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FOR IMMEDIATE RELEASE

14 September 2021

Recommended Offer for Wm Morrison Supermarkets PLC ("Morrisons") by Market BidCo Limited ("Bidco") (the "CD&R Offer")

Agreement with Pension Trustees
Reinforcement of CD&R's Position as the Partner of Choice to Morrisons' Stakeholders

Clayton, Dubilier & Rice, LLC as manager of Clayton, Dubilier & Rice Funds XI ("CD&R") and Bidco announce that they have reached agreement with the Trustees of the Morrisons Retirement Saver Plan and the Safeway Pension Scheme (together the "Trustees" and the "Schemes") on the terms of a comprehensive mitigation package to provide additional security and covenant support to the Schemes. CD&R and Bidco recognise the responsibility of the ownership of Morrisons and believe that this agreement and the constructive and efficient way it has been delivered by CD&R further reinforces that it will be a good partner to the Trustees and the Schemes' members as well as all Morrisons' stakeholders including management, employees, customers and suppliers.

Further to the announcements on 24 August 2021, CD&R has worked with the Trustees and its advisers to:

- Explain CD&R's proposal for Morrisons, its strategic vision for the business and its intentions for stakeholders;
- Enable the Trustees to build a good understanding of the sponsor covenant following completion of the CD&R Offer; and
- Agree a comprehensive package of measures to provide additional protections to members' benefits under the Schemes and to support the Schemes on their stated journey to "buy out".

The measures that CD&R have agreed with the Trustees for the benefit of the Schemes comprise:

- Additional security to be contributed to the existing pension funding partnership structure in the form of further properties;
- Appropriate top up and release mechanisms of the additional security to ensure the Schemes progress on their established journey towards "buy out"; and
- Enhanced governance provisions for the Schemes and information sharing arrangements with the Trustees to ensure full awareness and alignment among stakeholders.

The process to reach agreement on these measures involved the commitment, support and alignment of CD&R, the Trustees and Morrisons. Following the announcement of the recommended CD&R Offer on 19 August 2021 and consistent with its recognition of the importance of stakeholders to Morrisons, CD&R has prioritised its dialogue with the Trustees and focused on reaching a constructive agreement that all parties support through a positive process. The contractual details of this agreement will be finalised by CD&R, the Trustees and Morrisons ahead of the publication of the scheme document on or around 25 September 2021.

CD&R appreciates the approach and support with which the Trustees and Morrisons have engaged on this important aspect of its proposition to Morrisons and its stakeholders. All parties have moved quickly and with purpose to deliver a positive outcome which will mean that the Schemes are some of the best funded and best supported in the UK. CD&R looks forward to working with the Trustees and Morrisons in future to ensure the Schemes have sufficient and appropriate support.

Based on its reputation for being a trustworthy partner, CD&R has a long history of successfully partnering, developing and caring for the businesses, management, employees and wider stakeholder constituencies in the businesses it which it invests. CD&R believes that its approach to the Trustees and collaboration with Morrisons in this process provides a framework for positive engagement with all other important stakeholders of Morrisons and it looks forward to working with Morrisons and these stakeholders in a similar way as the CD&R Offer progresses and CD&R delivers on its stated intentions.

Commenting on the agreement, Steve Southern, Chairman of the Trustees, said:

"We are pleased with the progress made and CD&R's ability to provide the necessary support and reassurance to the Schemes. CD&R has been proactive in its engagement with the Trustees, with discussions progressing positively and decisively, delivering a positive outcome for all members of Morrisons' pension schemes."

Commenting on the agreement, Sir Terry Leahy, Senior Adviser to CD&R funds, said:

"We are delighted to have reached agreement with the Trustees, providing additional security and covenant support to the Schemes. We thank the Trustees for their constructive engagement, and the positive outcome underscores CD&R's approach as a responsible investor and emphasises the respectful approach CD&R would take to its wider stakeholder responsibilities and commitments."

Enquiries

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In accordance with Rule 26.1, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in restricted jurisdictions, on CD&R's website at www.cdr-inc.com/offer by no later than noon (London time) on the day following this announcement. The content of this website is not incorporated into and does not form part of this announcement.