised to the fullest extent. These calculations exclude 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.

(4) Interests immediately following Admission include 176,403 Capco Shares and 87,275 Capco 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.

(5) 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% of shares acquired pursuant to the exercise of PSP Options 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 Admission.

4.2 Share awards

As at the Latest Practicable Date, the Executive Directors had the following options relating to the shares under the Capco Share Plan, as described in paragraph 9 of Part XV (*Additional Information*) of the Prospectus.

Name	Type of award	Year Granted	Option exercise price (pence) (if any)	No. of Capco Shares underlying share options held at the Latest Practicable Date
Directors				
Ian Hawksworth . .	Bonus Deferral Award[1]	2017	Nil	29,528
	Bonus Deferral Award[1]	2018	Nil	102,153
	Bonus Deferral Award[1]	2019	Nil	44,722
	PSP Option	2020	Nil	1,112,490
	Bonus Deferral Award	2020	Nil	192,450
	PSP Option	2021	Nil	1,143,129
	PSP Option	2022	Nil	1,221,945
	Bonus Deferral Award	2022	Nil	171,782
Situl Jobanputra . .	Bonus Deferral Award[1]	2018	Nil	58,289
	Bonus Deferral Award[1]	2019	Nil	28,986
	PSP Option	2020	Nil	738,763
	Bonus Deferral Award	2020	Nil	124,161
	PSP Option	2021	Nil	759,109
	PSP Option	2022	Nil	811,597
	Bonus Deferral Award	2022	Nil	114,074
Michelle McGrath .	PSP Option	2020	Nil	514,030
	PSP Option	2021	Nil	616,218
	PSP Option	2022	Nil	682,397
	Bonus Deferral Award	2022	Nil	92,601

Notes:

(1) Vested but unexercised at the Latest Practicable Date.

(2) On the vesting or exercise of options and awards under the Capco Share Plan, participants will receive an additional cash payment by way of dividend equivalent in accordance with the rules of the Capco Share Plan.

(3) 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**").

5. Directors' terms and conditions

5.1 Executive Directors

Executive Directors are appointed under one-year rolling service contracts. The service contracts may be terminated by either party giving one year's notice to the other. It is the Company's policy that payments in lieu of notice should not exceed the Director's current salary and benefits (including pension contributions) for the notice period. Details of the service contracts entered into are set out below:

	Date of appointment	Notice period by Company (months)
Ian Hawksworth	17 May 2010	12
Situl Jobanputra	1 January 2017	12
Michelle McGrath	26 February 2020	12

All of the Executive Directors were re-elected by ordinary resolution at the annual general meeting of Capco on 28 June 2022.

Following the Effective Date, the basic salaries of Ian Hawksworth, Situl Jobanputra and Chris Ward will be set at £725,000, £520,000, and £520,000, respectively, which take into account the scope of their roles within the Combined Group, inflationary pressures and comparable market data.

5.2 Chairman and Non-executive Directors

The Chairman and the Non-executive Directors do not have service contracts with the Company but instead have letters of appointment. The letters of appointment of the Non-executive Directors are reviewed by the Board annually and contain a one-month notice period. The Chairman's letter of appointment contains a three-month notice period. Details of the current letters of appointment are set out below.

	Date of appointment	Notice period by Company (months)
Henry Staunton	2 June 2010	3
Anthony Steains	1 March 2016	1
Charlotte Boyle	1 October 2017	1
Jonathan Lane	1 March 2019	1

All of the Non-executive Directors were re-elected by ordinary resolution at the annual general meeting of Capco on 28 June 2022. The Non-executive Directors do not receive any pension, bonus or long-term incentive benefits from the Company.

6. Significant shareholders

In so far as it is known to the Company as at 5 July 2022 (being the Latest Practicable Date), the Company had been notified in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules that the following persons were directly or indirectly interested (within the meaning of the Companies Act 2006) in 3% or more of the Company's issued share capital:

	Interest as at the Latest Practicable Date		Interest immediately following Admission[1]	
Shareholder	No. of Capco Shares	% of total issued share capital	No. of Capco Shares	% of total issued share capital
Norges Bank	127,656,465	15.0%	459,649,805	25.2%
Blackrock, Inc	62,556,255	7.3%	140,705,188	7.7%
Legal & General Investment Management (Holdings) Limited	43,488,953	5.1%	73,593,363	4.0%
Public Investment Corporation SOC Limited	42,370,771	5.0%	42,370,771	2.3%
Madison International Realty	36,658,505	4.3%	36,658,505	2.0%
Foord Asset Management (Pty) Ltd	33,956,458	4.0%	33,956,458	1.9%

(1) Assuming: (i) that the holdings of such person in Capco at the Latest Practicable Date do not change prior to delivery of New Capco Shares under the Merger; (ii) the maximum number of New Capco Shares are issued in connection with the Merger (including in respect of Shaftesbury Shares issued pursuant to the vesting or exercise of awards and options under the Shaftesbury Share Plans (excluding options under the Shaftesbury Sharesave Scheme)); (iii) that, save in respect of shares issued pursuant to the vesting or exercise of awards and options under the Capco Share Plan (excluding CSOP Options), or the Shaftesbury Share Plans (excluding the Shaftesbury Sharesave Scheme), no other issues of Capco Shares or Shaftesbury Shares occur between the Latest Practicable Date and Admission; and (iv) that such options and awards under the Shaftesbury Share Plans and the Capco Share Plan are exercised to the fullest extent possible (where applicable) and settled prior to Admission (in the case of the Capco Share Plan) or the Scheme Record Time (in the case of the Shaftesbury Share Plans).

Save as disclosed above, the Directors are not aware of any interest which will represent an interest in Capco's share capital or voting rights which is notifiable under the Disclosure Guidance and Transparency Rules following Admission occurring.

So far as Capco is aware, on Admission, no person or persons, directly or indirectly, jointly or severally, will exercise or could exercise control over Capco.

There are no differences between the voting rights enjoyed by the shareholders described in this paragraph 6 and those enjoyed by any other holder of Capco Shares.

7. Related party transactions

Save as disclosed in Note 33 of the notes to the audited consolidated financial statements for Capco for the year ended 31 December 2021, which can be found at page 178 of the Capco Annual Report

2021, the Company entered into no transactions with related parties during the year ended 31 December 2021.

For the period from and including 1 January 2022 and the Latest Practicable Date, there were no related party transactions entered into by the Company, other than:

- transactions have been entered into between two Directors, either solely or together with family members, and a related party of the Capco Group, Lillie Square GP Limited, in respect of two apartments and a car park space in the Lillie Square development. As part of these transactions, the Directors are required to pay annual ground rent and insurance premium fees and bi-annual service charge fees. From 1 January 2022, £10,995.96 has been paid to a related party of the Capco Group, Lillie Square GP Limited, in relation to these charges. These transactions with Directors were conducted at fair and reasonable market price based upon similar comparable transactions at that time. Approvals have been obtained in respect of these arrangements from the Capco Board. Lillie Square GP Limited acts in the capacity of general partner to the Lillie Square Joint Venture;
- a short-term rental agreement has been entered into between a Capco Group subsidiary and a Director in respect of an apartment on the Covent Garden estate. The short-term rental agreement runs from 23 June 2021 to 31 August 2021 and was entered into on market terms. The total rent payable is £18,900 (inclusive of utilities and services) and the short-term rental agreement has been approved by the Capco Group subsidiary and the Capco Board;
- the Irrevocable Undertakings with Directors, Shaftesbury Directors and Norges Bank set out in paragraph 13 (*Irrevocable undertakings and letter of intent to vote in favour of the Merger*); and
- the Offer-Related Arrangements set out in paragraph 14 (*Offer-related arrangements and other arrangements*) of Part I (*Chairman's Letter*) of this document.

8. Material contracts

8.1 Material contracts in respect of the Capco Group

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of the Capco Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Capco Group which contains any provision under which any member of the Capco has any obligation or entitlement which is material to the Capco Group as at the date of this document:

(i) Co-operation Agreement

See paragraph 14.2 (*Co-operation Agreement*) of Part I (*Chairman's Letter*) of this document.

(ii) Norges Bank Side Deed

See paragraph 14.3 (*Norges Bank Side Deed*) of Part I (*Chairman's Letter*) of this document.

(iii) Sponsor Agreement

The Company and the UK Sponsor entered into a sponsor agreement on 7 July 2022 (the "**Sponsor Agreement**"), pursuant to which the UK Sponsor agreed to act as UK sponsor to the Company 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, the Company has agreed to provide the UK Sponsor with certain customary indemnities, undertakings, representations and warranties. The indemnities provided by the Company indemnify the UK Sponsor against, *inter alia*, claims made against it or losses incurred by it, subject to certain exceptions. In addition, the Sponsor Agreement provides the UK Sponsor 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.

(iv) **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%) 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%) 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 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 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 annum.

Financial covenants

The Loan Facility Agreement contains the following financial covenants:

- consolidated net borrowings of the group shall not exceed 60% of the value of all properties;
- net rental income in respect of a measurement period is equal to or exceeds 100% 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.

(v) **£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 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%; 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%

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.

(vi) **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% and 3.68%, giving an average blended cost of borrowing of 2.9%.

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%;
- a minimum net operating income as a percentage of interest costs (i.e. the interest cover ratio), which is set at 120%; 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 wavier 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.

(vii) **Capco's Exchangeable Bonds**

On 30 November 2020, Capco issued £275,000,000 2.00% secured exchangeable bonds due 2026 (the "**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 2.00% per annum, payable semi-annually in arrear 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.

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**").

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 Capco's 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**") comprises 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 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 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 Secured Existing Capco Shares, 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 that 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).

Capco's 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 Exchangeable Bonds 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% 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.

See further paragraph 12 (*Shaftesbury Shares owned by the Capco Group and Capco's Exchangeable Bonds*) of Part I (*Chairman's Letter*) of this document.

(viii) **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.

8.2 Material contracts in respect of the Shaftesbury Group

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which Shaftesbury or any member of the Shaftesbury Group is a party, for the two years immediately preceding the date of publication of this document and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the Shaftesbury Group which contains any provision under which any member of the Shaftesbury Group has any obligation or entitlement which is material to the Shaftesbury Group as at the date of this document:

(i) Co-operation Agreement

See paragraph 14.2 (*Co-operation Agreement*) of Part I (*Chairman's Letter*) of this document.

(ii) 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% 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 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% for interest periods of three months and 0.1706% 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 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 2/3% 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.

(iii) **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% 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 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 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%; 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 1.4 : 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.

(iv) **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 annum in respect of facility A and an initial rate of 3.85% 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 annum in respect of facility A and a higher rate of 4.10% 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 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% (a cash waterfall applies if the ratio exceeds 65%); 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 2/3% 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.

(v) **2017 First Mortgage Bonds**

On 7 September 2017, Shaftesbury Chinatown PLC issued £290,000,000 2.348% 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 arrear 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% 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% 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% of the voting rights normally exercisable at a general meeting of the issuer or the guarantor. If 80% 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.

(vi) **2016 First Mortgage Bonds**

On 7 October 2016, Shaftesbury Carnaby PLC issued £285,000,000 2.487% 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 arrear 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% 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% 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% of the voting rights normally exercisable at a general meeting of the issuer or the guarantor. If 80% 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.

(vii) **Longmartin Joint Venture**

Longmartin Joint Venture Agreement

The Longmartin Joint Venture Agreement 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 joint venture partner 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 joint venture partner. Where the parties cannot agree on the proposal to transact a reserved matter, Shaftesbury and the joint venture partner 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 joint venture partner: (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 joint venture partner 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 joint venture partner in accordance with the Longmartin Articles.

Longmartin Articles

The share capital of the Longmartin Joint Venture consists of A shares held by the joint venture partner and B shares held by Shaftesbury.

Pursuant to the Longmartin Articles, Shaftesbury and the joint venture partner 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 joint venture partner 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 joint venture partner, 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.

(viii) **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 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%; 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.

9. Litigation

9.1 The Capco Group

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company's, the Capco Group's and/or the Combined Group's financial position or profitability.

9.2 The Shaftesbury Group

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on Shaftesbury's, the Shaftesbury Group's and/or the Combined Group's financial position or profitability.

10. Working capital

The Company is of the opinion that, taking into account the Combined Group Facilities, the Combined Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

11. Significant change

11.1 The Capco Group

There has been no significant change in the financial position or financial performance of the Capco Group since 31 December 2021, being the date to which the last audited financial statements have been published.

11.2 The Shaftesbury Group

There has been no significant change in the financial position or financial performance of the Shaftesbury Group since 31 March 2022, being the date to which the last interim financial information has been published.

12. Consents

Rothschild & Co. has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Java Capital Trustees and Sponsors Proprietary Limited has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Jefferies has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

UBS has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Peel Hunt has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

Barclays has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

BNP Paribas has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

HSBC has given and has not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it is included.

KPMG LLP of 15 Canada Square, London E14 5GL, United Kingdom has given and has not withdrawn its written consent to the inclusion in Part IV of this Circular of its report on the Unaudited Pro Forma Financial Information, in the form and context in which it is included.

13. Documentation incorporated by reference

The following documents, which have been approved, filed with or notified to the FCA, and which are available for inspection in accordance with paragraph 13 (*Documents available for inspection*) of this Part V (*Additional Information*), contain information about Capco which is relevant to this document:

- the Capco Annual Report 2021; and
- the Prospectus.

The table below sets out the sections of these documents which are incorporated by reference in, and form part of, this document, and only the parts of the documents identified in the table below are incorporated by reference in, and form part of, this document. Any parts of the following documents which are not incorporated by reference into this document are either not relevant for the investor or covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

Reference Document	Information incorporated by reference into this document	Page number(s)
Capco Annual Report 2021	The audited consolidated financial information for Capco for the year ended 31 December 2021	133—181
	Information on related party transactions	178

Reference Document	Information incorporated by reference into this document	Page number(s)
Prospectus	The audited consolidated financial statements of the Shaftesbury Group for the years ended 31 December 2021, 31 December 2020 and 31 December 2019, together with the unqualified independent audit or accountants reports thereon and the unaudited consolidated financial information of the Shaftesbury Group for the six months ended 31 March 2022	108

Any statement which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

14. General

The total costs and expenses (exclusive of VAT) payable by the Combined Group in connection with the Merger and the issue and Admission of the New Capco Shares are estimated to be approximately £78.8 million. This consists of £33.0 million of total costs, incurred and expected, by the Capco Group, £35.7 million of total costs, incurred and expected, by the Shaftesbury Group and stamp duty of 0.5% on the purchase price of the Shaftesbury Shares to be acquired pursuant to the Merger (estimated to amount to £10.1 million).

No expenses will be charged to investors by the Company in respect of the Merger.

15. Documents available for inspection

Copies of the following documents will be available for inspection on the Company's website at www.capitalandcounties.com and during normal business hours on Monday to Friday (excluding public holidays in England and Wales) at the Company's registered office at Regal House, 14 James Street, London, WC2E 8BU, United Kingdom for a period up to and including the date of the General Meeting:

- the Memorandum of Association and Articles of Association;
- the Capco Annual Report 2021;
- the report of KPMG LLP on the Unaudited Pro Forma Financial Information set out in Section B of Part IV (*Unaudited Pro Forma Financial Information*) of this document;
- the Prospectus;
- the Announcement;
- the Buyback Contract;
- the Scheme Document; and
- this document.

This document is dated 7 July 2022.

PART VI

DEFINITIONS

The following definitions shall apply throughout this document, unless the context requires otherwise:

"Admission"	together, UK Admission and SA Admission
"Announcement"	the announcement made by Capco on 16 June 2022 in relation to the Merger pursuant to Rule 2.7 of the Code
"Announcement Date"	16 June 2022, being the date of release 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
"Articles of Association" or "Articles"	the articles of association of the Company
"Auditors"	PricewaterhouseCoopers LLP
"Banks"	Rothschild & Co, Jefferies, Peel Hunt, UBS, Barclays, BNP Paribas and HSBC
"Barclays"	Barclays Bank PLC, acting through its Investment Bank
"BNP Paribas" or "BNP Paribas London Branch"	BNP Paribas SA, acting through its London Branch
"Board" or "Capco Board"	the board of Directors of the Company
"Business Day"	a day (other than a Saturday or Sunday) on which banks are open for general business in London and Johannesburg
"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 Conditions (including on maturity of Capco's Exchangeable Bonds)
"Capco" or the "Company"	Capital & Counties Properties PLC, a public company incorporated in England with registered number 07145051 and registered as an external company in South Africa with registration number 2010/003387/10
"Capco's Exchangeable Bonds"	the £275,000,000 2.00% secured exchangeable bonds due 2026 issued by Capco on 30 November 2020, as constituted by the Exchangeable Bonds Trust Deed
"Capco Annual Financial Statements"	the audited consolidated financial statements of the Capco Group for the year ended 31 December 2021
"Capco Annual Report 2021"	the Company's annual report for the financial year ended 2021 and published in March 2022 and incorporated by reference into this document

"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"	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
"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 ending 31 December 2021 and expected to be paid on 8 July 2022
"Capco General Meeting"	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
"Capco Group"	Capco, its subsidiary and group undertakings (as defined in the Companies Act 2006) from time to time
"Capco Loan Notes"	the loan notes issued by Covent Garden Group Holdings Limited in 2014, 2016 and 2017 as set out in paragraph 8.1(vi) (*Loan note purchase agreements*) of Part V (*Additional Information*) of this document
"Capco Pro Rata Second Interim Dividend"	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
"Capco Remuneration Committee"	the remuneration committee established by the Board to consider and make recommendations to the Board as to the remuneration of Capco's Directors and senior executives, as described in paragraph 4.3 of Part X (*Directors, Proposed Directors and Corporate Governance*) of the Prospectus
"Capco Resolutions"	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)
"Capco Shareholders"	the holders of Capco Shares from time to time
"Capco Shares"	the ordinary shares of 25 pence in Capco
"Capco Share Plan" or "PSP"	the Capco Performance Share Plan 2017, which provides for the grant of Bonus Deferral Awards, CSOP Options, PSP Awards and PSP Options as referred to in paragraph 9 of Part XV (*Additional Information*) of the Prospectus
"Cash Election"	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
"certificated" or "in certificated form"	in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST)
"Chairman"	the Chairman of Capco
"Change of Name Resolution"	the resolution to approve the change of registered name of the Company to Shaftesbury Capital PLC
"Circular"	this document
"Class 1 Transaction"	the Class 1 Transaction as defined in the Listing Rules for Capco in respect of the Merger
"CMA"	the Competition and Markets Authority of the UK
"Combined Group"	the Capco Group and the Shaftesbury Group after the Merger has taken effect
"Combined Group Facilities"	the facilities available to the Combined Group following Completion, being the Loan Facility Agreement, the Capco Covent Garden RCF, the Capco Loan Notes, Capco's Exchangeable Bonds, the Shaftesbury CLL Facility Agreement, the Shaftesbury AV Facility Agreement and Shaftesbury AV LM Facility Agreement
"Companies Act 2006"	the UK Companies Act 2006, as amended, and the regulations made thereunder
"Completion"	the date of the last Admission
"Conditions"	the conditions to the implementation of the Merger (including the Scheme) which are set out in Appendix 1 of the Announcement, and to be set out in the Scheme Document
"Confidentiality Agreement"	the confidentiality agreement between Capco and Shaftesbury dated 7 December 2021
"Co-operation Agreement"	the co-operation agreement between Capco and Shaftesbury dated 16 June 2022 and relating, among other things, to the implementation of the Merger
"Court"	Her Majesty's High Court of Justice in England and Wales
"Court Meeting"	the meeting of Scheme Shareholders (or any further class or classes thereof) to be convened by an order of the Court pursuant to section 896 of the Companies Act 2006, notice of which is set out in the Scheme Document, to consider and, if thought fit, approve the Scheme (with or without amendment approved or imposed by the Court and agreed to by Shaftesbury and Capco), including any adjournment,

	postponement or reconvention of any such meeting, notice of which is to be contained in the Scheme Document
"Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act 2006
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & International Limited is the operator
"CREST Manual"	the CREST manual referred to in agreements entered into by Euroclear
"CSDP"	Central Securities Depository Participant, a participant as defined in the South African Financial Markets Act, 19 of 2012
"Directors"	the directors of Capco whose names appear in paragraph 3 of Part V (*Additional Information*) of this document
"Disclosure Guidance and Transparency Rules"	the disclosure guidance and transparency rules made by the FCA under Part 6 of the FSMA
"EA 2002"	Enterprise Act 2002
"Effective"	in the context of the Merger: (i) if the Merger is implemented by way of a Scheme, means the Scheme having become effective pursuant to its terms; or (ii) 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
"Effective Date"	the date on which (i) the Scheme becomes effective pursuant to its terms; or (ii) if Capco elects to implement the Merger by way of a Takeover Offer, the Takeover Offer becomes or is declared unconditional in all respects
"EPRA"	the European Public Real Estate Association—a real estate industry body which has issued Best Practice Recommendations with the intention of improving the transparency, comparability and relevance of the published results of listed real estate companies in Europe
"EPRA NTA"	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
"ERV"	the estimated market rental value of the total lettable space in a property calculated by the Capco Group's external valuers. It is calculated after deducting head and equity rents, and car parking and commercialisation running costs
"EU" or "European Union"	the European Union
"EUWA"	European Union (Withdrawal) Act 2018, as amended
"Excess Capco Dividend"	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
"Excess Shaftesbury Dividend"	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
"Exchange Property"	has the meaning given to it in the Exchangeable Bond Conditions
"Exchange Ratio"	the exchange ratio of 3.356 New Capco Shares in exchange for each Shaftesbury Share (disregarding the interest that the Capco Group currently holds directly in Shaftesbury)
"Exchange Right"	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)
"Exchangeable Bond Conditions"	the terms and conditions of Capco's Exchangeable Bonds set out in the Exchangeable Bonds Trust Deed
"Exchangeable Bond Secured Parties"	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)
"Exchangeable Bonds Chargors" .	each of Capco Investment London (No.1) Limited and Capco Investment London (No.2) Limited
"Exchangeable Bonds Security" .	as 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
"Exchangeable Bonds Trust Deed"	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
"Exchangeable Bonds Trustee" . .	BNY Mellon Corporate Trustee Services Limited
"Excluded Shares"	(i) Unsecured Existing Capco Shareholding; (ii) any other Shaftesbury Shares beneficially owned by Capco or any other member of the Capco Group; (iii) any Shaftesbury Shares held in treasury by Shaftesbury; and (iv) any other Shaftesbury Shares which Capco and Shaftesbury agree will not be subject to the Scheme, but, for the avoidance of doubt, in the case of items (ii) to (iv) inclusive, excluding the Secured Existing Capco Shareholding
"Executive Directors"	Ian Hawksworth, Situl Jobanputra and Michelle McGrath
"Existing Capco Shareholders" . .	holders of Existing Capco Shares
"Existing Capco Shareholding" . .	the Shaftesbury Shares which entities within the Capco Group hold, being 96,971,003 Shaftesbury Shares in aggregate at close of business on the day before the Announcement Date
"Existing Capco Shares"	the Capco Shares existing as at the Latest Practicable Date
"FCA"	the Financial Conduct Authority

"Financial Statements"	the Capco Annual Financial Statements, the 2022 Shaftesbury Interim Financial Statements and the Shaftesbury Annual Financial Statements
"Form of Proxy"	the personalised form of proxy accompanying the Notice of General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"HSBC"	HSBC Bank plc
"Government"	Her Majesty's Government of the United Kingdom
"IFRS"	UK-adopted international accounting standards in accordance with International Financial Reporting Standards
"ISIN"	International Security Identification Number
"Jefferies"	Jefferies International Limited
"JSE"	(i) JSE Limited, a public company incorporated in accordance with the laws of South Africa, with registration number 2005/022939/06, and licensed as an exchange under the South African Financial Markets Act, 19 of 2012, or (ii) the securities exchange operated by JSE Limited, as the context indicates
"JSE Listings Requirements"	the listings requirements of the JSE, as amended
"JSE Sponsor"	Java Capital Trustees and Sponsors Proprietary Limited, 6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196 (PO Box 522606, Saxonwold, 2132) South Africa
"KPMG LLP"	KPMG LLP, 15 Canada Square, London E14 5GL, United Kingdom
"Latest Practicable Date"	5 July 2022, being the latest practicable date prior to the publication of this document
"LEI"	Legal Entity Identifier
"like-for-like basis"	in relation to investment properties, investment properties which have been owned without significant capital expenditure in any relevant period, so that income, capital and yields can be compared on a like-for-like basis
"Lillie Square Joint Venture"	the Lillie Square joint venture, a residential development located in West London, in which Capco has a 50% interest
"Listing Rules"	the listing rules issued by the FCA pursuant to Part 6 of FSMA
"Loan Facility Agreement"	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
"London Stock Exchange" or "LSE"	London Stock Exchange PLC
"Long Stop Date"	30 April 2023 or such later date as may be agreed in writing by Capco and Shaftesbury (with the Panel's consent and as the Court may approve (if such approval(s) are required))
"Longmartin Joint Venture"	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% interest

"Madison International Realty"	Madison International Realty LLC
"Main Board"	the JSE's Main Board for listed securities
"Main Market"	the London Stock Exchange's Main Market for listed securities
"MAR"	the Market Abuse Regulation (Regulation (EU) 596/2014) and its delegated and implementing regulations, which forms part of UK domestic law by virtue of the EUWA
"Memorandum of Association"	the memorandum of association of the Company
"Merger"	the proposed acquisition by Capco of the entire issued and to be issued share capital of Shaftesbury (excluding the Unsecured Existing Capco Shareholding but including the substitution of the Secured Existing Capco Shareholding with the Secured New Capco Shares pursuant to the terms of the Scheme), to be implemented by way of 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
"Merger Approval Resolution"	the resolution to approve the Merger, which constitutes a Class 1 Transaction pursuant to the Listing Rules, and to take all steps and to do all things which the Board considers necessary or desirable to implement the Merger
"Merger Resolutions"	the Merger Approval Resolution, the Share Issue Resolution and the RPT Resolution
"New Capco Shares"	the new Capco Shares to be allotted pursuant to the Merger
"Non-executive Directors"	Henry Staunton, Charlotte Boyle, Jonathan Lane and Anthony Steains
"Norges Bank"	Norges Bank (the Central Bank of Norway)
"Norges Bank Side Deed"	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;
"Official List"	the official list maintained by the FCA pursuant to Part 6 of the Financial Services and Markets Act 2000
"Original Chargors"	Capco Investment London (No.1) Limited and Capco Investment London (No.2) Limited
"Overseas Shareholders"	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or South Africa
"Panel"	the UK Panel on Takeovers and Mergers
"Peel Hunt"	Peel Hunt LLP
"Permitted Capco Dividends"	the Capco FY21 Final Dividend, the Capco First Interim Dividend, the Capco Pro Rata Second Interim Dividend and a Capco Equalisation Dividend, as applicable
"Permitted Shaftesbury Dividends"	the Shaftesbury Interim Dividend, the Shaftesbury Full Year Dividend and a Shaftesbury Equalisation Dividend, as applicable
"Phase 2 CMA Reference"	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
"PID"	property income distribution
"Proposed Directors"	the names of the Shaftesbury Directors outlined at paragraph 2 of Part X (*Directors, Proposed Directors and Corporate Governance*) of the Prospectus
"Properties"	the Capco Group property portfolio valued by the Capco Group's external valuers
"Prospectus"	the prospectus published on 7 July 2022 by Capco under the UK Prospectus Regulation in respect of the issue of the New Capco Shares and Admission
"Prospectus Delegated Regulation"	Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation, which forms part of UK domestic law by virtue of the EUWA
"Prospectus Regulation Rules"	the prospectus rules made by the FCA under Part 6 of the FSMA
"PricewaterhouseCoopers LLP" or "PwC"	PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH, United Kingdom
"Quantified Financial Benefits Statement"	as defined in Appendix 1 of this document
"Register"	together, the UK Register and the SA Register
"Registrars"	the UK Registrar and/or the SA Transfer Secretaries, as the context so requires
"Regulatory Information Service"	a primary information provider which has been approved by the FCA to disseminate regulated information
"REIT"	a UK REIT within the meaning of Part 12 of the Corporation Tax Act 2010
"Related Party Transaction"	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
"RPT Resolution"	the resolution to approve the Related Party Transaction
"Registrar of Companies"	the registrar of companies in England and Wales
"Regulatory Information Service"	a primary information provider which has been approved by the FCA to disseminate regulated information
"Reporting Accountants"	KPMG LLP
"Resolutions"	together, the Merger Resolutions, the Share Buyback Resolution, the Change of Name Resolution and the Share Capital Resolutions
"Restricted Jurisdiction"	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
"Restricted Shareholders"	Shaftesbury Shareholders resident in a Restricted Jurisdiction
"SA Admission"	admission, in accordance with the JSE Listings Requirements, of the New Capco Shares to listing and trading on the Main Board of the JSE

"SA Register"	the branch register of members of the Company in South Africa
"SA Transfer Secretaries"	Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) South Africa
"Scheme" or **"Scheme of Arrangement"**	the Scheme of Arrangement proposed to be made under Part 26 of the Companies Act 2006 between Shaftesbury and the holders of the Scheme Shares to be set out in the Scheme Document, with or subject to any modification, addition or condition which Shaftesbury and Capco agree with and which is approved or imposed by the Court
"Scheme Court Hearing"	the hearing of the Court to sanction the Scheme (under Part 26 of the Companies Act, including any adjournment thereof)
"Scheme Document"	the document to be sent to Shaftesbury Shareholders setting out, among other things, the Scheme and notices convening the Court Meeting and the Shaftesbury General Meeting
"Scheme Record Time"	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. (London time) on the date two Business Days prior to the Effective Date or such other time as Capco and Shaftesbury may agree
"Scheme Shareholders"	holders of Scheme Shares and a "Scheme Shareholder" shall mean any one of those Scheme Shareholders
"Scheme Shares"	all Shaftesbury Shares which are: (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (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 (iii) (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, and, in each case, excluding any Excluded Shares
"**Secured Existing Capco Shareholding**" or **"Secured Existing Capco Shares"**	the Shaftesbury Shares comprising part of the Existing Capco Shareholding, held at the Announcement Date by certain entities controlled by Capco, 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 as at close of business on the day before the Announcement Date
"Secured New Capco Shares" . . .	the New Capco Shares issued in accordance with the Exchange Ratio and the terms of the Merger as replacement for the Secured Existing Capco Shareholding
"SENS"	the Stock Exchange News Service of the JSE

"Share Buyback Resolution"	the resolution to approve off-market purchases by the Company in accordance with the Buyback Contract
"Share Capital Resolutions"	the resolutions for authority to allot new shares, disapply pre-emption rights and authorise purchase of own shares, which reflect Capco's existing equivalent authorities, updated to account for the increased issued share capital of the Combined Group on Completion
"Share Issue Resolution"	the resolution to grant the Board authority to allot the New Capco Shares pursuant to Section 551 of the Companies Act 2006
"Shaftesbury"	Shaftesbury PLC, a public company incorporated in England with registered number 01999238
"Shaftesbury Capital"	Shaftesbury Capital PLC, the proposed name for the Combined Group
"Shaftesbury Annual Financial Statements"	the 2019 Shaftesbury Annual Financial Statements, the 2020 Shaftesbury Annual Financial Statements and the 2021 Shaftesbury Annual Financial Statements
"Shaftesbury Articles Resolution"	the resolution to amend Shaftesbury's articles of association to ensure that any Shaftesbury Shares issued (other than to Capco, its nominees or any member of the Capco Group) (i) between the Shaftesbury General Meeting and the Scheme Record Time will be subject to the Scheme; and (ii) after the Scheme Record Time will be automatically 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)
"Shaftesbury AV Facility Agreement"	the £250 million 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) between Shaftesbury AV Limited as borrower and Aviva Commercial Finance Limited as lender, agent and security agent
"Shaftesbury AV LM Facility Agreement"	the £120 million term loan 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) between Longmartin Joint Venture as borrower and Aviva Commercial Finance Limited as lender
"Shaftesbury CLL Facility Agreement"	the £134,750,000 facility agreement dated 17 April 2014 (as amended on 20 October 2014 and as further amended on 1 October 2020) between Shaftesbury CL Limited as borrower with Canada Life Limited as lender
"**Shaftesbury Directors**" or "**Shaftesbury Board**"	the board of directors of Shaftesbury and "Shaftesbury Director" means any of them as at the date of this document

"Shaftesbury Equalisation Dividend"	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
"Shaftesbury Full Year Dividend"	a dividend of up to 5.4 pence per Shaftesbury Share in respect of the year ending 30 September 2022
"Shaftesbury General Meeting"	the general meeting of Shaftesbury Shareholders to be convened in connection with the Merger, notice of which is set out in the Scheme Document, to consider, and if thought fit, approve various matters in connection with the Merger, including any adjournment thereof
"Shaftesbury General Resolution"	the resolution to authorise the Shaftesbury Directors to take all such actions as are necessary or appropriate for implementing the Scheme
"Shaftesbury Group"	Shaftesbury, its subsidiary and group undertakings from time to time (as defined in the Companies Act 2006), prior to completion of the Merger
"**Shaftesbury Interim Dividend**"	the interim dividend of 4.8 pence per Shaftesbury Share in respect of the six month period ended 31 March 2022 paid on 1 July 2022
"Shaftesbury Mortgage Bonds"	(i) the £290,000,000 2.348% 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% 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
"Shaftesbury Resolutions"	all resolutions required to approve and implement the Scheme to be proposed at the Shaftesbury General Meeting, including the Shaftesbury General Resolution and the Shaftesbury Articles Resolution
"Shaftesbury Share Plans"	each of the: (i) Shaftesbury 2016 Long-Term Incentive Plan, adopted by the board of directors of Shaftesbury on 18 November 2015 and approved by the shareholders of Shaftesbury on 5 February 2016, as amended from time to time (including without limitation prior to the date of this document); (ii) 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); and (iii) Shaftesbury Sharesave Scheme
"Shaftesbury Shareholders"	the holders of Shaftesbury Shares, from time to time
"Shaftesbury Sharesave Scheme"	the Shaftesbury Sharesave Scheme approved by the shareholders of Shaftesbury on 8 February 2011, as amended from time to time (including without limitation prior to the date of this document)

"Shaftesbury Shares"	the fully-paid ordinary shares of 25 pence (£0.25) each in the capital of Shaftesbury
"SLP"	Capco Investment London (No.7) Scottish Limited Partnership
"South Africa"	the Republic of South Africa
"Strate"	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
"subsidiary" and "subsidiary undertaking"	have the meanings given to them in the Companies Act 2006
"Takeover Code"	the City Code on Takeovers and Mergers
"Takeover Offer"	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
"Treasury Shares"	shares held as treasury shares as defined in section 724(5) of the Companies Act 2006
"UBS"	UBS AG London Branch
"UK Admission"	the admission of the New Capco Shares to the premium listing segment of the Official List and to trading on the LSE's Main Market for listed securities becoming effective
"UK Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018
"UK Prospectus Regulation"	the Prospectus Regulation (EU) 2017/1129 and amendments thereto, which forms part of UK domestic law by virtue of the EUWA
"UK Register"	the register of members of the Company in the United Kingdom
"UK Registrar"	Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom
"UK Sponsor"	Rothschild & Co
"Unaudited Pro Forma Financial Information"	the Unaudited Pro Forma Income Statements and Unaudited Pro Forma Statement of Net Assets
"Unaudited Pro Forma Income Statement"	the unaudited pro forma income statement of the Combined Group set out in Part IV (*Unaudited Pro Forma Financial Information*) of this document
"Unaudited Pro Forma Statement of Net Assets"	the unaudited pro forma statement of net assets of the Combined Group set out in Part IV (*Unaudited Pro Forma Financial Information*) of this document
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction

"**Unsecured Existing Capco Shareholding**"	the Shaftesbury Shares comprising part of the Existing Capco Shareholding held, at the Announcement 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
"**US Securities Act**"	the US Securities Act 1933, as amended from time to time
"Voting Record Time"	the time and date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.30 p.m. (London time) on the day which is two days before the date of the Court Meeting or if the Court Meeting is adjourned, 6.30 p.m. (London time) on the day which is two days before such adjourned meeting
"2019 Shaftesbury Annual Financial Statements"	the audited consolidated financial statements of the Shaftesbury Group for the year ended 30 September 2019
"2020 Shaftesbury Annual Financial Statements"	the audited consolidated financial statements of the Shaftesbury Group for the year ended 30 September 2020
"2021 Shaftesbury Annual Financial Statements"	the audited consolidated financial statements of the Shaftesbury Group for the year ended 30 September 2021
"2022 Shaftesbury Interim Financial Statements"	the unaudited consolidated financial statements of the Shaftesbury Group for the six months ended 31 March 2022

APPENDIX 1

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Quantified Financial Benefits Statement

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% 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% 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% 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% 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% 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, Capco and Shaftesbury 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 Capco and Shaftesbury management team's industry expertise and knowledge.

In preparing the Quantified Financial Benefits Statement, Capco and Shaftesbury 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, Capco and Shaftesbury 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 Capco and Shaftesbury 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.

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 Takeover Code, the Quantified Financial Benefits Statement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

CAPITAL & COUNTIES PROPERTIES PLC

(the "Company")

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at 11:15 a.m. (London time) and 12:15 p.m. (Johannesburg time) on Friday 29 July 2022 at the offices of Herbert Smith Freehills LLP, Exchange House, Primrose Street, London, EC2A 2EG, United Kingdom to consider and, if thought fit, pass the following Resolutions:

ORDINARY RESOLUTIONS

Resolution 1—Approval of the Merger

The proposed recommended all-share merger by the Company (which is a "**Class 1 transaction**" for the purposes of the listing rules and regulations made by the Financial Conduct Authority (the "**FCA**") under the Financial Services and Markets Act 2000 and contained in the FCA's publication of the same name, as amended from time to time), of the entire issued and to be issued share capital of Shaftesbury PLC ("**Shaftesbury**") and the Company to be effected by way of a court-sanctioned scheme of arrangement of Shaftesbury under Part 26 of the Companies Act 2006 (the "**Scheme**") or by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006 in the circumstances set out in the Co-operation Agreement entered into between the Company and Shaftesbury dated 16 June 2022 (an "**Offer**") (the "**Merger**") substantially in the manner and on the terms and subject to the conditions set out in:

(i) the circular to shareholders of the Company dated 7 July 2022 (the "**Circular**") outlining the Merger, of which the notice convening this General Meeting (the "**Notice**") forms part; and

(ii) the prospectus prepared by the Company in connection with the admission of the new ordinary shares of 25 pence each in the capital of the Company to be issued pursuant to the Scheme (or, as the case may be, the Offer) (the "**New Capco Shares**") dated 7 July 2022,

be and is hereby approved and the directors of the Company (the "**Directors**") (or any duly authorised committee thereof) be and are hereby authorised to make or procure to be made any modifications, variations, revisions, waivers, amendments or extensions to the terms of the Merger or the Scheme which they in their absolute discretion consider necessary, appropriate or desirable (provided that such modifications, variations, revisions, waivers amendments or extensions do not materially change the terms and conditions of the Merger for the purposes of the FCA's Listing Rule 10.5.2) and to take all such steps and to do all such things which they consider necessary, appropriate or desirable to implement, or in connection with, the Merger, including without limitation, the waiver of any conditions to the Merger.

Resolution 2—Issue of New Capco Shares

Subject to and conditional upon:

(i) the Scheme becoming effective, except for conditions relating to:

  (a) the delivery of the order of the High Court of Justice in England and Wales sanctioning the Scheme to the Registrar of Companies in England and Wales;

  (b) the FCA having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of the New Capco Shares to listing on the premium listing segment of the Official List maintained by the FCA has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (for the purpose of this paragraph the "**listing conditions**")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied;

  (c) the London Stock Exchange plc (the "**LSE**") having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the New Capco Shares will be admitted to trading on the Main Market of the LSE ("**LSE Admission**"); and

  (d) the Company or its agent having received confirmation from JSE Limited (the "**JSE**") (and such confirmation not having been withdrawn) that: (i) the application for the listing of the

New Capco Shares on the Main Board of the securities exchange operated by 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) the New Capco Shares will, subject to the satisfaction of the JSE listing conditions, be admitted to trading on the Main Board of the securities exchange operated by the JSE ("**JSE Admission**");

or, as the case may be,

(ii) an Offer becoming or being declared wholly unconditional (except for LSE Admission and JSE Admission),

without prejudice to all existing authorities conferred upon the Directors, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot ordinary shares in the Company (the "**New Shares**") and to grant rights to subscribe for, or to convert any security into, ordinary shares in the Company ("**Rights**") pursuant to the Scheme (or, as the case may be, the Offer) or otherwise in connection with the Merger, including for the purpose of acquiring ordinary shares in Shaftesbury issued after the record date of the scheme (in accordance with the amended articles of association of Shaftesbury that are expected to be adopted on the date of the Shaftesbury General Meeting), up to an aggregate nominal amount of £273,876,752, provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2023 (unless previously revoked, renewed or varied by the Company in general meeting), save that the Company may before such expiry make an offer or enter into an agreement which would or might require the New Shares to be allotted, or Rights to be granted, after such expiry and the Directors may allot the New Shares or grant Rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

Resolution 3—Related Party Transaction

The issue of any New Shares or grant of Rights to Norges Bank in connection with the Merger on the basis described in the Circular, which is a related party transaction for the purposes of the listing rules and regulations made by the FCA, be and is hereby approved.

Resolution 4—Share Buyback

Subject to and conditional upon the conditions for the Merger becoming effective, the Company be and is hereby authorised for the purposes of section 694 of the Companies Act 2006 to make off-market purchases (within the meaning of section 693(2) of the Companies Act 2006) in accordance with the terms of the proposed buy-back deed to be entered into between the Company and Capco Investment London (No. 7) Scottish Limited Partnership (the "**SLP**") in such form as is produced to the Capco General Meeting and initialled by the Chairman for the purposes of identification, such authority to expire on the date which is five years after the date on which this resolution is passed (unless renewed, varied or revoked by the Company prior to or on that date).

Resolution 5—Authority to allot

Subject to and conditional upon the conditions for the Merger becoming effective, the Directors be and are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any securities into, shares in the Company:

(i) up to an aggregate nominal amount of £152,083,232 (such amount being the Section 551 Amount for the purposes of the Company's Articles of Association); and

(ii) up to a further aggregate nominal amount of £152,083,232 , provided that (i) they are equity securities (within the meaning of Section 560(1) of the Companies Act 2006) and (ii) they are offered in connection with an offer by way of a rights issue to holders of ordinary shares on the register of members at such record date as the Directors may determine where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record date and to holders of other equity securities if required by the rights of those securities, subject to such exclusions or other arrangements as the Directors may deem

necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depositary receipts or any other matter provided that this authority shall expire at the conclusion of the annual general meeting of the Company to be held in 2023, or on 28 September 2023, whichever is earlier, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or such rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant rights pursuant to any such offer or agreement as if this authority had not expired and all unexercised authorities previously granted to the Directors to allot shares and grant rights be and are hereby revoked.

SPECIAL RESOLUTIONS

Resolution 6—Disapplication of pre-emption rights

Subject to and conditional upon the conditions for the Merger becoming effective, and subject to the passing of Resolution 5 above, the Directors be and are authorised pursuant to Sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) for cash pursuant to the authority conferred by Resolution 5 above and by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that this power shall be limited to:

(i) the allotment of equity securities or sale of treasury shares in connection with an offer of securities (but in the case of the authority granted under paragraph (ii) of Resolution 5 above by way of rights issue only) in favour of the holders of ordinary shares on the register of members at such record dates as the Directors may determine and other persons entitled to participate therein where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be practicable) to the respective numbers of ordinary shares held by them on any such record dates, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal or practical problems arising under the laws of any overseas territory or the requirements of any regulatory body or stock exchange or by virtue of ordinary shares being represented by depositary receipts or any other matter; and

(ii) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (i) of this Resolution 6) to any person or persons up to an aggregate nominal amount of £22,812,485,

(the aggregate of the amounts described by sub-paragraphs (i) and (ii) of this Resolution 6 and Resolution 7 below being the Section 561 Amount for the purposes of the Company's Articles of Association) and shall expire upon the expiry of the general authority conferred by Resolution 5 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 7—Disapplication of pre-emption rights

Subject to and conditional upon the conditions for the Merger becoming effective, and subject to the passing of Resolution 5 above and in addition to the power conferred by Resolution 6 the Directors be and are authorised pursuant to Sections 570 and 573 of the Companies Act 2006 to allot equity securities (as defined in Section 560 of that Act) for cash pursuant to the authority conferred by Resolution 5 above and by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment provided that this power shall:

(i) be limited to the allotment of equity securities or sale of treasury shares to any person or persons up to an aggregate nominal amount of £22,812,485; and

(ii) only be used for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

(the aggregate of the amounts described by sub-paragraphs (i) and (ii) of Resolution 6 above and this Resolution 7 being the Section 561 Amount for the purposes of the Company's Articles of Association) and shall expire upon the expiry of the general authority conferred by Resolution 5 above, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.

Resolution 8—Purchase of own shares

Subject to and conditional upon the conditions for the Merger becoming effective, the Company be generally and unconditionally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006) of ordinary shares of 25 pence each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine, provided that:

(i) the maximum number of ordinary shares which may be purchased is 182,499,878, representing approximately 10% of the expected issued share capital of the Company on Completion (excluding the Secured New Capco Shares);

(ii) the minimum price (exclusive of expenses) which may be paid for any such ordinary share is 25 pence;

(iii) the maximum price (exclusive of expenses) which may be paid for any such ordinary share is an amount equal to the higher of: (i) 105% of the average of the middle market quotations for the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid for an ordinary share in the Company on the trading venues where the market purchases by the Company pursuant to the authority conferred by this Resolution 8 will be carried out;

(iv) this authority shall expire on 28 September 2023 or at the conclusion of the annual general meeting of the Company to be held in 2023, whichever is the earlier, unless such authority is renewed, varied or revoked by the Company in general meeting prior to such time; and

(v) the Company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase its ordinary shares in pursuance of any such contract.

Resolution 9—Change of Name

Subject to and conditional upon the conditions for the Merger becoming effective, the registered name of the Company be changed to Shaftesbury Capital PLC.

BY ORDER OF THE BOARD

Ruth Pavey
Company Secretary
7 July 2022

Registered Office:
Regal House
14 James Street
London WC2E 8BU
United Kingdom

Registered in England and Wales No. 07145051

NOTES

1. Shareholders are advised to vote in advance of the General Meeting, either electronically or by appointing the Chair of the General Meeting as a proxy to vote on their behalf in accordance with the instructions set out below, prior to the relevant deadline set out below. South African Shareholders are however reminded of the current postal delays being experienced in South Africa if they wish to submit hard copy forms of proxy.
2. A member who would be entitled under the Companies Act 2006 to attend and vote is entitled to appoint one or more proxies to vote instead of him or her. If you appoint more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by you. In order to be valid, a form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be returned by one of the following methods:

FOR MEMBERS ON THE UNITED KINGDOM SECTION OF THE REGISTER:

- To be valid, your online votes or the form of proxy must be lodged with the Company's registrars by not later than 11.15 am (London time) and 12.15 pm (Johannesburg time) on 27 July 2022 or, if the meeting is adjourned, no later than 48 hours exclusive of non-working days before the time fixed for the adjourned meeting—a form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be returned by one of the methods set out below.
- Electronically through the UK Registrar's website: www.signalshares.com or via the UK Registrar's app LinkVote+. LinkVote+ is free to download and use, gives shareholders the ability to access their shareholding record at any time and allows users to submit a proxy appointment quickly and easily online rather than through the post. The app is available to download on both the Apple App Store and Google Play.
- In hard copy form by post, by courier or by hand to Link Group, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, United Kingdom. Hard copy forms can be requested by calling 0371 664 0300. If you are outside the United Kingdom, please call +44 (0) 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m.—5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
- For CREST members, by utilising the procedure set out below under the heading "FOR CREST MEMBERS ONLY".

FOR MEMBERS ON THE SOUTH AFRICAN SECTION OF THE REGISTER:

- To the South African Registrar by fax to +27 (0)11 688 5238 or by email to proxy@computershare.co.za.
- In hard copy form by post, by courier or by hand to Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) South Africa. Hard copy forms can be requested by calling +27 (0)11 370 5000.
- Members holding their shares in the Strate system via a CSDP or broker must advise their CSDP or broker if they wish to attend the meeting in person or for a proxy to represent them at the General Meeting. Their CSDP or broker will issue them with the necessary letter of representation to be represented at the General Meeting. If members wish to cast their votes, they should provide their CSDP or broker with their voting instructions. In the absence of such instructions, their CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement or mandate between them and their CSDP or broker.
- To be valid, proxies must be received by the Company's registrar no later than 11.15 a.m. (London time) and 12.15 p.m. (Johannesburg time) on 27 July 2022 (48 hours (exclusive of non-working days) before the time of the General Meeting) or, if the meeting is adjourned, 48 hours (exclusive of non-working days) before the time fixed for the adjourned meeting. Where shares are held by a CSDP or broker, proxy voting instructions must be provided in sufficient time to permit the CSDP or broker to advise the South African registrar no later than 48 hours (exclusive

of non-working days) before the time of the General Meeting or any adjournment thereof. Please contact your CSDP or broker for advice as to any earlier final dates for lodgement.

3. **For members on the UK section of the Register**: The Company specifies that only those shareholders registered on the register of members of the Company as at 6.30 p.m. (London time) and 7:30 p.m. (Johannesburg time) on 27 July 2022 shall be entitled to vote on the Resolutions to be put to the aforesaid General Meeting in respect of the number of shares registered in their name at that time or, if the meeting is adjourned, 48 hours (exclusive of non-working days) before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to vote on the Resolutions to be put to the meeting.

   For members on the South African Register: The Company specifies that only those shareholders registered on the South African Register as at 5.00 p.m. (Johannesburg time) on 27 July 2022 shall be entitled to vote on the Resolutions to be put to the aforesaid General Meeting in respect of the number of shares registered in their name at that time or, if the meeting is adjourned, 48 hours (exclusive of non-working days) before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to vote on the Resolutions to be put to the meeting.

4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

5. Holders of shares are entitled to vote on the Resolutions to be put to the General Meeting of the Company. The total number of issued shares in the Company on 5 July 2022, which is the Latest Practicable Date before the publication of this document, is 851,274,235. There are no shares held in treasury. Therefore, the total number of votes exercisable as at 5 July 2022 is 851,274,235. On a vote by show of hands every member who is present has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he or she is the holder. It is proposed that the Resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the Board considers it a more democratic method of voting. It is also in line with recommendations made by the Shareholder Voting Working Group. The results of the poll will be published on the Company's website and notified to the FCA once the votes have been counted and verified.

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

7. A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at www.capitalandcounties.com.

8. Members may not use any electronic address provided in either this Notice of General Meeting or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

For CREST members only:

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting to be held on 29 July 2022 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the Crest Proxy Instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (RA10) by the latest time(s) for receipt of proxy appointments specified in this Notice of General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

11. After this time any change of instructions to a proxy appointed through CREST should be communicated to it by other means. 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. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI 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.

12. 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 or 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 service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

For Proxymity users:

13. A Shareholder, who is an institutional investor, may appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by Link Group (further information regarding Proxymity is available via www.proxymity.io). The proxy must be lodged by the latest time(s) for receipt of proxy appointments specified in this Notice of General Meeting in order to be considered valid. Before an applicable Shareholder appoints a proxy via Proxymity, they will need to have agreed to Proxymity's associated terms and conditions.

Personal Information:

14. The Company will process personal data that Shareholders provide to the Company, including the personal data of a Shareholder's proxy if a proxy is provided. Personal data includes all data provided by Shareholders, or on behalf of Shareholders, which relates to: (1) the Shareholder, including name and contact details, the votes that the Shareholder casts and any other personal data collected by the controller regarding the Shareholder e.g. the Shareholders' reference or identification number; and (2) any person who is identified as a proxy by a Shareholder via a form of proxy, including their name and contact details. The Company will also process personal data of Shareholders and/or their proxy to the extent that Shareholders or their proxy attend meetings held by the Company and the Company documents or makes a recording of these meetings, in which case personal data processed by the Company may include images and audit of the Shareholder or the proxy which may be captured in the form of photographs and/or video and audio recordings. Please note that if Shareholders either provide the personal data of a proxy, or send a proxy to a meeting in their place, the Company requires the Shareholder to communicate this privacy information to such proxy. The Company and any third party to which it discloses data (including the Company's registrars) may process such data for the purposes of maintaining the Company's records, meeting management, managing corporate actions, fulfilling the Company's obligations to Shareholders, fulfilling the Company's legal obligations and communicating with Shareholders. The Company's lawful bases for the processing described above, for the purposes described above, is that the processing is necessary in order for the Company to: (1) fulfil its legitimate interests; and (2) comply with its legal obligations. All of this data will be processed in

accordance with the Company's privacy notice which can be accessed at: www.capitalandcounties.com/privacy-notice.

Notes in relation to the change of name applicable to shareholders on the South African share register

15. It is intended that the Combined Group will be called "Shaftesbury Capital PLC". Subject to the resolution in respect of the change of name being passed at the General Meeting and conditional upon the conditions for the Scheme becoming effective, the registered name of the Company will be changed to Shaftesbury Capital PLC.

16. In accordance with the JSE Listings Requirements, approval was granted by the JSE for the change of name. The abbreviated name of the Company will change to SHBCAP and the share code will change to SHC. The ISIN for the Company will remain the same.

17. The Company will retain all previous trading history on the JSE following the change of name.

18. For a period of not less than one year, the former name of the Company will continue to be reflected on all documents of title beneath the new name of "Shaftesbury Capital PLC". In addition, for a period of not less than one year, the Company will reflect the former name "Capital & Counties Properties PLC" on all announcements and circulars beneath the new name " Shaftesbury Capital PLC" in accordance with the JSE Listings Requirements.

19. The timetable for the implementation of the change of name will be published on SENS once the date on which the Conditions to the Merger are satisfied or, if capable of waiver, waived and once the date on which the Court sanctions the Scheme is known.

20. Subject to the resolution in respect of the change of name being passed at the General Meeting and conditional upon the conditions for the Scheme becoming effective, the Company is required to recall share certificates from certificated shareholders on the South Africa register in order to replace them with share certificates reflecting the change of name.

21. To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the change of name and who do not wish to deal in their existing shares prior to the change of name are requested to surrender their certificates of title, under cover of the form of surrender enclosed with this document, to the SA Transfer Secretaries, at the address set out in that form, prior to the change of name record date.

22. Share certificates so received will be held in trust by the SA Transfer Secretaries pending the change of name becoming unconditional. In the event that the change of name does not become unconditional, the SA Transfer Secretaries will, within five business days, return the share certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.

23. Should the change of name be approved and implemented, shareholders who have not already surrendered their share certificates will be required to do so under cover of the attached form of surrender, which should be retained for that purpose as no further form of surrender will be circulated to shareholders. However, additional copies of the form of surrender may be requested from the SA Transfer Secretaries.

24. Non-resident shareholders

In the case of certificated shareholders whose registered addresses in the South African register are outside the common monetary area (constituting South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), or where the relevant certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:

25. Non-residents who are emigrants from the Common Monetary Area

The replacement share certificate reflecting the change of name will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations and will be credited to their CSDP or broker's account and a "non-resident" annotation will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register. Any new share certificates, dividends and residual cash payments, based on emigrants' shares

controlled in terms of the South African Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such share certificates will be endorsed “non-resident”.

26. All other non-residents

The replacement share certificate reflecting the change of name will be restrictively endorsed “non-resident” in terms of the Exchange Control Regulations.

Dematerialised shareholders are not required to do anything as their accounts at their CSDP or broker will automatically be updated.

FORM OF SURRENDER IN RELATION TO THE CHANGE OF NAME

This form of surrender is for use by shareholders on the South African share register ONLY

CAPITAL & COUNTIES PROPERTIES PLC

(Incorporated and registered in the United Kingdom
and Wales with registration Number 07145051 and
registered in South Africa as an external company
with Registration Number 2010/003387/10)

JSE code: CCO ISIN: GB00B62G9D36

LEI: 549300TTXXZ1SHUI0D54

1. This form of surrender is for use by certificated shareholders on the South African register who will be receiving certificated shares in the Company following the change of name and a completed form of surrender should be sent to the SA Transfer Secretaries.
2. Replacement share certificates will not be sent to shareholders on the South African register unless and until a form of surrender and the documents of title in respect of the relevant shares have been surrendered to the SA Transfer Secretaries.
3. PART A must be completed by all shareholders on the South African register who have not yet dematerialised their share certificates or other documents of title. Dematerialised shareholders must not complete a form of surrender as the appropriate action will be taken by their CSDP or broker.
4. If this form of surrender is received by the SA Transfer Secretaries with the relevant documents of title prior to the change of name becoming effective, it will be treated as a conditional surrender which is made subject to the change of name becoming effective. Such surrendered documents of title will be held in trust by the SA Transfer Secretaries until the change of name becomes effective. In the event that the change of name does not become effective, for any reason whatsoever, the SA Transfer Secretaries will (within five business days after either the date upon which it becomes known that the change of name will not be able to be implemented, or, after subsequent receipt of surrendered documents of title, whichever is the later) return the relevant documents of title to the shareholders concerned, at their risk, by registered post.
5. PART B must be completed by all emigrants from and non-residents of the common monetary area (constituting South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland) who are recorded in the South African register of Capital & Counties Properties PLC and who have not yet dematerialised their documents of title.
6. A separate form of surrender is required for each shareholder.

Please refer to the instructions above and the notes overleaf before completing this form of surrender.

To: Capital & Counties Properties PLC

Care of: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) South Africa

Dear Sirs

I/We, the undersigned, being the registered holder of the number of shares specified below, which are free of encumbrances, hereby surrender the enclosed documents of title identified below in respect of the shares held by me/us in Capital & Counties Properties PLC, subject to the resolution in respect of the change of name being passed at the General Meeting and conditional upon the conditions for the Scheme becoming effective.

I/We hereby instruct you to post a replacement share certificate in respect of the shares surrendered to me, by registered post, at my/our risk, to the address given below, on the terms set out in the document dispatched to shareholders to which this form of surrender was attached. I/We acknowledge that if no address is stated below, the replacement certificate will be sent to my/our address recorded on the relevant sub-register.

My/Our signature(s) on this form of surrender constitutes my/our execution of this instruction.

Signature of shareholder_____ Date_____ 2022.

Surname/Name of corporate body	Stamp and address of agent lodging this form (if any)
First names (in full) (if applicable)	
Title (Dr, Prof, Mr, Mrs, Miss, Ms, etc.)	
Telephone number (_____)	
Cell phone number (_____)	
Assisted by me (if applicable)	
Date	
State full name and capacity	
Postal address (preferably PO Box address) to which replacement certificates should be sent, if other than the address contained in the register of shareholders:	
Postal code:	

PART A—Applicable to all certificated Capital & Counties Properties PLC shareholders on the South African register.

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Capital & Counties Properties PLC shares covered by each certificate	For office use only
	Total		

If you have an account with a broker or CSDP and wish such account to be credited with the entitled shares, and insert the details of such account below:

Name of account holder:
Name of broker:
Name of CSDP:
Account number of broker:
Account number of CSDP:
Telephone number of broker/CSDP
Contact person at the broker / CSDP
SCA account number of broker/CSDP held at Strate

Please note: Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the shares which you are entitled to, in which case your share will be held with Computershare Nominees Proprietary Limited until such time as the correct information is received

PART B—Applicable to all emigrants from and non-residents of the common monetary area who are recorded on the South African register of Capital & Counties Properties PLC.

Nominated authorised dealer in the case of a certificated shareholder who is an emigrant from or non-resident of the common monetary area

(who wish their replacement share certificates to be sent to an authorised dealer in South Africa):

Name of authorised dealer/bank	
Address	
Account number	

Notes:

Completion of this form of surrender (the "form"):

1. If you have any doubt as to how to complete this form, please consult your accountant, attorney, banker, broker or other professional adviser.
2. This form must be completed, signed and sent, together with the relevant share certificate/s and/or other document/s of title to the offices or to the postal address of the SA Transfer Secretaries.
3. Any alteration to or correction on this form must be signed in full and not only initialled.

Return address:

Once completed, this form, together with documents of title surrendered, must be delivered or mailed to the SA Transfer Secretaries at the following addresses, respectively, in an envelope marked "Capital & Counties Properties PLC—Certificates of title":

Hand deliveries to:
Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2196

Postal deliveries to:
Computershare Investor Services
Proprietary Limited
Private Bag X9000
Saxonwold
2132
South Africa

Posting of replacement certificates:

Subject to the resolution in respect of the change of name being passed at the General Meeting and conditional upon the conditions for the Scheme becoming effective as contained in the notice of General Meeting to which this form is attached, certificates reflecting the change of name will be sent to the address provided overleaf (or failing such instruction, to the address of the shareholder concerned as recorded in the relevant sub-register of Capital & Counties Properties PLC by registered post at the risk of the shareholder concerned.)

Instructions:

1. Persons who have acquired certificated shares in Capital & Counties Properties PLC after the date of posting of this document to which this form is attached, can obtain copies of the form and this document from the SA Transfer Secretaries.
2. All certificated shareholders on the South African register completing and returning the form must also surrender all their existing share certificates.
3. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts.
4. Signatories may be called upon for evidence of their authority or capacity to sign this form.
5. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting, unless it has already been noted by the SA Transfer Secretaries or it has been lodged with a broker and this form bears the stamp of that broker.
6. Where the shareholder is a company or a close corporation, unless it has already been registered with the SA Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form must be submitted if so requested by the SA Transfer Secretaries.
7. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign the form.

8. If the shareholder is a deceased estate, this form must be accompanied by a certified copy of the letter of executorship, unless the relevant documents have already been lodged with the transfer secretaries or with a broker and this form bears the stamp of that broker.
9. A minor must be assisted by his/her parent or guardian.

Lost share certificates and/or documents of title:

If a share certificate or other document of title relating to any share in Capital & Counties Properties PLC has been lost or destroyed, the relevant replacement certificate will only be issued upon production of satisfactory evidence that the relevant share certificate or document of title has been lost or destroyed and upon delivery of an indemnity, in a form and on terms and conditions approved by Capital & Counties Properties PLC. Indemnity forms may be requested from the transfer secretaries.

Dematerialised shareholders:

This form is not intended for dematerialised shareholders and such shareholders must not complete this form. Where dematerialised shareholders wish to provide a new address to which share statements are to be posted, such shareholders should contact their CSDP or broker.

South African Exchange Control Regulations:

Shareholders who are emigrants from or non-residents of the common monetary area, whose addresses are recorded in the South African register as outside the common monetary area and whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations should nominate an authorised dealer in PART B of this form as required in terms of the document to which this form is attached. A replacement share certificate will be forwarded to the authorised dealer nominated above for its control. Failing such nomination, any replacement certificate due to such a shareholder will be retained in trust by the transfer secretaries pending instructions from the shareholder concerned and such shareholder shall be responsible for any costs associated with such trust account.

A non-resident shareholder whose documents of title have not been restrictively endorsed should submit such documents of title to the SA Transfer Secretaries. The replacement share certificate will be sent to the address provided on the face of this form, or, failing that, the registered address of the non-resident shareholder concerned as recorded in the sub-register of Capital & Counties Properties PLC.

Replacement share certificates issued will duplicate any restrictive endorsement in terms of the South African Exchange Control Regulations appearing on current documents of title.

HERBERT
SMITH
FREEHILLS

Capital & Counties Properties PLC

and

Capco Investment London (No.7) Scottish Limited Partnership

OFF-MARKET BUYBACK DEED

for the purchase by Capital & Counties Properties PLC
of its own shares

Herbert Smith Freehills LLP

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THIS DEED is made on 2022

BETWEEN:

(1) **CAPITAL & COUNTIES PROPERTIES PLC**, a company incorporated under the laws of England and Wales (registration number 07145051) having its registered office at Regal House, 14 James Street, London, United Kingdom, WC2E 8BU (the "**Company**"); and

(2) **CAPCO INVESTMENT LONDON (NO.7) SCOTTISH LIMITED PARTNERSHIP**, a Scottish Limited Partnership registered under the laws of Scotland (registration number SL035819) having its registered office at c/o Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL (the "**Seller**"),

each a "**Party**" and together the "**Parties**" to this Deed.

RECITALS:

(A) On 16 June 2022 (the "**Announcement Date**"), the boards of the Company and Shaftesbury PLC ("**Shaftesbury**") announced that they had reached an agreement on the terms of a recommended all-share merger of the Company and Shaftesbury ("**Merger**") to form the "**Combined Group**" to be effected by way of a court-sanctioned scheme of arrangement of Shaftesbury under Part 26 of the Companies Act 2006 or by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006 in the circumstances set out in the Co-operation Agreement entered into between the Company and Shaftesbury dated 16 June 2022. Pursuant to the Merger, the Company would acquire the entire issued and to be issued ordinary shares of £0.25 each in Shaftesbury ("**Shaftesbury Shares**") (excluding the Unsecured Existing Capco Shareholding, defined below). Under the terms of the Merger, which will be conditional on the conditions and subject to the full terms and conditions set out in the scheme document or offer document for the Merger, Shaftesbury shareholders (other than in respect of the Unsecured Existing Capco Shareholding) would be entitled to receive ordinary shares of £0.25 each in the Company ("**New Capco Shares**") in accordance with the terms of the Merger.

(B) On 30 November 2020, the Company issued £275,000,000 2.00% 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 the Company and BNY Mellon Corporate Trustee Services Limited (the "**Exchangeable Bonds Trustee**") on 30 November 2020 (the "**Exchangeable Bonds Trust Deed**").

(C) As at the date of this deed, certain subsidiaries of the Company together hold 96,971,003 Shaftesbury Shares in aggregate (the "**Existing Capco Shareholding**").

(D) The Existing Capco Shareholding includes certain Shaftesbury Shares (the "**Secured Existing Capco Shareholding**"), being 38,008,138 Shaftesbury Shares as at close of business on the day before the Announcement Date, which are held by certain subsidiaries of the Company (the "**Original Chargors**") and are subject to security in accordance with 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 Capco's Exchangeable Bonds (including the holders of Capco's Exchangeable Bonds) (the "**Exchangeable Bond Secured Parties**"). The Secured Existing Capco Shareholding constitutes the current "**Exchange Property**" under and as defined in the Exchangeable Bond Conditions. The number of Shaftesbury Shares subject to the Exchangeable Bond Security and comprising the Secured Existing Capco Shareholding can vary depending on, among other things, the amount of dividends declared by Shaftesbury in accordance with the Exchangeable Bond Conditions. The remainder of the Shaftesbury Shares comprising the Existing Capco Shareholding which do not constitute the Secured Existing Capco Shareholding constitute the "**Unsecured Existing Capco Shareholding**".

(E) Each holder of Capco's Exchangeable Bonds has the right, in certain specified circumstances, to exchange its exchangeable bonds for the relevant amount of Shaftesbury Shares comprising the Secured Existing Capco Shareholding (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, the Company may elect to cash settle the exchange option (a "**Cash Election**"), by paying to the relevant holder an amount in cash equal to the value of the number of

Shaftesbury Shares (and/or relevant amount of other property comprised in the Exchange Property at that time) which would otherwise be deliverable, as determined in accordance with the Exchangeable Bond Conditions.

(F) In accordance with the terms of the Merger, it is intended that the Secured Existing Capco Shareholding as at the appropriate record time before completion of the Merger will be subject to the terms of the Merger, and the relevant number of New Capco Shares will be issued in consideration for the transfer to the Company of the Secured Existing Capco Shareholding in accordance with the terms of the Merger (the "**Secured New Capco Shares**"). Based on the maximum authority to allot for the Secured New Capco Shares being sought by the Company as part of the Merger, it is expected that the maximum amount of Secured New Capco Shares on completion of the Merger would be 128,193,087 Secured New Capco Shares. In accordance with the Exchangeable Bond Conditions, the Secured New Capco Shares will replace the Secured Existing Capco Shareholding as the Exchange Property upon completion of the Merger and will be subject to the Exchangeable Bond Security.

(G) 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 of the Merger (as permitted by the Exchangeable Bond Conditions) from the Original Chargors to the Seller. The Seller will hold the Secured Existing Capco Shareholding and (upon replacement of the Secured New Capco Shares for the Secured Existing Capco Shareholding on completion of the Merger) the Secured New Capco Shares subject to a first fixed charge granted by the Seller 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. Thereafter, the number of Secured New Capco Shares which will be subject to the Exchangeable Bond Security may vary depending on, among other things, the amount of dividends declared by the Combined Group in accordance with the Exchangeable Bond Conditions.

(H) The purpose of this Deed is to set out certain matters relating to the Secured New Capco Shares which have been agreed by the Seller and the Company, including the terms on which the Company has the right to repurchase the Secured New Capco Shares from the Seller.

IN THIS DEED IT IS AGREED:

1. DEFINITIONS

Each of the following words and expressions has the following meanings unless expressly stated otherwise:

"**Admission**" means 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;

"**Completion**" means the date of the last Admission;

"**JSE**" means;

(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

(ii) the securities exchange operated by JSE Limited, as the context indicates;

"**London Stock Exchange**" means London Stock Exchange PLC;

"**Main Market**" means the Main Market of the London Stock Exchange for listed securities;

"**Market Value**" means in respect of a share the closing middle market quotations of a share derived from the daily Official List of the London Stock Exchange on the day before payment is due;

"**Official List**" means the official list maintained by the FCA pursuant to Part 6 of the Financial Services and Markets Act 2000 (as amended);

"**Shares**" means the Secured New Capco Shares (as defined in the recitals to this Deed), together with any further shares, stock or other securities in the Company which are derived from the Secured New Capco Shares or which are distributed by the Company in respect of the

Secured New Capco Shares and any shares, stock or other securities for the time being representing the same by reason of any alteration in the share capital of the Company or any amalgamation, reorganisation or reconstruction of the Company, whether or not such shares form part of the Exchange Property or remain subject to the Exchangeable Bond Security at the relevant time.

2. COMPLETION

2.1 The rights and obligations of the Parties under clauses 3 to 7 of this Deed are conditional on the transfer of the Secured Existing Capco Shareholding to the Seller prior to Completion and on Completion occurring, and shall come into effect immediately upon Completion.

3. AGREEMENT NOT TO EXERCISE VOTING RIGHTS

3.1 Unless the Seller otherwise informs the Company in writing, the Seller undertakes to the Company that at all times during the term of this Deed, it shall not attend, speak at or vote at any general meeting of the Company or any class meeting of any shareholders or security holders of the Company or vote on any written resolution of shareholders or security holders of the Company or any classes of shareholders or security holders of the Company in respect of any of the Shares or any other shares or security interests in the Company which it holds or of which it becomes the holder at any time on or after the date of this Deed.

4. DELIVERY OF THE SECURED NEW CAPCO SHARES ON EXERCISE OF AN EXCHANGE RIGHT

4.1 If any holder of Capco's Exchangeable Bonds exercises any Exchange Right and the Company has determined not to exercise its Cash Election in respect of all of the Exchange Property relating to such exercise, the Company may notify the Seller accordingly (an "**Exchange Notice**"). An Exchange Notice shall state the amount of Exchange Property required to be delivered in respect of the exercise of such Exchange Right, the relevant Settlement Date (as defined in the Exchangeable Bond Conditions) and the details required for the Seller to deliver such amount of Exchange Property to the relevant holder of Capco's Exchangeable Bonds on such Settlement Date. The Company may give any number of Exchange Notices.

4.2 In respect of each Exchange Notice, the Seller undertakes, subject to the relevant Exchange Property being released from the Exchangeable Bond Security, to deliver such Exchange Property as specified in such Exchange Notice to the relevant holder of Capco's Exchangeable Bonds set out in such Exchange Notice on the relevant Settlement Date.

4.3 The Company shall pay or otherwise make available to the Seller a sum equal to the Market Value of the Exchange Property to be delivered pursuant to an Exchange Notice or such lesser amount as may be agreed between the Company and the Seller promptly following the delivery of such Exchange Property to the relevant holder of Capco's Exchangeable Bonds on the Settlement Date.

5. SALE AND PURCHASE OF THE SHARES

5.1 At any time when the specified Exchange Property or any specified Shares which do not then form part of the Exchange Property are permitted to be transferred, on the terms of this clause 5, to the Company in accordance with the Exchangeable Bond Conditions, the Company shall be entitled to serve written notice on the Seller ("**Repurchase Notice**"), requiring the Seller to sell and the Company to purchase the Exchange Property or, as the case may be, the Shares, specified in such notice (the "**Repurchase Property**"). The Company may give any number of Repurchase Notices.

5.2 If a Repurchase Notice is served, completion of the sale and purchase of the Repurchase Property specified in any Repurchase Notice shall be conditional upon the Repurchase Property being released from the Exchangeable Bond Security (where applicable) and shall, subject thereto, take place on the date specified in such Repurchase Notice or such other date as may be agreed between the Seller and the Company (the "**Repurchase Completion**" in respect of such Repurchase Property) and the Seller agrees to sell and deliver to the order of the Company, and the Company agrees to purchase, the Repurchase Property at Repurchase Completion.

5.3 The consideration for the purchase of the Repurchase Property specified in any Repurchase Notice shall be a sum equal to the Market Value of the Repurchase Property specified in such Repurchase Notice or such lesser amount as may be agreed between the Company and the Seller, to be paid or otherwise made available by the Company to the Seller at the relevant Repurchase Completion.

5.4 Completion of the purchase of some of the Shares or Exchange Property will not affect the rights of the Company with respect to the purchase of the remainder.

6. SHAREHOLDER AUTHORISATION

The terms of clause 5 of this Deed have been approved by an ordinary resolution of shareholders of the Company in accordance with section 694 of the Companies Act 2006, such authority to expire on the date falling five (5) years after and including the date when such resolution was passed.

7. FURTHER ASSURANCE

Each Party shall do, or procure the doing of, all acts and things and execute, or procure the execution of, all documents as may be reasonably necessary for giving full effect to this Deed.

8. COUNTERPARTS

This Deed may be executed in any number of counterparts, each of which is an original and which together have the same effect as if each Party had signed the same document.

9. THIRD PARTY RIGHTS

Except as otherwise expressly stated herein, nothing in this Deed confers any rights on any person (other than the Parties) pursuant to the Contracts (Rights of Third Parties) Act 1999.

10. JURISDICTION AND GOVERNING LAW

10.1 This Deed and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of England and Wales.

10.2 The Parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Deed or its subject matter or formation (including non-contractual disputes or claims).

This Deed has been entered into and delivered as a deed on the date stated at the beginning of this Deed.

Executed as a Deed by

CAPITAL & COUNTIES PROPERTIES PLC

acting by

_____ .....

(Signature of director)

and

_____ .....

(Signature of director/secretary)

Executed as a Deed by

CAPCO INVESTMENT LONDON (NO.7) SCOTTISH LIMITED PARTNERSHIP

acting by **CAPCO INVESTMENT LONDON (NO.6) LIMITED**, its general partner

_____ .....

(Signature of director)

and

_____ .....

(Signature of director/secretary)

Toppan Merrill, London
22-18974-2