FOR IMMEDIATE RELEASE.

16 June 2022

Recommended all-share merger of

Capital & Counties Properties PLC and Shaftesbury PLC

to be effected by means of a Scheme of Arrangement of Shaftesbury PLC

under Part 26 of the Companies Act 2006

Summary

- The Boards of Capital & Counties Properties PLC ("**Capco**") and Shaftesbury PLC ("**Shaftesbury**") are pleased to announce that they have reached agreement on the terms of a recommended all-share merger (the "**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, 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.

Key terms

- Under the terms of the Merger, the Scheme Shareholders shall be entitled to receive:

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

- As a result of the Merger, Shaftesbury Shareholders (other than the holders of the Existing Capco Shareholding) will own 53% of the Combined Group and Capco Shareholders will own 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 Last Practicable Date.
- It is intended that the Combined Group will be called Shaftesbury Capital PLC on Completion.
- 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.
- When taken together with the irrevocable undertakings provided by Shaftesbury's Directors and Capco's Directors, this represents total support in aggregate of:
  - 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 Last Practicable Date); and
  - 19.2% of the total votes which could be cast on the Capco Resolutions (other than the Related Party Transaction) as at close of business on the Last Practicable Date.

Background to and reasons for the Merger

- The Merger will bring together two respected real estate companies, 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 £165.5 million and an estimated rental value ("**ERV**") of approximately £218.0 million as at 31 March 2022.
- The Combined Group's portfolio will comprise approximately 670 predominantly freehold buildings with approximately 2.9 million square feet of lettable space across approximately 2,000 commercial and residential units (excluding the Longmartin Joint Venture and Lillie Square Joint Venture). At 31 March 2022, the Combined Group's portfolio comprised:
    - retail: 35% (approximately £1.7 billion) of the portfolio value;
    - hospitality and leisure: 34% (approximately £1.7 billion) of the portfolio value; and
    - offices and residential: 31% (approximately £1.6 billion) of the portfolio value (split as 14% residential and 17% 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.
- By combining both companies' strengths, cultures and values as well as their 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 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 has a shared commitment to becoming Net Zero Carbon by 2030. The objective is to become a UK leader in sustainability for heritage and period properties. Harnessing the skillsets of both teams, the Combined Group will continue to adopt the existing approach to focus on re-using, improving and re-purposing buildings to extend their useful lives and enhance their energy performance credentials.
- The Boards of Capco and Shaftesbury, each having taken independent financial advice, unanimously believe that the Merger is in the best interests of their respective company's shareholders as a whole.

Financial impact of the Merger

- The Combined Group has an estimated EPRA NTA of approximately £3.8 billion and EPRA NTA per share of approximately 207 pence as at 31 March 2022.
- There is significant revenue growth potential over time for the Combined Group as shown by the difference between Annualised Gross Income of approximately £165.5 million and ERV of approximately £218.0 million as at 31 March 2022.
- 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.
- 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, taking into account the Exchange Ratio, estimated transaction costs and the

consolidation of the Existing Capco Shareholding into the Combined Group's EPRA NTA.

- 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 ("**Loan Facility Agreement**") to provide funding certainty in the event that the Shaftesbury Mortgage Bond holders exercise their redemption right following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds is expected to result in increased financing costs for the Combined Group. The Combined Group would seek to mitigate such increased finance costs by capitalising on the increased strength of the Combined Group's balance sheet following Completion.

- The Combined Group 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 Property Income Distribution ("**PID**"). Notwithstanding this, the Combined Group will adopt a progressive dividend policy with the intention to deliver long-term sustainable total returns to shareholders. Dividend payments will be determined having regard to, *inter alia*, growth trends in both underlying and cash earnings, which are expected to be delivered through income growth and cost discipline. To the extent that dividends exceed the amount available to distribute as a PID, the balance will be paid as ordinary dividends.

Governance and Leadership

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

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

- An Executive Committee, which will be responsible for the day-to-day management and operation of the Combined Group, will be established comprising six members. The Chief Executive, Chief Financial Officer and Chief Operating Officer will be joined by Capco's Michelle McGrath, 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 responsible for the Carnaby, Chinatown, Soho and Fitzrovia portfolios; and Shaftesbury's Samantha Bain-Mollison responsible for the Combined Group's leasing.

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

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

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.

Recommendations, irrevocable undertakings and letter of intent

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

- The Shaftesbury Board believes that the terms of the Merger are in the best interests of Shaftesbury Shareholders as a whole and intends unanimously to recommend that Shaftesbury Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Shaftesbury General Meeting which are to be convened to approve the Merger, as the Shaftesbury Directors have irrevocably undertaken to do in respect of the 2,519,849 Shaftesbury Shares currently registered or beneficially held in aggregate by them, as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of (save 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 Last Practicable Date.

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

- The Merger constitutes a Class 1 Transaction and a Related Party Transaction for Capco for the purposes of the Listing Rules and accordingly, Capco will be required to seek the approval of Capco Shareholders for the Merger at the Capco General Meeting. The Capco Board believes that the terms of the Merger are in the best interests of Capco Shareholders as a whole and intends unanimously to recommend that Capco Shareholders vote in favour of the Capco Resolutions to be proposed at the Capco General Meeting which is to be convened to approve the Merger, as the Capco Directors have irrevocably undertaken to do 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 Last Practicable Date.

- 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 Shaftesbury's 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 Last Practicable Date.

- Capco has received an irrevocable undertaking from Norges Bank in respect 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), and a letter of intent from Madison International Realty in respect of 34,783,462 Capco Shares, to vote in favour of the Capco Resolutions to be proposed at the Capco General Meeting. When taken together with the irrevocable undertakings provided by Capco's Directors, this represents total support in aggregate of 163,392,704 Capco Shares, representing in aggregate approximately 19.2% of Capco's issued share capital as at close of business on the Last Practicable Date entitled to vote on the Capco Resolutions other than the Related Party Transaction.

Pre-Completion Dividends

- Capco and Shaftesbury have agreed that they will be entitled to pay certain permitted dividends to their respective shareholders prior to the Effective Date in respect of the period up to 30 September 2022, without any adjustment to the Exchange Ratio, further details of which are set out in the full text of this Announcement.

- If Completion occurs after 31 December 2022, 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.

- Following Completion, the Combined Group will move onto Capco's existing dividend timetable, with the first dividend expected to be in respect of the period from 1 October 2022 to 31 December 2022.

Information on Capco

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

- Capco's landmark Covent Garden estate, which comprises over 1.0 million square feet of lettable space, across 380 lettable units, is a leading retail and dining destination in the heart of central London. The area is home to a wide variety of British, global and independent brands including Apple, Chanel, Tom Ford, Strathberry, Ave Mario, Balthazar and SUSHISAMBA, with upcoming openings from Peloton and Reformation. As at the date of this Announcement, Capco owns 25.2% of the existing share capital of

Shaftesbury. Capco is a Real Estate Investment Trust and its shares are listed on the London Stock Exchange with a secondary listing on the JSE.

- As at 31 March 2022, Capco had approximately £1.8 billion of gross property assets, and its 50% share of gross property assets held in the Lillie Square Joint Venture and related assets were valued at approximately £85 million. On an adjusted basis, updating the 31 December 2021 audited net assets for (i) the 31 March 2022 external valuations and (ii) the market value of the Existing Capco Shareholding in Shaftesbury as at 31 March 2022, Capco's unaudited net assets were approximately £1.8 billion and its unaudited EPRA NTA per Capco Share was approximately 217 pence. The external valuations by CBRE for properties owned by the Capco Group and by JLL for properties owned by the Lillie Square Joint Venture, each as at 31 March 2022, are contained in Appendix 5 to this Announcement.

Capco trading update

- As at 31 March 2022, the external property valuation of Capco's Covent Garden estate was approximately £1.8 billion, representing a like-for-like increase of 2.1% 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 leasing activity and high occupancy levels across all uses.
- Up to 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.
- 10 new brands have recently opened, further strengthening the occupier line-up. These include TAG Heuer, Rails and The Chestnut Bakery. Empresa has opened on Henrietta Street whilst e&e jewellery and Sacred Gold have both opened within the Market Building. Luxury watch brand Tudor, active wear brand Vuori and luxury perfume house Parfums de Marly will open in the coming months, alongside Peloton's European Studio and Watchhouse Coffee adding to the vibrant and rich mix at Covent Garden.

Information on Shaftesbury

- Shaftesbury is a REIT which invests exclusively in the heart of London's West End and is a constituent of the FTSE-250 Index. Focused on hospitality, retail and leisure, its portfolio is mainly in Carnaby, Seven Dials and Chinatown, but also includes substantial ownerships in Opera Quarter and Coliseum, Soho and Fitzrovia.
- Extending to approximately 16.5 acres, following the purchase of a property at 92-104 Berwick Street which completed after 31 March 2022, and comprising approximately 1.9 million square feet of space, across 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.
- 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 had approximately £3.3 billion of gross property assets, and its 50% share of gross property assets held in the Longmartin Joint Venture was valued at approximately £172.8 million. Shaftesbury's unaudited net assets were approximately £2.6 billion and its unaudited EPRA NTA per Shaftesbury Share was approximately 679 pence. The external valuations by Cushman & Wakefield for properties owned by the Shaftesbury Group and by Knight Frank for properties owned by the Longmartin Joint Venture, each as at 31 March 2022, are contained in Appendix 5 to this Announcement.

Timetable and Conditions

- 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, further details of which are contained in the full text of this Announcement. Capco reserves the right to implement the Merger by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement.
- As 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 issue of New Capco Shares to Norges Bank as part of the Merger will constitute a Related Party Transaction between Capco and Norges Bank for the purposes of the Listing Rules. Accordingly, Capco will also be required to seek the approval of Capco Shareholders (excluding Norges Bank) at the Capco General Meeting.
- The Merger is subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. These Conditions include, amongst others:
  - the approval of the Scheme by 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, either in person or by proxy, at the Court Meeting (or at any separate class meeting which may be required by the Court) and the approval of the requisite majority of Shaftesbury Shareholders at the Shaftesbury General Meeting;
  - the approval of the Capco Resolutions at the Capco General Meeting;
  - the CMA issuing a decision that it is not the CMA's intention to make a Phase 2 CMA Reference, with such a decision being issued on an unconditional basis or else conditional on the CMA's acceptance of undertakings which are reasonably satisfactory to Capco and Shaftesbury (or the applicable time period having expired without a Phase 2 CMA Reference) (the "**CMA Condition**");
  - the sanction of the Scheme by the Court; and
  - Admission.
- The Scheme Document will contain full details of the Merger and the Scheme, together with notices of the Court Meeting and Shaftesbury General Meeting and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document will be dispatched to Shaftesbury Shareholders (together with the forms of proxy) within 28 days of this Announcement (unless otherwise agreed by the Panel, Capco and Shaftesbury).
- Capco will prepare and send to Capco Shareholders the Circular summarising the background to and reasons for the Merger which will include a notice convening the Capco General Meeting. It is expected that the Circular will be posted to Capco Shareholders (together with the form of proxy) at the same time as the Scheme Document, with the Capco General Meeting being held at or around the same time as the Shaftesbury General Meeting and the Court Meeting.
- Capco will also be required to produce a Prospectus in connection with Admission. It is expected that the Prospectus, containing information about the New Capco Shares, will be published at or around the same time as the Circular is posted to Capco Shareholders and the Scheme Document is posted to Shaftesbury Shareholders.
- The Scheme is expected to become effective by the end of 2022, subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document.
- An expected timetable of the key events of the Merger will be set out in the Scheme Document.

Commenting on the Merger, Henry Staunton, Chairman of Capco, said:

"As the retiring Chairman of Capco, I am delighted by the prospects offered by the proposed merger with Shaftesbury to shareholders as London's West End continues its recovery. I have every confidence in the ability of the combined management and Board of Shaftesbury Capital to deliver sustainable value growth for shareholders and benefits for broader stakeholders from its unique portfolio of properties."

Commenting on the Merger, Jonathan Nicholls, Chairman of Shaftesbury, said:

"The merger of Shaftesbury and Capco unites two complementary and adjacent real estate portfolios under single ownership. Shaftesbury Capital will own a first-class portfolio in some of the most iconic destinations across London's vibrant West End. The experienced leadership team, with their impressive track record of innovation and curation, should ensure a sustainable and prosperous future for our destinations, the communities they serve and our wider stakeholders. With cost and operational synergies, a strong corporate governance framework, increased scale and greater equity market liquidity, the combination also provides a firm foundation for future value creation for our shareholders.

On behalf of the Shaftesbury Board, I would like to thank Brian Bickell, Simon Quayle and Tom Welton for their truly extraordinary commitment to Shaftesbury over many decades. Their contribution to its success has been beyond measure and they will be leaving the business in a strong position for their successors."

Commenting on the Merger, Ian Hawksworth, Chief Executive of Capco, said:

"The proposed merger is an exciting opportunity to bring together two exceptional property portfolios in London's vibrant and thriving West End. By combining the creativity and knowledge of our talented and experienced management teams to deliver sustained income and value growth Shaftesbury Capital aims to become a leading central London mixed-use REIT.

I am very much looking forward to working with my new and existing colleagues as we continue to curate wonderful places and experiences for our occupiers, visitors, local workers and residents in the heart of one of the world's greatest cities."

Commenting on the Merger, Brian Bickell, Chief Executive of Shaftesbury, said:

"Over the last 36 years, Shaftesbury has built a portfolio of the highest quality and it has been an honour to lead the company as Chief Executive for the last 11 years. As we emerge from the disruption of the pandemic, we are seeing increased confidence and growth once again, demonstrating the resilience of the West End and our locations. The merged business will have an exceptional portfolio, located in popular and busy parts of London's vibrant West End, and an experienced and innovative team drawn from both businesses. I am confident that Shaftesbury Capital will continue to be a major contributor to the success of London's West End as well as an attractive proposition for investors."

This summary should be read in conjunction with, and is subject to, the full text of this Announcement, including its Appendices.

The Merger is subject to the satisfaction or, where applicable, waiver of the Conditions and certain further terms of the Merger set out in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 to this Announcement contains the sources and bases of certain information contained in this summary and this Announcement. Appendix 3 to this Announcement contains details of the irrevocable undertakings and letter of intent received by Capco and by Shaftesbury.

Appendix 4 to this Announcement contains the Quantified Financial Benefits Statement, together with the reports from KPMG, as reporting accountants to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, and Rothschild & Co, as financial adviser to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, as required under Rule 28.1(a) of the Code. Each of KPMG and Rothschild & Co has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in Appendix 4 to this Announcement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Capco Directors and the Proposed Directors.

Appendix 5 to this Announcement contains property valuations supported by valuation reports for each of Capco and Shaftesbury as at 31 March 2022 pursuant to the requirements of Rule 29 of the Code. These property valuation reports will, subject to the requirements of the Code, be reproduced in the Scheme Document and the Prospectus. Each of CBRE, JLL, Cushman & Wakefield and Knight Frank has given and not withdrawn its consent to the publication of its valuation report in this Announcement in the form and context in which it is included.

Appendix 6 to this Announcement contains the definitions of certain terms used in this summary and Announcement.

Analyst and investor presentation

Capco and Shaftesbury will host an in-person briefing, live conference call and webcast for investors and analysts at 8:30am (UK time) today (16th June 2022) to discuss the Merger.

In-person briefing
To register to attend the in-person briefing, which will take place at 8:30am at the offices of UBS, 5 Broadgate, London, EC2M 2QS, please contact Hudson Sandler/RMS Partners/MHP Communications at Rachel.farrington@mhpc.com or by telephone on 07801 894577.

Conference call dial in details
If you are unable to attend the briefing in person, please use the following details to participate in the conference call:

Audience Conference call:	
United Kingdom	0800 640 6441
United Kingdom (Local)	020 3936 2999
All other locations	+44 20 3936 2999
Access code:	156693

Webcast details
To watch via webcast, please register and log in at the following: https://www.investis-live.com/capitalandcounties/62a7050ee862e512003c1234/capw

Enquiries:

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Ian Hawksworth, Chief Executive	
Situl Jobanputra, Chief Financial Officer	
Sarah Corbett, Director of Commercial Finance and Investor Relations	
Rothschild & Co (Lead Financial Adviser and UK Sponsor to Capco)	+44 (0)20 7280 5000
Alex Midgen Peter Everest	
UBS (Joint Financial Adviser and Corporate Broker to Capco)	+44 (0)20 7567 8000
Hew Glyn Davies Jonathan Retter	
Jefferies (Joint Financial Adviser and Corporate Broker to Capco)	+44 (0)20 7029 8000
Philip Noblet Ed Matthews	
Peel Hunt (Joint Corporate Broker to Capco)	+44 (0)20 7418 8900
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Brian Bickell, Chief Executive	
Chris Ward, Chief Financial Officer	
Evercore (Joint Lead Financial Adviser to Shaftesbury)	+44 (0)20 7653 6000
Ed Banks Wladimir Wallaert	
Blackdown Partners (Joint Lead Financial Adviser to Shaftesbury)	+44 (0)20 3807 8484
Peter Tracey Tom Fyson	
Liberum Capital (Joint Financial Adviser and Corporate Broker to Shaftesbury)	+44 (0)20 3100 2000
Richard Crawley Jamie Richards	
J.P. Morgan Cazenove (Joint Financial Adviser and Corporate Broker to Shaftesbury)	+44 (0)20 7742 4000
Paul Pulze	
Saul Leisegang	
RMS Partners (PR Adviser to Shaftesbury)	+44 (0)7958 754 273
Simon Courtenay	
MHP Communications (PR Adviser to Shaftesbury)	+44 (0)20 3128 8613
Oliver Hughes	

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. Java Capital is acting as South African sponsor to Capco.

Herbert Smith Freehills LLP is acting as legal adviser to Capco in connection with the Merger.

Hogan Lovells International LLP is acting as legal adviser to Shaftesbury in connection with the Merger.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer to sell or issue, or any solicitation of an offer to purchase, subscribe for or otherwise acquire, or the solicitation of any offer to dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Capco or Shaftesbury pursuant to the Merger in any jurisdiction in contravention of applicable laws. The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the forms of proxy, will contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger by Shaftesbury Shareholders (including any vote in respect of the Shaftesbury Resolutions to approve the Merger, the Scheme or related matters) should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document).

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom.

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation in respect of each of Capco and Shaftesbury. The person responsible for arranging for the release of this Announcement on behalf of Capco is Ruth Pavey, Company Secretary, and on behalf of Shaftesbury is Desna Martin, Company Secretary.

The Merger will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Shaftesbury will prepare the Scheme Document to be distributed to the Shaftesbury Shareholders. Capco will prepare the Circular to be distributed to Capco Shareholders and will also publish the Prospectus containing information about the New Capco Shares and the Combined Group. Capco and Shaftesbury urge Shaftesbury Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Merger, the New Capco Shares and the Combined Group. Capco urges Capco Shareholders to read the Circular and the Prospectus carefully when they become available because they will contain important information in relation to the Merger and the New Capco Shares.

Any vote in respect of the resolutions to be proposed at the Court Meeting, the Shaftesbury General Meeting or the Capco General Meeting to approve the Merger, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document in the case of Shaftesbury Shareholders, and, in the case of Capco Shareholders, the Circular.

Information Relating to Shaftesbury Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Shaftesbury Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Shaftesbury may be provided to Capco during the offer period as required under Section 4 of Appendix 4 to the Code to comply with Rule 2.11(c) of the Code.

Important Notices Relating to the Financial Advisers and Corporate Brokers

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Capco and no one else in connection with the Merger and will not be responsible to any other person for providing the protections afforded to its clients or for providing advice in connection with Merger, the contents of this Announcement or any other matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Announcement, any statement contained herein, the Merger or otherwise. No representation or warranty, express or implied, is made by Rothschild & Co as to the contents of this Announcement.

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

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

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

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority ("PRA") and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and the PRA, is acting exclusively for Capco and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Merger or any other matter referred to in this announcement.

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.

HSBC Bank plc ("HSBC"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to Capco and no one else in connection with the matters described in this announcement 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 announcement or any matter referred to herein.

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 as financial adviser exclusively for Capco and no one else in connection with the matters described in this Announcement 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 Announcement or any transaction or arrangement referred to herein.

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

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

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

Liberum Capital Limited ("Liberum"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Shaftesbury and no one else in connection with the matters described in this Announcement. Liberum will not regard any other person (whether or not a recipient of this Announcement) as its client in relation to the matters described in this Announcement and will not be responsible to anyone other than Shaftesbury for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein.

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

Overseas jurisdictions

The availability of the New Capco Shares in, and the release, publication or distribution of this Announcement in or into, jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements or restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Shaftesbury Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. Shaftesbury Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay.

This Announcement has been prepared for the purposes of complying with English law, the Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Capco or required by the Code, and permitted by applicable law and regulation, the New Capco Shares to be issued pursuant to the Merger to Shaftesbury Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving *such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Merger will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

The availability of New Capco Shares pursuant to the Merger to Shaftesbury Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Shaftesbury Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to Shaftesbury Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Additional Information for US Investors

Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the law of England and Wales. Neither the proxy solicitation nor the tender offer rules under the US Securities Exchange Act of 1934, as amended, (the "US Exchange Act") will apply to the Scheme. Moreover the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. However, if Capco were to elect to implement the Merger by means of a Takeover Offer, such Takeover Offer would be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Any such Takeover Offer would be made in the United States by Capco and no one else. In addition to any such Takeover Offer, Capco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Shaftesbury outside any such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about any such purchases would be disclosed as required in the UK and, if relevant, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at https://www.londonstockexchange.com/.

Financial information included in this Announcement, the Scheme Document, the Prospectus and the Circular has been or will be prepared in accordance with accounting standards under UK-adopted international accounting standards and in accordance with International Financial Reporting Standards ("IFRS") and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Capco were to implement the Merger by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act (as defined below) and were to extend the offer into the United States, then any such offer would be made in compliance with applicable United States securities laws and regulations.

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

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

This Announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.

Neither the US Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved the Merger, passed upon the fairness of the Merger, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Notes regarding New Capco Shares

The New Capco Shares to be issued pursuant to the Scheme have not been and will not be registered under the US Securities Act of 1933 (as amended) (the "US Securities Act") or under the relevant securities laws of any state or other jurisdiction of the United States or the relevant securities laws of Japan and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada. No prospectus in *relation to the New Capco Shares has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission. Accordingly, the New Capco Shares are not being, and may not be, offered, sold, resold, delivered or distributed, directly or indirectly into or within the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of relevant laws of, or require registration thereof in, such jurisdiction (except pursuant to an exemption, if available, from any applicable registration requirements and otherwise in compliance with all applicable laws).*

The New Capco Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. It is expected that the New Capco Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Capco will advise the Court that its sanctioning of the Scheme will be relied on by Capco for purposes of a Section 3(a)(10) exemption following a hearing on the fairness of the Scheme to Shaftesbury Shareholders.

Rule 2.9 information

In accordance with Rule 2.9 of the Code, Capco confirms that, as at close of business on the Last Practicable Date, it has 851,274,235 ordinary shares of £0.25 each in issue and admitted to trading on the London Stock Exchange and the JSE. The ISIN for the shares is GB00B62G9D36 and the LEI for the shares is 549300TTXXZ1SHUI0D54. Capco currently holds no ordinary shares in treasury.

In accordance with Rule 2.9 of the Code, Shaftesbury confirms that, as at close of business on the Last Practicable Date, it has 384,214,860 ordinary shares of £0.25 each in issue and admitted to trading on the London Stock Exchange. The ISIN for the shares is GB0007990962 and the LEI for the shares is 213800N7LHKFNTDKAT98. Shaftesbury currently holds no ordinary shares in treasury.

Disclosure requirements

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

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

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

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

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

Cautionary note regarding forward-looking statements

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

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Capco nor Shaftesbury, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA), neither Capco or Shaftesbury is under any obligation, and Capco and Shaftesbury expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Rounding

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

No Profit Forecasts or Estimates

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

Quantified Financial Benefits Statement

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

Publication of this Announcement

A copy of this Announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Capco's website at https://www.capitalandcounties.com/investors/investor-information/possible-merger-shaftesbury-plc and Shaftesbury's website at https://www.shaftesbury.co.uk/en/investor-relations/possible-all-share-merger-with-capco/disclaimer.html by no later than 12 noon (London time) on 17 June 2022 (being the first Business Day following the day of this Announcement).

For the avoidance of doubt, the contents of Capco's website and Shaftesbury's website are not incorporated into and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Capco Shareholders may request a hard copy of this Announcement by contacting Capco during business hours on 020 3214 9170 (or, in the case of shareholders resident in South Africa, Java Capital during business hours on +27 081 011 5571). If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Capco Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

In accordance with Rule 30.3 of the Code, Shaftesbury Shareholders may request a hard copy of this Announcement by contacting Desna Martin (Company Secretary) at companysecretary@shaftesbury.co.uk or by calling +44 (0)20 7333 8118. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Shaftesbury Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THE FOLLOWING ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE MERGER AND NEW CAPCO SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT, THE PROSPECTUS AND THE CIRCULAR WHICH ARE PROPOSED TO BE PUBLISHED IN DUE COURSE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

16 June 2022

Recommended all-share merger of

Capital & Counties Properties PLC and Shaftesbury PLC

to be effected by means of a Scheme of Arrangement of Shaftesbury PLC

under Part 26 of the Companies Act 2006

1. Introduction

The Boards of Capital & Counties Properties PLC ("**Capco**") and Shaftesbury PLC ("**Shaftesbury**") are pleased to announce that they have reached agreement on the terms of a recommended all-share merger (the **"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, 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.

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

The Merger will bring together two respected real estate companies, 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 £165.5 million and an estimated rental value ("**ERV**") of approximately £218.0 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:

APPENDIX 1	APPENDIX 2 PORTFOLIO VALUE	APPENDIX 4 ANNUALISED GROSS INCOME (APPROXIMATE)	APPENDIX 5 ERV

	APPENDIX 3 (APPROXIMATE)		**APPENDIX 6 (APPROXIMATE)**
APPENDIX 7 RETAIL	**APPENDIX 8 35%**	**APPENDIX 10 35%**	**APPENDIX 12 35%**

	APPENDIX 9 (£1.7 BILLION)	**APPENDIX 11 (£58.4 MILLION)**	**APPENDIX 13 (£76.2 MILLION)**
APPENDIX 14 HOSPITALITY AND LEISURE	**APPENDIX 15 34%**	**APPENDIX 17 37%**	**APPENDIX 19 34%**

	APPENDIX 16 (£1.7 BILLION)	APPENDIX 18 (£61.0 MILLION)	APPENDIX 20 (£73.4 MILLION)
APPENDIX 21 OFFICES AND RESIDENTIAL	APPENDIX 22 31%	APPENDIX 25 28%	APPENDIX 28 31%

		APPENDIX 23 (£1.6 BILLION)	**APPENDIX 26 (£46.0 MILLION)**	**APPENDIX 29 (£68.4 MILLION)**	

	APPENDIX 24 (SPLIT AS 14% RESIDENTIAL AND 17% OFFICES)	APPENDIX 27 (SPLIT AS 11% RESIDENTIAL AND 17% OFFICES)	APPENDIX 30 (SPLIT AS 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, efficiencies in the Combined Group's operating structure are expected to generate approximately £12 million of pre-tax recurring cost synergies on an annual run-rate basis by the end of the second full year following Completion.

By combining both companies' strengths, cultures and values as well as their talented teams and proven operating and investment models, the Combined Group's management team will take a "best of both" approach to operations with the aim to deliver 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 to generate 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 has a shared commitment to becoming Net Zero Carbon by 2030. The objective is to become a UK leader in sustainability for heritage and period properties. Harnessing the skillsets of both teams, the Combined Group will continue to adopt the existing approach to focus on re-using, improving and re-purposing buildings to extend their useful lives and enhance their energy performance credentials. The Boards of Capco and Shaftesbury, each having taken independent financial advice, unanimously believe that the Merger is in the best interests of their respective company's shareholders as a whole.

2. The Merger

Under the terms of the Merger, which will be conditional on the Conditions and certain further terms set out in Appendix 1 to this Announcement, and subject to the full terms and conditions which will be set out in the Scheme Document, Scheme Shareholders will be entitled to receive:

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

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

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

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 Last Practicable Date. Further details of the Existing Capco Shareholding are contained in paragraph 13 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, further details of which are contained in paragraph 16 below.

The New Capco Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Capco Shares in issue at the time the New Capco Shares are issued pursuant to the Merger, including the right to receive and retain dividends and other distributions 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 as at the date of this Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

In addition to the New Capco Shares received by Scheme Shareholders in connection with the Merger, the Shaftesbury Board will be entitled to pay certain agreed ordinary course Shaftesbury dividends to Shaftesbury Shareholders prior to the Completion without any adjustment to the Exchange Ratio under the terms of the Merger, on the basis set out in paragraph 12 below.

3. Background to and 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 are 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 tones 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 combination brings together the experience and forensic knowledge of the West End and asset management skills of two highly respected teams to drive sustained long-term returns through growth in net rental income and capital values.
- The Combined Group intends to drive occupational demand by placing its occupiers at the heart of the business, targeting best-in-class service, providing differentiated destinations, curating an offer of complementary brands and uses and enhancing the public realm to foster vibrant and thriving places for visitors, workers, residents, businesses and communities, appropriate for each of its locations.
- The greater scale resulting from the combination will provide enhanced opportunities to evolve the occupier mix over time 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 invest in 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 skillsets of both teams 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 structures to extend the useful economic lives of properties is an important aspect of minimising the environmental and carbon impact of the Combined Group's business and its exposure to high costs and risks arising from redevelopment.
- The combination will facilitate a broader relationship with the local community, and other key stakeholders, including occupiers, investors, residents and local authorities.
- Through collaboration with stakeholders, adjoining owners and estates and local authorities, the Combined Group will continue to support the communities both in the areas in which it operates and the wider West End.

Strong governance and entrepreneurial management team

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

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

- The Combined Group will have a strong capital structure with resilience, financial flexibility, efficient access to capital and significant liquidity. The Combined Group's portfolio has a total property value of approximately £5.0 billion as at 31 March 2022.
- The Merger is expected to unlock significant long-term benefits across a range of areas, including the opportunity to enhance the connectivity of Capco's and Shaftesbury's adjacent portfolios. 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 Property Income Distribution ("**PID**"). Notwithstanding this, the Combined Group will adopt a progressive dividend policy with the intention to deliver long-term sustainable total returns to shareholders. Dividend payments will be determined having regard to, *inter alia*, growth trends in both underlying and cash earnings, which are expected to be delivered through income growth and cost discipline. To the extent that dividends exceed the amount available to distribute as a PID, the balance will be paid as ordinary dividends.
- The Combined Group will also benefit from enhanced access to capital in the global equity and debt capital markets to fund value-accretive acquisition, selective development and asset management opportunities, a substantial free float and weighting in relevant benchmark indices.

Financial impact of the Merger

- The Combined Group has an estimated EPRA NTA of approximately £3.8 billion and EPRA NTA per share of approximately 207 pence as at 31 March 2022.

- There is significant revenue growth potential over time for the Combined Group as shown by the difference between Annualised Gross Income of approximately £165.5 million and ERV of approximately £218.0 million as at 31 March 2022.

- 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.

- 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, taking into account the Exchange Ratio, estimated transaction costs and the consolidation of the Existing Capco Shareholding into the Combined Group's EPRA NTA.

- 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 following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds is expected to result in increased financing costs for the Combined Group. 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 Part A of Appendix 4 to this Announcement. These estimated synergies have been reported on under the Code by KPMG, and by Rothschild & Co. Copies of their letters are included in Part B and Part C of Appendix 4. References in this Announcement to those estimated synergies should be read in conjunction with those parts of Appendix 4. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in Appendix 4 to this Announcement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

5. Shaftesbury Board recommendation

The Merger is conditional on the approval of the Scheme at the Court Meeting by Scheme Shareholders who are present and vote (and who are entitled to vote).

Background to, and reasons for, the Shaftesbury Board recommendation

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

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

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

Shaftesbury's Chairman and its four non-executive directors will join the Board of the Combined Group to support the management team in delivering a successful integration of Shaftesbury and Capco and the expected benefits from the Merger. Chris Ward, Shaftesbury's Chief Financial Officer, will join the Board of the Combined Group as the Chief Operating Officer. The Executive Committee will have an equal weighting from former Shaftesbury and Capco personnel, including Andrew Price and Samantha Bain-Mollison, who have been with Shaftesbury for 21 and 10 years, respectively, and who have long been part of Shaftesbury's succession planning.

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

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

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

Shaftesbury Board recommendation

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

The Shaftesbury Board believes that the terms of the Merger are in the best interests of Shaftesbury Shareholders as a whole and intends unanimously to recommend that Shaftesbury Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Shaftesbury General Meeting which are to be convened to approve the Merger, as the Shaftesbury Directors have irrevocably undertaken to do in respect of the 2,519,849 Shaftesbury Shares currently registered or beneficially held in aggregate by them, as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of (save 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 Last Practicable Date. Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

Each of Evercore and Blackdown has given and not withdrawn its consent to the inclusion in this Announcement of reference to its advice to the Shaftesbury Directors in the form and context in which it appears.

6. Capco Board recommendation

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

The Merger constitutes a Class 1 Transaction and a Related Party Transaction for Capco for the purposes of the Listing Rules and accordingly, Capco will be required to seek the approval of Capco Shareholders for the Merger at the Capco General Meeting. The Capco Board believes that the terms of the Merger are in the best interests of Capco Shareholders as a whole and intends unanimously to recommend that Capco Shareholders vote in favour of the Capco Resolutions to be proposed at the Capco General Meeting which is to be convened to approve the Merger, as the Capco Directors have irrevocably undertaken to do 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 the business of the Last Practicable Date. Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

Each of Rothschild & Co, UBS and Jefferies has given and not withdrawn its consent to the inclusion in this Announcement of reference to its advice to the Capco Directors in the form and context in which it appears.

7. 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 13. 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 also has two 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's 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. If all holders of Shaftesbury's 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.

Shaftesbury intends to enter into discussions with the holders of the Shaftesbury Mortgage Bonds following this Announcement to seek consent to make amendments to the terms of the bonds to facilitate that such bonds remain in place following Completion. Based on current market conditions, any drawdown of the Loan Facility Agreement, or restructuring or refinancing of the Shaftesbury Mortgage Bonds is expected to result in increased financing costs for the Combined Group. 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.

Capco has entered into a £576 million Loan Facility Agreement provided by Barclays Bank PLC, BNP Paribas SA and HSBC Bank plc dated 16 June 2022 to support 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 facility has an initial term of 24 months from the date of the Loan Facility Agreement (being 16 June 2022). The interest rate under the Loan Facility Agreement is SONIA plus the applicable margin - being 0.75% per annum initially and increasing to 1.50% per annum for the period from (and including) the earlier of Completion and 31 December 2022 to (and excluding) the date falling 12 months after the date of the Loan Facility Agreement. Thereafter, if the facility has not been refinanced or repaid before the date falling 24 months after the date of the Loan Facility Agreement, the margin increases in six monthly increments up to a maximum of 2.00% per annum. The term of the facility 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 available (at a margin of 3.25%) which requires the approval of each lender in respect of its respective participation in the loans.

The Loan Facility Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, acquisitions), indemnities and events of default, each with appropriate carve-outs and materiality thresholds (where relevant) applicable to the Combined Group. The facility also contains mandatory cancellation and prepayment provisions linked to certain disposals, debt and equity issuances. Further details of the Loan Facility Agreement and these financing arrangements will be included in the Circular, the Prospectus and in the Scheme Document.

It is a condition precedent to the utilisation of the facility that all outstanding amounts under the £125,000,000 secured loan (the "**Secured Loan**") originally entered into on 22 December 2020 between, among others, Capco Investment London (No.3) Limited and Capco Investment London (No.4) Limited as borrowers, HSBC Bank Plc and BNP Paribas SA, London Branch as original lenders and HSBC Bank Plc as facility agent be repaid in full. Capco plans to prepay the Secured Loan in full promptly following the date of this Announcement.

8. Information on Capco

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

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

As at 31 March 2022, Capco had approximately £1.8 billion of gross property assets, and its 50% share of gross property assets held in the Lillie Square Joint Venture and related assets were valued at approximately £85 million. On an adjusted basis, updating the 31 December 2021 audited net assets for (i) the 31 March 2022 external valuations and (ii) the market value of the Existing Capco Shareholding in Shaftesbury as at 31 March 2022, Capco's unaudited net assets were approximately £1.8 billion and its unaudited EPRA NTA per Capco Share was approximately 217 pence. The external valuations by CBRE for properties owned by the Capco Group and by JLL for properties owned by the Lillie Square Joint Venture, each as at 31 March 2022, are contained in Appendix 5 to this Announcement.

Capco trading update

As at 31 March 2022, the external property valuation of Capco's Covent Garden estate was approximately £1.8 billion, representing a like-for-like increase of 2.1% 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 leasing activity and high occupancy levels across all uses.

Up to 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.

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

9. Information on Shaftesbury

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

Extending to approximately 16.5 acres, following the purchase of a property at 92-104 Berwick Street which completed after 31 March 2022, and comprising approximately 1.9 million square feet of space, across 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.

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. There are change of control provisions in the Longmartin Joint Venture documentation which will be triggered by the Merger and may result in Shaftesbury being required to sell its shares in the Longmartin Joint Venture.

As at 31 March 2022, Shaftesbury had approximately £3.3 billion of gross property assets, and its 50% share of gross property assets held in the Longmartin Joint Venture was valued at approximately £172.8 million. Shaftesbury's unaudited net assets were approximately £2.6 billion and its unaudited EPRA NTA per Shaftesbury Share was approximately 679 pence. The external valuations by Cushman & Wakefield for properties owned by the Shaftesbury Group and by Knight Frank for properties owned by the Longmartin Joint Venture, each as at 31 March 2022, are contained in Appendix 5 to this Announcement.

10. Directors, management, employees and head office

Change of name

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

Board of the Combined Group

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

- Jonathan Nicholls, the non-executive Chairman of Shaftesbury, who will become the non-executive Chairman of the Combined Group;
- 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;
- all three of Shaftesbury's other non-executive Directors, being Jennelle Tilling, Ruth Anderson CVO and Helena Coles, who will join the Board of the Combined Group as non-executive Directors; and
- two current Capco non-executive Directors, being Charlotte Boyle and Anthony Steains, who will remain on the Board of the Combined Group as non-executive directors.

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 by three further members, being Capco's Michelle McGrath, 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, responsible for the Carnaby, Chinatown, Soho and Fitzrovia portfolios; and Shaftesbury's Samantha Bain-Mollison, responsible for the Combined Group's leasing.

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

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

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

Management, employees and head office

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

The Combined Group expects employees across both companies to benefit from the greater opportunities arising from being part of the larger Combined Group following Completion. Shaftesbury and Capco recognise that the combination of the skills and experience of the two companies' management and employee teams will be key to optimising the benefits of the Merger for shareholders and stakeholders, and to ensuring the long-term success of the Combined Group. The Combined Group will aim to retain the best talent of 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. 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 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.

Listing

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

REIT Status

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

Post-offer undertakings

None of the statements in this paragraph 10 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

Views of the Shaftesbury Board

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

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

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

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

11. 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 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 Capco and Shaftesbury took their respective decisions based on the scope of each company's shareholder-approved directors' remuneration policy and the applicable share plan rules in order to provide employees, including executive directors, with an outcome that each considered appropriate and equitable as a result of the Merger.

Awards and options granted under each of the plans will vest or become exercisable prior to or upon sanction of the Scheme (as permitted by the rules of the relevant share plan, including the time apportionment provisions, and by applying performance conditions, where applicable, and with post-vesting holding of shares by the directors of the Combined Group). Participants in the Shaftesbury Share Plans 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 Code, where applicable, in due course) and further details shall be set out in the Scheme Document and in the Prospectus and Circular.

The options and awards that will vest, and potential shares that may be issued under the Shaftesbury Share Plans and the Capco Share Plan as set out below have been taken into account by the parties in finalising the Exchange Ratio.

Shaftesbury Share Plans

Of the 3,328,379 Shaftesbury Shares under subsisting options and awards which have been granted under the Shaftesbury 2016 Long-Term Incentive Plan and the Shaftesbury 2016 Deferred Share Bonus Plan as at the date of this Announcement, the Shaftesbury Remuneration Committee has determined (in accordance with the rules of the relevant Shaftesbury Share Plan, including the time apportionment provisions and by applying performance conditions where applicable) that options and awards over up to 1,587,054 Shaftesbury Shares (equivalent to approximately 5,326,153 New Capco Shares at the Exchange Ratio) may vest or be exercisable upon or prior to sanction of the Scheme. Unvested or unexercised options and awards will lapse no more than one month after the Court Order sanctioning the Scheme. In addition, Shaftesbury proposes to grant further options over Shaftesbury Shares with a value of up to £2,529,468 under the Shaftesbury 2016 Deferred Share Bonus Plan to those employees who would have been granted such options in December 2021 in the ordinary course of business but for dealing restrictions relating to the Merger precluding such grants. These options will also vest and become exercisable upon sanction of the Scheme.

For certain restricted share awards granted under the Shaftesbury 2016 Long-Term Incentive Plan, it is intended that, as such awards will not vest in full (and will lapse to the extent not vested), cash bonuses will, subject to leaver provisions, be paid in July 2023 to the award holders in an amount equal to the value of the Shaftesbury Shares to which the unvested portion of the award related, together with cash dividend equivalents. For this purpose, the value of Shaftesbury Shares shall be based on the one month average share price for Shaftesbury Shares prior to the Effective Date.

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

The Scheme will extend to any Shaftesbury Shares which are unconditionally allotted and issued before the Scheme Record Time (and which are not otherwise excluded from the definition of Scheme Shares), including those allotted and issued or transferred to satisfy the vesting or exercise of awards or options granted under the Shaftesbury Share Plans.

The Scheme will not extend to Shaftesbury Shares issued after the Scheme Record Time (which will not, for the avoidance of doubt, constitute Scheme Shares). However, it is proposed that Shaftesbury's articles of association shall be amended at the Shaftesbury General Meeting to provide that, if the Merger becomes Effective, any Shaftesbury Shares issued to any person (other than to Capco, any subsidiary of Capco and/or any of their nominees) on or after the Scheme Record Time (including in satisfaction of an option exercised under one of the Shaftesbury Share Plans) will be automatically transferred to Capco in consideration for the issue of Capco Shares in accordance with the Exchange Ratio.

Capco Share Plans

Of the 11,224,241 Capco Shares under subsisting options and awards which have been granted under the Capco Share Plan, the Capco Remuneration Committee has determined (in accordance with the rules of the Capco Share Plan, including the time apportionment provisions and by applying performance conditions where applicable) that options and awards over up to 6,410,625 Capco Shares may vest or be exercisable upon sanction of the Scheme. In addition, participants holding options granted under the schedule to the Capco Share Plan which provides for market-value options will be offered the opportunity of releasing their options for a cash payment equivalent to the market value of one-third of Capco Shares under such options which vest (on the same basis as the other corresponding Capco Share Plan awards) on sanction of the Scheme. Unvested, unexercised or unreleased options and awards will lapse no more than one month after the Court Order sanctioning the Scheme.

12. 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 this Announcement or subsequently attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

Permitted Shaftesbury Dividends

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

The Shaftesbury Board will be entitled to pay 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**") and expected to be paid on 1 July 2022.

In addition to the Shaftesbury Interim Dividend, 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**"). The Shaftesbury Full Year Dividend would be paid on the earlier date of: (i) the normal payment date for Shaftesbury's year-end dividend expected to be in February 2023 and (ii) a date within 30 Business Days after the Effective Date.

The Shaftesbury Full Year Dividend is to be declared and paid before the Capco Pro Rata Second Interim Dividend (as defined below) is declared and paid to allow for the dividend amount received by Capco in respect of the Shaftesbury Shares held by Capco on the record date to be included in the Capco Pro Rata Second Interim Dividend paid to Capco Shareholders.

Shaftesbury Shareholders on the register of members as at close of business on 10 June 2022 will be entitled to receive the Shaftesbury Interim 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 Effective Date, will be entitled to receive the Shaftesbury Full Year Dividend.

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 this 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 Effective Date an equalisation dividend per Capco Share equal to (i) the amount of the relevant Excess Shaftesbury Dividend (expressed on a pence per Shaftesbury Share basis) divided by (ii) the Exchange Ratio (a "**Capco Equalisation Dividend**"). The Capco Equalisation Dividend, to the extent paid, will be inclusive of Capco's share of the Excess Shaftesbury Dividend and no further payment to Capco Shareholders in respect of Capco's share of the Excess Shaftesbury Dividend will be made. A Capco Equalisation Dividend will, if applicable, also constitute a Permitted Capco Dividend (as defined below).

Permitted Capco Dividends

The Shaftesbury Board has agreed that the Capco Board will be entitled to pay the Capco FY21 Final Dividend (as defined below), the Capco First Interim Dividend (as defined below), the Capco Pro Rata Second Interim Dividend (as defined below) and a Capco Equalisation Dividend, as applicable (together, the "**Permitted Capco Dividends**"), if and to the extent declared and paid in accordance with the terms set out in this Announcement, 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 dividends received by Capco in respect of the 96,971,003 Shaftesbury Shares held by Capco as at close of business on the Last Practicable Date; 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 Effective Date. The Capco Pro Rata Second Interim Dividend will include the pass through of the Shaftesbury Full Year Dividend received by Capco in respect of the 96,971,003 Shaftesbury Shares held by Capco as at close of business on the Last Practicable Date.

Capco Shareholders on the register of members as at close of business on 10 June 2022 will be entitled to receive 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 Effective Date will be entitled to receive the Capco Pro Rata Second Interim Dividend.

If any Return of Value is announced, declared, made, payable or paid in respect of the Capco Shares on or after the date of this 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 Effective Date 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 Q4 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.

The proposed procedure and timings for declaring and paying the dividends set out in this Announcement are indicative only and are expected to be set out in detail in the Scheme Document.

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

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

The Merger will be structured to comply with the terms and conditions of Capco's Exchangeable Bonds. The number of Shaftesbury Shares held by the Capco Group which are secured pursuant to the terms and conditions of Capco's Exchangeable Bonds can vary depending on the amount of dividends declared by Shaftesbury in accordance with the terms and conditions of Capco's Exchangeable Bonds. It is anticipated that the Secured Existing Capco Shareholding as at the Scheme Record Time will be acquired by Capco under the terms of the Scheme and New Capco Shares will be issued to replace the Secured Existing Capco Shareholding as the Exchange Property in accordance with the terms of the Scheme and the terms and conditions of Capco's Exchangeable Bonds. Such New Capco Shares which will form the Exchange Property (the "**Secured New Capco Shares**") will be held by an entity or entities controlled by the Combined Group. This does not impact the Exchange Ratio, which is calculated disregarding the Secured Existing Capco Shareholding and the Unsecured Existing Capco Shareholding.

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 the terms and conditions of Capco's Exchangeable Bonds. 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 216p 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) 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 shares. If bondholders elect to exercise their exchange right where the exchange price is met, the Combined Group will have the ability to deliver Capco Shares or cash to the bondholder; following delivery of the Capco Shares, such shares would become voting in the hands of the bondholder and, as a consequence, the number of shares voting in the Combined Group would increase.

As noted in paragraph 14 below, it is expected that the entities within the Capco Group which hold the Secured Existing Capco Shareholding shall form their own class for the purposes of the Scheme but that a separate class meeting shall not be required, as those entities will irrevocably consent to be bound by the terms of the Scheme.

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

14. 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 Last Practicable Date.

These irrevocable undertakings remain binding if a competing offer for Shaftesbury is made but will cease to be binding 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 Last Practicable Date.

This irrevocable undertaking remains binding if a competing offer for Shaftesbury is made but will cease to be binding 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 Shareholding, which form part of the Scheme Shares, have irrevocably consented to be bound by the terms of the Scheme, and have undertaken to procure that any transferee of such Shaftesbury Shares which is controlled by entities within the Capco Group also irrevocably consents 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 Shareholding 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 Last Practicable Date.

These irrevocable undertakings remain binding if a competing offer for Shaftesbury or Capco is made but will cease to be binding 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 Last 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 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 Last Practicable Date, representing the shares in respect of which votes can be cast in favour of all of the Capco Resolutions.

Further details of these irrevocable undertakings and letter of intent are set out in Appendix 3 to this Announcement.

15. Offer-related arrangements and other arrangements

Confidentiality Agreement

Capco and Shaftesbury have entered into the Confidentiality Agreement 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.

Co-operation Agreement

Capco and Shaftesbury have entered into the Co-operation Agreement, 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, subject to the ability of Capco to proceed by way of a Takeover Offer.

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.

Norges Bank Side Deed

Capco and Norges Bank have entered into a side deed ("**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.

16. Structure of the Merger and Scheme of Arrangement

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.

It is expected that the Scheme Document will be posted to Shaftesbury Shareholders as soon as reasonably practicable and in any event within 28 days of this Announcement.

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 above. 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, 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 referred to in Appendix 1 to this Announcement and to be 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 and returns of value 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 Part 3 of Appendix 1 to this Announcement), 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 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 will be set out in the Scheme Document which is expected to be despatched to Shaftesbury Shareholders as soon as reasonably practicable and in any event within 28 days of this Announcement.

17. Conditions

The Merger will be subject to the Conditions and the further terms set out below and in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, including, amongst other things:

(a) the 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) present and voting, 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;

(b) the passing of all resolutions required to approve and implement the Scheme, including, without limitation, to approve the amendment to the articles of association of Shaftesbury in connection with the implementation of the Scheme and to approve certain related matters by the requisite majority of Shaftesbury Shareholders at the Shaftesbury General Meeting;

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

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

(e) the passing of all resolutions required to approve and implement the Merger, including the Merger as a Class 1 Transaction, the issue of the New Capco Shares and the Related Party Transaction, by the requisite majority of Capco Shareholders at the Capco General Meeting;

(f) the Court Meeting and the Shaftesbury General Meeting being held on or before the 22 day after the expected date of the Court Meeting, which will be set out in the Scheme Document in due course (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 which are reasonably satisfactory to Capco and Shaftesbury (or the applicable time period having expired without 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 will be set out in the Scheme Document in due course; 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 11:59pm 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.

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.

18. Capco Shareholder approval and Prospectus

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 the Capco Shareholders, excluding Norges Bank, of the Related Party Transaction at the Capco General Meeting.

The Capco Directors intend unanimously to recommend Capco Shareholders vote in favour of the Capco Resolutions, as all Capco Directors who hold Capco Shares have irrevocably undertaken to do in respect of their own holdings of, in aggregate, 952,777 Capco Shares (representing approximately 0.11% of the issued share capital of Capco as at close of business on the Last Practicable Date) and in respect of which votes can be cast in favour of all of the Capco Resolutions.

Capco will prepare and send to Capco Shareholders the Circular summarising the background to and reasons for the Merger which will include a notice convening the Capco General Meeting. It is expected that the Circular will be posted to Capco Shareholders (together with the form of proxy) at the same time as the Scheme Document, with the Capco General Meeting being held at or around the same time as the Shaftesbury General Meeting and the Court Meeting.

The Merger is conditional on, among other things, the Capco Resolutions being passed by the requisite majority of Capco Shareholders at the Capco General Meeting.

Capco will also be required to produce a Prospectus in connection with Admission. It is expected that the Prospectus, containing information about the New Capco Shares, will be published at or around the same time as the Circular is posted to Capco Shareholders and the Scheme Document is posted to Shaftesbury Shareholders.

19. 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 Business Day after 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 last Business Day prior to the Effective Date, 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.

20. Settlement, listing and dealing of New Capco Shares

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

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 first Business Day after 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. It is expected that the New Capco Shares will trade under ISIN GB00B62G9D36.

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

Fractions of New Capco Shares will not be allotted or issued pursuant to the Merger, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Capco Shares and all fractions of New Capco Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to the Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny), save that individual entitlements to amounts of less than £5 will be retained for the benefit of the Combined Group.

21. Overseas Shareholders

The availability of the New Capco Shares under the terms of the Merger to persons not resident in or citizens of the United Kingdom ("**Overseas Shareholders**") or the ability of those persons to hold such shares may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. Such persons should inform themselves about and observe any applicable legal and regulatory requirements of their jurisdiction. Shaftesbury Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

This Announcement does not constitute an offer to sell or issue, or the solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in any jurisdiction.

22. Valuations

For the purposes of Rule 29.5 of the Code, the Capco Directors confirm that CBRE has confirmed to them that the valuation of the Capco Group's investment properties (other than its interest in the Lillie Square Joint Venture) as at the date of this Announcement would not be materially different to the valuation provided by CBRE as at 31 March 2022 and contained in CBRE's valuation report set out in Appendix 5.

For the purposes of Rule 29.5 of the Code, the Capco Directors confirm that JLL has confirmed to them that the valuation of the Lillie Square Joint Venture's investment properties as at the date of this Announcement would not be materially different to the valuation provided by JLL as at 31 March 2022 and contained in JLL's valuation report set out in Appendix 5.

For the purposes of Rule 29.5 of the Code, the Shaftesbury Directors confirm that Cushman & Wakefield have confirmed to them that the valuation of the Shaftesbury Group's investment properties (other than its interest in the Longmartin Joint Venture) as at the date of this Announcement would not be materially different to the valuation provided by Cushman & Wakefield as at 31 March 2022 and contained in Cushman & Wakefield's valuation report set out in Appendix 5.

For the purposes of Rule 29.5 of the Code, the Shaftesbury Directors confirm that Knight Frank have confirmed to them that the valuation of the Longmartin Joint Venture's investment properties as at the date of this Announcement would not be materially different from the valuation provided by Knight Frank as at 31 March 2022 and contained in Knight Frank's valuation report set out in Appendix 5.

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

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

For the purposes of Rule 29.6 of the Code, the Capco Directors confirm that in the event that the Capco Group's investment properties (other than its interest in the Lillie Square Joint Venture) were sold at an amount represented by the valuations contained in the valuation reports set out in Appendix 5, any gains arising from the disposal of investment properties used for the purposes of the Capco Group's property rental business would not be chargeable to tax under UK REIT legislation. Although any disposal gains on assets not connected with the Capco Group's property rental business would be chargeable to corporation tax, the Capco Group's only material investment properties not connected with its rental business are its interest in the Lillie Square Joint Venture and, for the purposes of Rule 29.6 of the Code, the Capco Directors would not expect a tax liability to arise on the sale of that interest (including by way of a sale of the underlying properties held by the Lillie Square Joint Venture) based on the valuation of the investment in the Lillie Square Joint Venture in the valuation reports as set out in Appendix 5 and brought forward trading losses.

23. Disclosure of interests in Shaftesbury Shares

As at close of business on the Last Practicable Date:

- 96,971,003 Shaftesbury Shares in aggregate are held by or on behalf of certain members of the Capco Group, which represents approximately 25.2% of Shaftesbury's issued share capital as at close of business on the Last Practicable Date;
- 4,879 Shaftesbury Shares in aggregate are held by or on behalf of Jonathan Lane, his close relatives and related trusts, who are deemed to be acting in concert with Capco for the purposes of the Merger;
- 373,169 Shaftesbury Shares in aggregate are held by or on behalf of certain members of HSBC's group, which represents approximately 0.097% of Shaftesbury's issued share capital as at close of business on the Last Practicable Date;
- Save as set out above, none of the Capco Directors or any other member of the Capco Group, nor, so far as the Capco Directors are aware, any person acting in concert with Capco for the purposes of the Merger had any interest in, right to subscribe for, or had borrowed or lent any Shaftesbury Shares or securities convertible or exchangeable into Shaftesbury Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 to the definition of acting in

concert in the Code, in relation to Shaftesbury Shares or in relation to any securities convertible or exchangeable into Shaftesbury Shares.

24. Documents available on website

Copies of the following documents will shortly be available on Capco's website at https://www.capitalandcounties.com/investors/investor-information/possible-merger-shaftesbury-plc and on Shaftesbury's website at https://www.shaftesbury.co.uk/en/investor-relations/possible-all-share-merger-with-capco/disclaimer.html until the Scheme has become Effective or has lapsed or been withdrawn:

(a) this Announcement;

(b) the irrevocable undertakings and letter of intent listed in Appendix 3 to this Announcement;

(c) the CBRE, JLL, Cushman & Wakefield and Knight Frank valuation reports listed in Appendix 5 to this Announcement;

(d) the Loan Facility Agreement;

(e) the joint investor presentation, dated the same date as this Announcement, prepared by Capco and Shaftesbury in connection with the announcement of the Merger;

(f) the Confidentiality Agreement, the Co-operation Agreement and the Norges Bank Side Deed referred to in paragraph 15 above; and

(g) consent letters from each of KPMG, CBRE, JLL, Cushman & Wakefield, Knight Frank, Rothschild & Co, Evercore, Blackdown, J.P. Morgan Cazenove, Liberum, UBS, Jefferies, Peel Hunt, HSBC, Barclays, BNP Paribas and Java Capital.

25. General

The Merger will be subject to the satisfaction or, where applicable, waiver of the Conditions and on the terms contained in Appendix 1 to this Announcement and on the further terms and Conditions to be set out in the Scheme Document. The Scheme will be governed by English law and subject to the applicable rules and regulations of the London Stock Exchange, the Panel and the FCA.

Appendix 2 to this Announcement contains the sources and bases of certain information contained in this summary and this Announcement. Appendix 3 to this Announcement contains details of the irrevocable undertakings and letter of intent received by Capco and by Shaftesbury.

Appendix 4 to this Announcement contains the Quantified Financial Benefits Statement, together with the reports from KPMG, as reporting accountants to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, and Rothschild & Co, as financial adviser to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, as required under Rule 28.1(a) of the Code. Each of KPMG and Rothschild & Co has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement contained in Appendix 4 to this Announcement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Capco Directors and the Proposed Directors.

Appendix 5 to this Announcement contains property valuations supported by valuation reports for each of Capco and Shaftesbury as at 31 March 2022 pursuant to the requirements of Rule 29 of the Code. These property valuation reports will, subject to the requirements of the Code, be reproduced in the Scheme Document. Each of CBRE, JLL, Cushman & Wakefield and Knight Frank has given and not withdrawn its consent to the publication of its valuation report in this Announcement in the form and context in which it is included.

Appendix 6 to this Announcement contains the definitions of certain terms used in this summary and Announcement.

Further information

This Announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer to sell or issue, or any solicitation of an offer to purchase, subscribe for or otherwise acquire, or the solicitation of any offer to dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Capco or Shaftesbury pursuant to the Merger in any jurisdiction in contravention of applicable laws. The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the forms of proxy, will contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger by Shaftesbury Shareholders (including any vote in respect of the Shaftesbury Resolutions to approve the Merger, the Scheme or related matters) should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document).

This Announcement has been prepared for the purpose of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom.

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation in respect of each of Capco and Shaftesbury. The person responsible for arranging for the release of this Announcement on behalf of Capco is Ruth Pavey, Company Secretary, and on behalf of Shaftesbury is Desna Martin, Company Secretary.

The Merger will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Shaftesbury will prepare the Scheme Document to be distributed to the Shaftesbury Shareholders. Capco will prepare the Circular to be distributed to Capco Shareholders and will also publish the Prospectus containing information about the New Capco Shares and the Combined Group. Capco and Shaftesbury urge Shaftesbury Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Merger, the New Capco Shares and the Combined Group. Capco urges Capco Shareholders to read the Circular and the Prospectus carefully when they become available because they will contain important information in relation to the Merger and the New Capco Shares.

Any vote in respect of the resolutions to be proposed at the Court Meeting, the Shaftesbury General Meeting or the Capco General Meeting to approve the Merger, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document in the case of Shaftesbury Shareholders, and, in the case of Capco Shareholders, the Circular.

Information Relating to Shaftesbury Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Shaftesbury Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Shaftesbury may be provided to Capco during the offer period as required under Section 4 of Appendix 4 to the Code to comply with Rule 2.11(c) of the Code.

Important Notices Relating to the Financial Advisers and Corporate Brokers

Rothschild & Co, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Capco and no one else in connection with the Merger and will not be responsible to any other person for providing the protections afforded to its clients or for providing advice in connection with Merger, the contents of this Announcement or any other matter referred to herein. Neither Rothschild & Co nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this Announcement, any statement contained herein, the Merger or otherwise. No representation or warranty, express or implied, is made by Rothschild & Co as to the contents of this Announcement.

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

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

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

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority ("PRA") and regulated in the United Kingdom by the Financial Conduct Authority ("FCA") and the PRA, is acting exclusively for Capco and no one else in connection with the Merger and will not be responsible to anyone other than Capco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the Merger or any other matter referred to in this announcement.

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.

HSBC Bank plc ("HSBC"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to Capco and no one else in connection with the matters described in this announcement 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 announcement or any matter referred to herein.

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 as financial adviser exclusively for Capco and no one else in connection with the matters described in this announcement 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 announcement or any transaction or arrangement referred to herein.

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

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

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

Liberum Capital Limited ("Liberum"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for Shaftesbury and no one else in connection with the matters described in this Announcement. Liberum will not regard any other person (whether or not a recipient of this Announcement) as its client in relation to the matters described in this Announcement and will not be responsible to anyone other than Shaftesbury for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein.

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

Overseas jurisdictions

The availability of the New Capco Shares in, and the release, publication or distribution of this Announcement in or into, jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements or restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Shaftesbury Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. Shaftesbury Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in the relevant jurisdiction without delay.

This Announcement has been prepared for the purposes of complying with English law, the Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Capco or required by the Code, and permitted by applicable law and regulation, the New Capco Shares to be issued pursuant to the Merger to Shaftesbury Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Merger will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Capco Shares pursuant to the Merger to Shaftesbury Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Shaftesbury Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to Shaftesbury Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Additional Information for US Investors

Shareholders in the United States should note that the Merger relates to the shares of an English company and is proposed to be made by means of a scheme of arrangement provided for under, and governed by, the law of England and Wales. Neither the proxy solicitation nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. However, if Capco were to elect to implement the Merger by means of a Takeover Offer, *such Takeover Offer would be made in compliance with all applicable laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Any such Takeover Offer would be made in the United States by Capco and no one else. In addition to any such Takeover Offer, Capco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Shaftesbury outside any such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made they would be made outside the United States and would comply with applicable law, including the US Exchange Act. Any information about any such purchases would be disclosed as required in the UK and, if relevant, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at https://www.londonstockexchange.com/.*

Financial information included in this Announcement, the Scheme Document, the Prospectus and the Circular has been or will be prepared in accordance with accounting standards under UK-adopted international accounting standards and in accordance with International Financial Reporting Standards ("IFRS") and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. If Capco were to implement the Merger by way of a Takeover Offer in accordance with the terms of the Co-operation Agreement or otherwise in a manner that is not exempt from the registration requirements of the US Securities Act (as defined below) and were to extend the offer into the United States, then any such offer would be made in compliance with applicable United States securities laws and regulations.

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

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

This Announcement does not constitute or form a part of any offer to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States.

Neither the US Securities and Exchange Commission nor any securities commission of any state or other jurisdiction of the United States has approved the Merger, passed upon the fairness of the Merger, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Notes regarding New Capco Shares

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

The New Capco Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration under the US Securities Act, or pursuant to an exemption from, or in a transaction not subject to, such registration requirements and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. It is expected that the New Capco Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Capco will advise the Court that its sanctioning of the Scheme will be relied on by Capco for purposes of a Section 3(a)(10) exemption following a hearing on the fairness of the Scheme to Shaftesbury Shareholders.

Rule 2.9 information

In accordance with Rule 2.9 of the Code, Capco confirms that, as at close of business on the Last Practicable Date, it has 851,274,235 ordinary shares of £0.25 each in issue and admitted to trading on the London Stock Exchange and the JSE. The ISIN for the shares is GB00B62G9D36 and the LEI for the shares is 549300TTXXZ1SHUI0D54. Capco currently holds no ordinary shares in treasury.

In accordance with Rule 2.9 of the Code, Shaftesbury confirms that, as at close of business on the Last Practicable Date, it has 384,214,860 ordinary shares of £0.25 each in issue and admitted to trading on the London

Stock Exchange. The ISIN for the shares is GB0007990962 and the LEI for the shares is 213800N7LHKFNTDKAT98. Shaftesbury currently holds no ordinary shares in treasury.

Disclosure requirements

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

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

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

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

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

Cautionary note regarding forward-looking statements

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

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Capco nor Shaftesbury, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA), neither Capco or Shaftesbury is under any obligation, and Capco and Shaftesbury expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Rounding

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

No Profit Forecasts or Estimates

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

Quantified Financial Benefits Statement

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

Publication of this Announcement

A copy of this Announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Capco's website at https://www.capitalandcounties.com/investors/investor-information/possible-merger-shaftesbury-plc and Shaftesbury's website at https://www.shaftesbury.co.uk/en/investor-relations/possible-all-share-merger-with-capco/disclaimer.html by no later than 12 noon (London time) on 17 June 2022 (being the first Business Day following the day of this Announcement).

For the avoidance of doubt, the contents of Capco's website and Shaftesbury's website are not incorporated into and do not form part of this Announcement.

Requesting hard copy documents

In accordance with Rule 30.3 of the Code, Capco Shareholders may request a hard copy of this Announcement by contacting Capco during business hours on 020 3214 9170 (or, in the case of shareholders resident in South Africa, Java Capital during business hours on +27 081 011 5571). If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Capco Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

In accordance with Rule 30.3 of the Code, Shaftesbury Shareholders may request a hard copy of this Announcement by contacting Desna Martin (Company Secretary) at companysecretary@shaftesbury.co.uk or by calling +44 (0)20 7333 8118. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Shaftesbury Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Merger should be in hard copy form.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

APPENDIX 31

CONDITIONS AND CERTAIN FURTHER TERMS OF THE MERGER

Part 1 : Conditions of the Merger and the Scheme

Scheme approval

1. The Merger will be conditional upon: the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Code, on or before 11.59 p.m. on the Long Stop Date or such later date (if any) as Capco and Shaftesbury may agree and (if required) the Court may allow.

2. The Scheme will be conditional on:

(a)

(i) its approval by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable, unless all members of any such class have consented to be bound by the Scheme) on the register of members at the Voting Record Time present and voting, 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; and

(ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date (if any) as Capco and Shaftesbury may, with the consent of the Panel, agree and, if required, the Court may allow);

(b)

(i) all resolutions required to approve and implement the Scheme, including a special resolution to amend the articles of association of Shaftesbury to provide that (among other things), if the Merger becomes Effective, any Shaftesbury Shares issued to any person on or after the Scheme Record Time (including in satisfaction of an option exercised under one of the Shaftesbury Share Plans) will be automatically transferred to Capco in consideration for the issue of Capco Shares in accordance with the Exchange Ratio as if those Shaftesbury Shares had been Scheme Shares, being duly passed by the requisite majority or majorities of the Shaftesbury Shareholders at the Shaftesbury General Meeting, or at any adjournment thereof; and

(ii) the Shaftesbury General Meeting being held on or before the 22nd day after the expected date of such meetings to be set out in the Scheme Document in due course (or such later date (if any) as Capco and Shaftesbury may, with the consent of the Panel, agree and the Court may approve, if such approval is required);

(c)

(i) the sanction of the Scheme by the Court (with or without modifications, on terms reasonably acceptable to Capco and Shaftesbury) and an office copy of the Court Order being delivered for registration to the Registrar of Companies; and

(ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date to be set out in the Scheme Document in due course (or such later date (if any) as Capco and Shaftesbury may, with the consent of the Panel, agree and the Court may approve, if such approval is required);

Additional Conditions to the Scheme

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

Admission of New Capco Shares

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

(ii) the London Stock Exchange having acknowledged to Capco or its agent (and such acknowledgement not having been withdrawn) that the New Capco Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities;

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

Capco Shareholder approval

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

CMA Phase 1 clearance

(d) The CMA issuing a decision that it is not the CMA's intention to make a Phase 2 CMA Reference, with such a decision being issued on an unconditional basis or else conditional on the CMA's acceptance of undertakings in lieu under Section 73 EA2002 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);

Regulatory clearances and third party clearances

(e) no Third Party having decided to take, instituted, implemented or threatened any action, proceedings, suit, investigation, enquiry or reference, or made, proposed or enacted any statute, regulation, order or decision or taken any other steps (and in each case, not having withdrawn the same) (in each case which would be material in the context of the Wider Shaftesbury Group or the Wider Capco Group in each case taken as a whole) and there not continuing to be outstanding any statute, regulation, order or decision, which would or might reasonably be expected to:

(i) make the Merger or the acquisition of the Shaftesbury Shares, or control of Shaftesbury by Capco void, illegal or unenforceable under the laws of any relevant jurisdiction or otherwise restrict, restrain, prohibit or delay to a material extent or otherwise materially interfere with the implementation thereof, or impose material additional conditions or obligations with respect thereto, or require material amendment thereof or otherwise challenge or interfere therewith the Merger or the acquisition of any of the Shaftesbury Shares, or control of Shaftesbury by Capco;

(ii) require or prevent the divestiture by any member of the Wider Shaftesbury Group or by any member of the Wider Capco Group of all or any material portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses or own any of their assets or property (in any case to an extent which is material in the context of the Wider Shaftesbury Group or the Wider Capco Group, as the case may be, taken as a whole);

(iii) impose any material limitation on or result in a material delay in the ability of any member of the Wider Shaftesbury Group or the Wider Capco Group to acquire or to hold or to exercise effectively any rights of ownership of shares or loans or securities convertible into shares in any member of the Wider Shaftesbury Group or of the Wider Capco Group held or owned by it or to exercise management control over any member of the Wider Shaftesbury Group or of the Wider Capco Group, in each case to an extent which is material in the context of the Wider Shaftesbury Group or the Wider Capco Group, as the case may be, taken as a whole;

(iv) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Capco Group or the Wider Shaftesbury Group to acquire or offer to acquire any shares or other securities in any member of the Wider Shaftesbury Group (other than in connection with the implementation of the Merger); or

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

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

Notifications, waiting periods and Authorisations

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

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

(g) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit or other instrument to which any member of the Wider Shaftesbury Group is a party or by or to which any such member or any of their assets is or may be bound, entitled or be subject to and which, in consequence of the Merger or the acquisition or proposed acquisition of any Shaftesbury Shares, or control of Shaftesbury, by Capco or otherwise, would or might reasonably be expected to result in, to an extent in any such case which is material in the context of the Wider Shaftesbury Group taken as a whole:

(i) any monies borrowed by, or other indebtedness actual or contingent of, any such member of the Wider Shaftesbury Group being or becoming repayable or being capable of being declared immediately or prior to its or their stated maturity or the ability of any such member to borrow monies or incur any indebtedness being inhibited or becoming capable of being withdrawn;

(ii) the creation, save in the ordinary course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member or any such security (whenever arising or having arisen) being enforced or becoming enforceable;

(iii) any such arrangement, agreement, licence or instrument being terminated or adversely modified or any action being taken of an adverse nature or any obligation or liability arising thereunder;

(iv) any assets of any such member being disposed of or charged, or right arising under which any such asset could be required to be disposed of or charged, other than in the ordinary course of business;

(v) the interest or business of any such member of the Wider Shaftesbury Group in or with any firm or body or person, or any agreements or arrangements relating to such interest or business, being terminated or adversely modified or affected;

(vi) any such member ceasing to be able to carry on business under any name under which it presently does so;

(vii) the creation of liabilities (actual or contingent) by any such member other than trade creditors or other liabilities incurred in the ordinary course of business; or

(viii) the financial or trading position of any such member being prejudiced or adversely affected,

and no event having occurred which, under any provision of any arrangement, agreement, licence or other instrument to which any member of the Wider Shaftesbury Group is a party, or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in (i) to (viii) of this Condition (g);

Certain events occurring since 31 March 2022

(h) except as Disclosed, no member of the Wider Shaftesbury Group having, since the 31 March 2022:

(i) issued, agreed to issue or authorised the issue of additional shares or securities of any class, or securities convertible into, or exchangeable for or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities (save as between Shaftesbury and wholly-owned subsidiaries of Shaftesbury and save for options, awards or Shaftesbury Shares granted (in each case in the ordinary course), and for any Shaftesbury Shares allotted or issued upon exercise of options or vesting of awards granted under the Shaftesbury Share Plans, or redeemed, purchased or reduced any part of its share capital;

(ii) sold or transferred or agreed to sell or transfer any Treasury Shares;

(iii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution other than to Shaftesbury or a wholly-owned subsidiary of Shaftesbury (other than the Permitted Shaftesbury Dividends);

(iv) save for intra-Shaftesbury Group transactions or pursuant to the Merger, agreed, authorised, proposed or announced its intention to propose any merger or demerger or acquisition or disposal of assets or shares which are material in the context of the Wider Shaftesbury Group taken as a whole (other than in the ordinary course of trading) or to any material change in its share or loan capital;

(v) save for intra-Shaftesbury Group transactions, issued, authorised or proposed the issue of any debentures or incurred any indebtedness or contingent liability which is material in the context of the Wider Shaftesbury Group taken as a whole;

(vi) save for intra-Shaftesbury Group transactions acquired or disposed of or transferred, mortgaged or encumbered any asset or any right, title or interest in any asset (other than in the ordinary course of trading) in a manner which is material in the context of the Wider Shaftesbury Group taken as a whole;

(vii) entered into or varied or announced its intention to enter into or vary any contract, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term or unusual nature or involves or could involve an obligation of a nature or magnitude, and in either case which is material in the context of the Wider Shaftesbury Group taken as a whole;

(viii) (other than in respect of a member of the Wider Shaftesbury Group which is dormant and was solvent at the time) entered into or proposed or announced its intention to enter into any reconstruction, amalgamation, transaction or arrangement (otherwise than in the ordinary course of business) which is material in the context of the Wider Shaftesbury Group taken as a whole;

(ix) (other than in respect of a member of the Wider Shaftesbury Group which is dormant and was solvent at the time) taken any action nor having had any steps taken or legal proceedings started or threatened against it for its winding-up or dissolution or for it to enter into any arrangement or composition for the benefit of its creditors, or for the appointment of a receiver, administrator, trustee or similar officer of it or any of its assets (or any analogous proceedings or appointment in any overseas jurisdiction);

(x) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

(xi) entered into or varied or made any offer to enter into or vary the terms of any service agreement or arrangement with any of the directors of Shaftesbury otherwise than in the ordinary course of business and consistent with past practice and Shaftesbury's remuneration policy;

(xii) waived, compromised or settled any claim which is material in the context of the Wider Shaftesbury Group taken as a whole; or

(xiii) entered into or made an offer (which remains open for acceptance) to enter into any agreement, arrangement or commitment or passed any resolution with respect to any of the transactions or events referred to in this Condition (h);

No material adverse change

(i) since 31 March 2022, except as Disclosed:

(i) there having been no adverse change in the business, assets, financial or trading position or profits or prospects of any member of the Wider Shaftesbury Group or the Wider Capco Group which, in any such case, is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;

(ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been instituted, announced or threatened by or against or remaining outstanding against any member of the Wider Shaftesbury Group or Wider Capco Group and no enquiry or investigation by or complaint or reference to any Third Party against or in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group having been threatened, announced or instituted or remaining outstanding in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group which in any such case, has, had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole; and

(iii) no contingent or other liability in respect of any member of the Wider Shaftesbury Group or the Wider Capco Group having arisen or been incurred which might reasonably be expected to adversely affect any member of the Wider Shaftesbury Group or the Wider Capco Group in a manner which is material in the context of the Wider Shaftesbury Group taken as a whole or the Wider Capco Group taken as a whole;

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

(j) Capco not having discovered that, save as Disclosed:

(i) the financial, business or other information concerning the Wider Shaftesbury Group which has been disclosed at any time by or on behalf of any member of the Wider Shaftesbury Group whether publicly (by the delivery of an announcement to a Regulatory Information Service) or to Capco or its professional advisers, either contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not misleading;

(ii) any member of the Wider Shaftesbury Group is subject to any liability, contingent or otherwise which is material in the context of the Wider Shaftesbury Group taken as a whole;

(iii) any past or present member of the Wider Shaftesbury Group has not complied with all applicable legislation or regulations of any jurisdiction or any notice or requirement of any Third Party with regard to the storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health which non-compliance would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Shaftesbury Group in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole;

(iv) there has been a disposal, spillage, emission, discharge or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health on, or from, any land or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Shaftesbury Group, or in which any such member may now or previously have had an interest, which would be likely to give rise to any liability (whether actual or contingent) on the part of any member of the Wider Shaftesbury Group in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole; or

(v) there is or is likely to be any obligation or liability (whether actual or contingent) to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Shaftesbury Group or in which any such member may now or previously have had an interest under any environmental legislation or regulation or notice, circular or order of any Third Party in any jurisdiction in each case to an extent which is material in the context of the Wider Shaftesbury Group taken as a whole.

Part 2: Waiver and invocation of Conditions

1. The Conditions contained in paragraphs 1 to 3 inclusive above, and the full terms and conditions which will be set out in the Scheme Document, must be fulfilled, be determined by Capco to be or remain satisfied or (if capable of waiver) be waived by Capco by 11.59 p.m. on the date immediately preceding the Scheme Court Hearing, failing which the Scheme shall lapse.

2. To the extent permitted by law and subject to the requirements of the Panel, Capco reserves the right to waive, in whole or in part, all or any of the Conditions above and to proceed with the Scheme Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions above, except for (i) Conditions 1, 2(a)(i), 2(b)(i), 2(c)(i), and 3(a) - 3(c) (inclusive) which cannot be waived and (ii) Condition 3(d) which can only be waived with the consent of Capco and Shaftesbury. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Capco shall make an announcement by 8.00 am on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition, waived the relevant deadlines or agreed with Shaftesbury to extend the deadline in relation to the relevant Condition.

3. Neither Capco nor Shaftesbury shall be under any obligation to waive or treat as fulfilled any of the Conditions capable of waiver by a date earlier than the latest date specified for the fulfilment thereof, notwithstanding that the other Conditions of the Merger may at such earlier date have been waived or

fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

4. Under Rule 13.5(a) of the Code, Capco may only invoke a Condition to the Merger so as to cause the Merger not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Capco in the context of the Merger. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.

5. Any Condition that is subject to Rule 13.5(a) of the Code may be waived by Capco.

6. The Conditions set out in paragraph 1 (subject to Rule 12) and paragraph 2 of Part 1 of Appendix 1 (and, if applicable, any offer acceptance condition adopted on the basis specified in paragraph 1 of Part 3 below if the Merger is implemented by way of a Takeover Offer) are not subject to Rule 13.5(a) of the Code.

Part 3: Implementation by way of a Takeover Offer

1. Capco reserves the right to elect to implement the Merger by way of a Takeover Offer, subject to the Panel's consent and the terms of the Co-operation Agreement as an alternative to the Scheme. In such event, such offer will (unless otherwise determined by Capco and subject to the consent of the Panel) be implemented on the same terms and conditions, so far as applicable and subject to the terms of the Co-operation Agreement, as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Merger, which may include (without limitation and subject to the consent of the Panel and subject and without prejudice to the terms of the Co-operation Agreement for so long as it is continuing) an acceptance condition that is set at 90% (or such lesser percentage as Capco may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50%) of the voting rights then exercisable at a general meeting of Shaftesbury, including, for this purpose, any such voting rights attaching to Shaftesbury Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances, and to any Treasury Shares which are unconditionally transferred or sold by Shaftesbury, before the Takeover Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. Further, if sufficient acceptances of such offer are received and/or sufficient Shaftesbury Shares are otherwise acquired, it is the intention of Capco to apply the provisions of the Companies Act to acquire compulsorily any outstanding Shaftesbury Shares to which such offer relates.

2. In the event that the Merger is implemented by way of a Takeover Offer, the Shaftesbury Shares acquired shall be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights nor or hereafter attaching or accruing to them, save for the Permitted Shaftesbury Dividends.

Part 4: Certain further terms of the Merger

1. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

2. If Capco is required by the Panel to make an offer for Shaftesbury Shares under the provisions of Rule 9 of the Code, Capco may make such alterations to any of the above conditions as are necessary to comply with the provisions of that Rule.

3. The Scheme and the Merger and any dispute or claim arising out of, or in connection with, them (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the jurisdiction of the Courts of England. The Merger will be made on and subject to the Conditions and further terms set out in this Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. The Merger will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

4. The Shaftesbury Shares will be acquired under the Merger fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made with a record date after the Scheme Record Time, save for the Permitted Shaftesbury Dividends.

5. The availability of the New Capco Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

6. The New Capco Shares to be issued under the Scheme will be issued credited as fully paid and will rank pari passu with the issued ordinary shares in Capco, including the right to receive in full all dividends and other distributions, if any, declared, made or paid with a record date after the Scheme Record Time (other than Permitted Shaftesbury Dividends). Applications will be made to: (i) the FCA for the New Capco Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Capco Shares to be admitted to trading on the Main Market; and (ii) the JSE for the secondary listing and admission to trading of the New Capco Shares on the Main Board of the JSE.

7. The Merger is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

8. Fractions of New Capco Shares will not be allotted or issued pursuant to the Merger, but entitlements of Scheme Shareholders will be rounded down to the nearest whole number of New Capco Shares and all fractions of New Capco Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to the Scheme Shareholders who would otherwise have been entitled to such fractions (rounded down to the nearest penny) save that individual entitlements to amounts of less than £5 will be retained for the benefit of the Combined Group.

APPENDIX 32

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this Announcement, unless otherwise stated or as the context otherwise requires, the following bases and sources have been used:

1. The issued and to be issued share capital of Capco (being 857,684,860 Capco Shares) is calculated as at the Last Practicable Date on the basis of:

    a. 851,274,235 Capco Shares in issue as at the Last Practicable Date; and

    b. 6,410,625 Capco Shares which are expected to be issued after the date of this Announcement on the exercise of options or vesting of awards under the Capco Share Plan (as calculated on the Last Practicable Date), but excluding awards under the schedule to the Capco Share Plan which provides for market-value options as participants will be offered the opportunity of releasing their options for a cash payment equivalent to the market value of one-third of Capco Shares under such options which vest.

2. The issued and to be issued share capital of Shaftesbury (being 385,205,187 Shaftesbury Shares) is calculated as at the Last Practicable Date on the basis of:

    a. 384,214,860 Shaftesbury Shares in issue as at the Last Practicable Date; and

    b. 990,327 Shaftesbury Shares which are expected to be issued after the date of this Announcement on the exercise of options or vesting of awards under the Shaftesbury Share Plans (as calculated on the Last Practicable Date), but excluding awards under the Shaftesbury Sharesave Scheme as an exchange for equivalent Capco awards will be offered and, for the avoidance of doubt, excluding options granted under the Shaftesbury 2016 Deferred Share Bonus Plan which will be settled using existing shares held or to be acquired by Shaftesbury's employee benefit trust.

3. The estimated total issued share capital of the Combined Group of 1,824,998,781 Capco Shares (excluding the New Capco Shares which will be issued to replace the Secured Existing Capco Shareholding, being 38,008,138 Shaftesbury Shares, at the Last Practicable Date, as the Exchange Property under Capco's Exchangeable Bonds) is calculated as at the Latest Practicable Date as: (i) the Shaftesbury issued and to be issued share capital of 385,205,187 Shaftesbury Shares, less the 96,971,003 Shaftesbury Shares owned by Capco, multiplied by (ii) the Exchange Ratio, plus (iii) the issued and to be issued share capital of Capco being 857,684,860 Capco Shares.

4. The estimated total number of shares which are expected to be issued after the date of this Announcement (excluding for the avoidance of doubt the New Capco Shares to be issued on the Merger) consists of the 6,410,625 Capco Shares referred to in 1(b) above (Capco Share Plan) and the 990,327 Shaftesbury Shares (equivalent to 3,323,537 New Capco Shares at the Exchange Ratio) referred to in 2(b) above (Shaftesbury Share Plans).

5. The financial information relating to Capco, unless otherwise stated, has been extracted or derived (without any adjustment) from audited consolidated financial statements of Capco for the year ended 31 December 2021 or the trading update for the period to 31 March 2022, as announced on 16 June 2022.

6. The financial information relating to Shaftesbury, unless otherwise stated, has been extracted or derived (without any adjustment) from:

    a. audited consolidated financial statements of Shaftesbury for the year ended 30 September 2021; and

    b. unaudited consolidated interim financial statements contained in the interim results of Shaftesbury for the six months ended 31 March 2022.

7. The synergy numbers are unaudited. Further information underlying the Quantified Financial Benefits Statement contained in this Announcement is provided in Appendix 4.

8. Property portfolio and valuation information relating to Capco is extracted from the valuation reports produced by CBRE and JLL as set out in Appendix 5 to this Announcement.

9. Property portfolio and valuation information relating to Shaftesbury is extracted from the valuation reports produced by Cushman & Wakefield and Knight Frank as set out in Appendix 5 to this Announcement.

10. For the purposes of Rule 29.1(d) of the Code, an updated valuation of Capco's property portfolio has been obtained. This has been used to calculate Capco's adjusted net assets and Capco's adjusted and unaudited EPRA NTA per Capco Share as at 31 March 2022:

£m unless stated	**Audited financials 31-Dec-21**	**Adjustment for Existing Capco Shareholding as at 31-Mar-22**[2]	**Adjustment for Capco's valuation as at 31-Mar-22**[4]	**Estimated unaudited financials as at 31-Mar-22**
Investment, development & trading properties[1]	1,694.5		37.2	1,731.7
Joint venture	0.3			0.3

Equity Investment[3]	596.4	2.4		598.8
Net debt	(622.0)			(622.0)
Other net assets	117.2			117.2
Net assets	**1,786.4**	**2.4**	**37.2**	**1,826.0**
EPRA adjustments[5]	23.3			23.3
EPRA NTA	**1,809.7**	**2.4**	**37.2**	**1,849.3**
Total shares (million) [6]	851.9			851.9
EPRA NTA per share (pence)	**212.4**			**217.1**

(1) Investment property includes a £42 million deduction in respect of tenant lease incentives and £6.1 million addition for fixed head leases

(2) Represents the increase in the market value of Capco's 25.2% shareholding in Shaftesbury between 31 December 2021 and 31 March 2022

(3) Capco's stake in Shaftesbury adjusted for the market value as at 31 March 2022. This is based on a closing Shaftesbury share price on 31 March 2022 of 618 pence

(4) Represents the revaluation gains following the Valuation per the Rule 29 valuation reports as at 31 March 2022

(5) Adjustments with respect to: (i) fair value of derivative financial instruments (ii) fair value of exchangeable bond option (iii) unrecognised surplus on trading property and (iv) deferred tax

(6) Total diluted shares as at 31 December 2021

11. For the purposes of Rule 29.1(d) of the Code, an up to date valuation of Shaftesbury's property portfolio has been obtained. This has been used to calculate Shaftesbury's net assets and Shaftesbury's EPRA NTA per Shaftesbury Share as at 31 March 2022 as reported in the interim results of Shaftesbury for the six months ended 31 March 2022:

1.	*£m unless stated*	2.	31 March 2022
3.	Investment properties (1)	4.	3,216.6
5.	Investment in joint venture (2)	6.	90.9
7.	Net debt	8.	(755.9)
9.	Other net assets	10.	53.2
11.	**Net assets**	12.	**2,604.8**
13.	EPRA adjustments(3)	14.	11.1
15.	**EPRA NTA**	16.	**2,615.9**
17.	Total shares (million)	18.	385.4
19.	**EPRA NTA per share (pence)**	20.	**679**

(1) Adjustments made to the fair value of the Shaftesbury Group's investment properties to arrive at the book value of £3,216.6 million are set out in note 5 of the interim results of Shaftesbury for the six months ended 31 March 2022

(2) The net asset value of the Shaftesbury Group's investment in the Longmartin Joint Venture of £90.9 million is set out in note 7 of the interim results of Shaftesbury for the six months ended 31 March 2022. Adjustments made to the fair value of the Longmartin Joint Venture's investment properties to arrive at the book value at 31 March 2022 are also set out in note 7 of the interim results of Shaftesbury for the six months ended 31 March 2022.

(3) Adjustments with respect to (i) dilutive effect of share options of £0.7 million and (ii) deferred tax of £10.4 million

12. The Combined Group's EPRA NTA of approximately £3.8 billion is calculated by the addition of the Capco's estimated and unaudited 31 March 2022 EPRA NTA and Shaftesbury's unaudited 31 March 2022 Interim EPRA NTA less the value of Capco's shareholding in Shaftesbury and less the estimated transaction costs of the Merger.

13. The Combined Group's EPRA NTA per share of approximately 207 pence per share is equal to the Combined Group's EPRA NTA of approximately £3.8 billion divided by the estimated total issued share capital of the Combined Group of 1,824,998,781 Capco Shares.

14. The Combined Group's estimated net debt of approximately £1.5 billion is calculated as the Capco 31 March 2022 net debt of approximately £622 million plus the Shaftesbury 31 March 2022 net debt of approximately £756 million (after allowing for estimated transaction costs).

15. LTV is calculated as the Combined Group's estimated net debt of approximately £1.5 billion divided by the 31 March 2022 market value of the Combined Group's property portfolio.

16. The Combined Group portfolio value represents the market value of the wholly owned Capco and Shaftesbury assets as at 31 March 2022, excluding Capco and Shaftesbury's share of joint venture assets.

17. Transaction costs to be incurred by Capco and Shaftesbury in connection with the Merger are currently estimated to amount to approximately 1.6% to 1.7% of the Combined Group's portfolio value. Further details will be set out in the Scheme Document and Prospectus.

18. Certain figures included in this Announcement have been subject to rounding adjustments.

APPENDIX 33

IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

(A) Shaftesbury Directors and Shaftesbury Shareholders

a. Irrevocable undertakings from Shaftesbury Directors

The following Shaftesbury Directors have given irrevocable undertakings to, amongst other things, vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Shaftesbury General Meeting in relation to the following Shaftesbury Shares currently registered or beneficially held by them as well as any further Shaftesbury Shares which they may become the registered or beneficial owner of, save for any Shaftesbury Shares which they acquire pursuant to the exercise of options under the Shaftesbury Sharesave Scheme (to the extent applicable):

APPENDIX 34 NAME	APPENDIX 35 NUMBER OF SHAFTESBURY SHARES	APPENDIX 36 PERCENTAGE OF ISSUED SHARE CAPITAL OF SHAFTESBURY (%)
APPENDIX 37 RICHARD AKERS	APPENDIX 38 14,896	APPENDIX 39 0.004%
APPENDIX 40 RUTH ANDERSON CVO	APPENDIX 41 5,000	APPENDIX 42 0.001%
APPENDIX 43 BRIAN BICKELL	APPENDIX 44 836,539	APPENDIX 45 0.218%
APPENDIX 46 JONATHAN NICHOLLS	APPENDIX 47 57,500	APPENDIX 48 0.015%
APPENDIX 49 SIMON QUAYLE	APPENDIX 50 1,154,139	APPENDIX 51 0.300%
APPENDIX 52 JENNELLE TILLING	APPENDIX 53 12,500	APPENDIX 54 0.003%
APPENDIX 55 CHRISTOPHER WARD	APPENDIX 56 127,104	APPENDIX 57 0.033%
APPENDIX 58 THOMAS WELTON	APPENDIX 59 312,171	APPENDIX 60 0.081%
APPENDIX 61 TOTAL	APPENDIX 62 2,519,849	APPENDIX 63 0.656%

The obligations of the Shaftesbury Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- the Scheme (or Takeover Offer, as applicable) lapses or is withdrawn and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time;
- the Scheme Document (or Offer Document, as applicable) is not posted to Shaftesbury Shareholders within 28 days after the release of this Announcement (or within such longer period as Capco and Shaftesbury may agree, with the consent of the Panel);
- the Scheme (or Takeover Offer, as applicable) has not been declared unconditional in all respects or otherwise become effective prior to the Long Stop Date;
- Capco publicly announces, with the consent of the Panel, that it does not intend to proceed with the Merger and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time; or
- a competing offer is made for Shaftesbury and such competing offer is declared unconditional in all respects or otherwise becomes effective.

b. Irrevocable undertaking in respect of the Secured Existing Capco Shareholding

Capco has undertaken to procure that the members of the Capco Group which hold the Secured Existing Capco Shareholding and which shall constitute a separate class of Shaftesbury Shareholders for the purposes of the Scheme shall irrevocably undertake to Shaftesbury and shall undertake to the Court to be bound by the terms of the Scheme, to be set out in the Scheme Document in due course, and to procure that any transferee of the Secured Existing Capco Shareholding who is a member of the Capco Group shall also so undertake to Shaftesbury and the Court.

c. Irrevocable undertaking from other Shaftesbury Shareholders

The following holders, controllers or beneficial owners of Shaftesbury shares have given an irrevocable undertaking that they shall or shall procure that the registered holder of such Shaftesbury shares shall, amongst other things, vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the Shaftesbury General Meeting (or in the event that the Merger is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in relation to the following Shaftesbury Shares as well as any further Shaftesbury Shares which the relevant holders, controllers or beneficial owners or their subsidiaries become the registered or beneficial owner of or become otherwise interested in:

APPENDIX 64 NAME	APPENDIX 65 NUMBER OF SHAFTESBURY SHARES	APPENDIX 66 PERCENTAGE OF ISSUED SHARE CAPITAL OF SHAFTESBURY (%)
APPENDIX 67 NORGES BANK	APPENDIX 68 98,925,310	APPENDIX 69 25.75%
APPENDIX 70 TOTAL	APPENDIX 71 98,925,310	APPENDIX 72 25.75%

The obligations of Norges Bank under the irrevocable undertaking it has given shall lapse and cease to have effect if, *inter alia*:

- the Scheme lapses or is withdrawn and no new replacement Scheme (to which the undertakings apply) has been publicly announced in accordance with Rule 2.7 of the Code at the same time, or does not become effective on or before the Long Stop Date, provided that the reason is not because Capco has elected to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- Capco announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new replacement scheme or Takeover Offer (to which the relevant undertakings apply) is announced by Capco at the same time.

Additionally, the irrevocable undertaking from Norges Bank will terminate if (i) the board of either party withdraws, adversely modifies or adversely qualifies its recommendation or announces that it is considering doing so; or (ii) the CMA refers the Merger to a Phase 2 investigation.

(B) Capco Directors and Capco Shareholders

a. Irrevocable undertakings from Capco Directors

The following Capco Directors have given irrevocable undertakings to, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in relation to the following Capco Shares currently registered or beneficially held by them as well as any further Capco Shares they may become the registered or beneficial owner of:

APPENDIX 73 NAME	APPENDIX 74 NUMBER OF CAPCO SHARES	APPENDIX 75 PERCENTAGE OF ISSUED SHARE CAPITAL OF CAPCO (%)
APPENDIX 76 HENRY STAUNTON	APPENDIX 77 -	APPENDIX 78
APPENDIX 79 IAN HAWKSWORTH	APPENDIX 80 811,575	APPENDIX 81 0.095
APPENDIX 82 SITUL JOBANPUTRA	APPENDIX 83 62,500	APPENDIX 84 0.007
APPENDIX 85 MICHELLE MCGRATH	APPENDIX 86 40,000	APPENDIX 87 0.005
APPENDIX 88 ANTHONY STEAINS	APPENDIX 89 -	APPENDIX 90
APPENDIX 91 CHARLOTTE BOYLE	APPENDIX 92 15,052	APPENDIX 93 0.002
APPENDIX 94 JONATHAN LANE OBE	APPENDIX 95 23,650	APPENDIX 96 0.003
APPENDIX 97 TOTAL	APPENDIX 98 952,777	APPENDIX 99 0.112

The obligations of the Capco Directors under the irrevocable undertakings they have given shall lapse and cease to have effect if:

- the Circular is not despatched to Capco Shareholders on or before the date agreed by Capco and Shaftesbury or such later time as agreed by the Panel, save that, if Capco subsequently elects to proceed by way of a Takeover Offer, then the deadline for despatching the Circular shall be 28 days after the date of an announcement by Capco announcing the change in structure;
- the Scheme (or Takeover Offer, as applicable) has not been declared unconditional in all respects or otherwise become effective prior to the Long Stop Date;
- Capco publicly announces with the consent of the Panel that it does not intend to proceed with the Merger and no new replacement scheme or Takeover Offer is announced by Capco in accordance with Rule 2.7 of the Code at the same time; or
- a competing offer is made for Shaftesbury and such competing offer is declared unconditional in all respects or otherwise becomes effective.

b. Irrevocable undertaking from other Capco Shareholders

The following holders, controllers or beneficial owners of Capco Shares have given an irrevocable undertaking that they shall or shall procure that the registered holder of such Capco Shares shall, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in respect of which they are entitled to vote in relation to the following Capco Shares as well as any further Capco Shares which the relevant holders, controllers or beneficial owners or their subsidiaries become the registered or beneficial owner of:

APPENDIX 100 NAME	APPENDIX 101 NUMBER OF CAPCO SHARES	APPENDIX 102 PERCENTAGE OF ISSUED SHARE CAPITAL OF CAPCO (%)
APPENDIX 103 NORGES BANK	APPENDIX 104 127,656,465	APPENDIX 105 15.00%
APPENDIX 106 TOTAL	APPENDIX 107 127,656,465	APPENDIX 108 15.00%

The obligations of Norges Bank under the irrevocable undertaking it has given shall lapse and cease to have effect if, *inter alia*:

- the Scheme lapses or is withdrawn and no new replacement Scheme (to which the undertakings apply) has been publicly announced in accordance with Rule 2.7 of the Code at the same time, or does not become effective on or before the Long Stop Date, provided that the reason is not because Capco has elected to proceed by way of a Takeover Offer rather than by way of a Scheme; or
- Capco announces, with the consent of the Panel, that it does not intend to make or proceed with the Merger and no new replacement scheme or Takeover Offer (to which the relevant undertakings apply) is announced by Capco at the same time.

Additionally, the irrevocable undertaking from Norges Bank will terminate if (i) the board of either party withdraws, adversely modifies or adversely qualifies its recommendation or announces that it is considering doing so; or (ii) the CMA refers the Merger to a Phase 2 investigation.

c. Letter of Intent from Capco Shareholders

The following holders, controllers or beneficial owners of Capco Shares have delivered to Capco a non-binding and revocable letter of intent to, amongst other things, vote in favour of the resolutions to be proposed at the Capco General Meeting in relation to the Capco Shares to which they currently hold the voting rights as well as any further Capco Shares in respect of which they become entitled to exercise the voting rights.

APPENDIX 109 NAME	APPENDIX 110 NUMBER OF CAPCO SHARES	APPENDIX 111 PERCENTAGE OF ISSUED SHARE CAPITAL OF CAPCO (%)
APPENDIX 112 MADISON INTERNATIONAL REALTY	APPENDIX 113 34,783,462	APPENDIX 114 4.1%
APPENDIX 115 TOTAL	APPENDIX 116 34,783,462	APPENDIX 117 4.1%

APPENDIX 118

PART A
QUANTIFIED FINANCIAL BENEFITS STATEMENT

Paragraph 4 of this Announcement includes statements of estimated cost synergies arising from the Merger (the "**Quantified Financial Benefits Statement**").

A copy of the Quantified Financial Benefits Statement is set out below:

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.

Reports

As required by Rule 28.1(a) of the Code, KPMG, as reporting accountants to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement, has provided a report stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition, Rothschild & Co as financial adviser to Capco and the Proposed Directors for the purposes of the Quantified Financial Benefits Statement has provided a report stating that, in its opinion, the Quantified Financial Benefits Statement has been prepared with due care and consideration. Copies of these reports are included in Part B and Part C of this Appendix 4.

Each of KPMG and Rothschild & Co has given and not withdrawn its consent to the publication of its reports in the form and context in which they it is included.

Notes

1. The statements of estimated synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.
2. Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting synergies may be materially greater or less than those estimated.
3. No statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Merger, or in any subsequent period, would necessarily match or be greater than or be less than those of Capco and / or Shaftesbury for the relevant preceding financial period or any other period.
4. For the purposes of Rule 28 of the Code, the Quantified Financial Benefits Statement is the responsibility of Capco, the Capco Directors and the Proposed Directors, and not of the Shaftesbury Directors.

PART B

REPORT FROM KPMG

Dear Directors and Proposed Directors

We report on the statement ('the Statement') made by the directors of Capital & Counties Properties PLC and the proposed directors of the enlarged group (together 'the Directors') in Part A of Appendix 4 to the Rule 2.7 Announcement entitled ('the Announcement') to the effect that:

> 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.

This report is required by Rule 28.1(a) of the City Code on Takeovers and Mergers ('the City Code') and is given for the purpose of complying with that requirement and for no other purpose.

Opinion

In our opinion, the Statement has been properly compiled on the basis stated.

The Statement has been made in the context of the disclosures in Appendix 4 to the Announcement setting out, inter alia, the basis of the Directors' belief (including the principal assumptions and sources of information) supporting the Statement and their analysis and explanation of the underlying constituent elements.

Responsibilities

It is the responsibility of the Directors to prepare the Statement in accordance with the requirements of the City Code.

It is our responsibility to form an opinion, as required by Rule 28.1(a) of the City Code as to whether the Statement has been properly compiled on the basis stated 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, 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 Rule 23.2 of the City Code, consenting to its inclusion in the Announcement.

Basis of preparation of the Statement

The Statement has been prepared on the basis stated in Part A of Appendix 4 of the Announcement.

Basis of opinion

We conducted our work in accordance with 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.

We have discussed the Statement, together with the underlying plans, with the Directors and Rothschild & Co. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

1 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 Statement has been properly compiled on the basis stated.

2 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.

We do not express any opinion as to the achievability of the benefits identified by the Directors in the Statement. The Statement is subject to uncertainty as described in the Appendix to the Announcement. Since the Statement relates to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Yours faithfully

KPMG LLP

PART C

REPORT FROM ROTHSCHILD & CO

Dear Capco Directors and Proposed Directors

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the "**Statement**") as set out in Part A of Appendix 4 to this Announcement, for which the Capco Directors and the Proposed Directors are solely responsible under Rule 28 of the City Code on Takeovers and Mergers (the "**Code**").

We have discussed the Statement (including the assumptions and sources of information referred to therein), with the Capco Directors and those officers and employees of Capco who developed the underlying plans, as well as with KPMG. The Statement is subject to uncertainty as described in this Announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by, or on behalf of, Capco, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any opinion as to the achievability of the quantified financial benefits identified by the Capco Directors and the Proposed Directors.

We have also reviewed the work carried out by KPMG and have discussed with them the opinion set out in Part B of Appendix 4 to this Announcement addressed to yourselves on this matter.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Capco or its shareholders or any person other than the Capco Directors and the Proposed Directors in respect of the contents of this letter. We are acting as financial advisers to Capco and no one else in connection with the Merger and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that Capco requested us to prepare this report on the Statement. No person other than the Capco Directors and the Proposed Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its results, or the work undertaken in connection with this letter, or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Capco Directors and the Proposed Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,

N.M. Rothschild & Sons Limited

APPENDIX 119 - VALUATION REPORTS

VALUATION REPORT

Valuation Date: 31st March 2022

In respect of:
Capco's Covent Garden Portfolio

On behalf of:

The Addressees as stated below

CONDENSED VALUATION REPORT

Introduction

Report Date	16 June 2022
Valuation Date	31st March 2022
Addressees	The Directors (as set out below) Capital & Counties Properties PLC Regal House 14 James Street London WC2E 8BU (hereinafter referred to as the "Company") and The Directors Shaftesbury PLC 22 Ganton Street Carnaby London W1F 7FD (hereinafter referred to as "Shaftesbury") N.M. Rothschild & Sons Limited New Court St. Swithin's Lane London EC4N 8AL (in their capacity as Sponsor to the Company) (hereinafter referred to as "Rothschild") Evercore Partners International LLP 15 Stanhope Gate London W1K 1LN (in their capacity as Rule 3 Advisor to Shaftesbury) (hereinafter referred to as "Evercore") (together, the "Addressees")

The Properties

Instruction

Status of Valuer

Purpose and Basis

of Valuation

Market Value

Value of Freehold Properties held for Investment	56	977,770,000	0	977,770,000
Value of Long Leasehold Properties held for Investment	14	0	791,360,000	791,360,000

Portfolios and Aggregation

Report Format

Compliance with

Valuation Standards and the Code

Sustainability

Considerations

Climate Risk Legislation

Assumptions

Variations and/or

Departures from

Standard Assumptions

TN 619.1 Paragraph 53

Previous Involvement

and
Conflicts of
Interest

Disclosure

Responsibility

Reliance

Publication

RICS Registered Valuer	RICS Registered Valuer

SCHEDULE OF ASSETS

7 Garrick Street	London	WC2	Freehold
10-14 Bedford Street	London	WC2	Freehold
10-13 King Street	London	WC2	Leasehold
14 King Street	London	WC2	Freehold
15 King Street	London	WC2	Freehold
16-18 King Street & 28 Bedford Street	London	WC2	Freehold
33 King Street	London	WC2	Freehold
34 King Street	London	WC2	Freehold
Royal Opera House Retail	London	WC2	Leasehold
Sussex Mansions, Maiden Lane	London	WC2	Freehold
28 Maiden Lane	London	WC2	Freehold
23-24 Henrietta Street	London	WC2	Freehold
25-29 Henrietta Street	London	WC2	Leasehold
30-33 Henrietta Street	London	WC2	Freehold
34 Henrietta Street	London	WC2	Freehold
Covent Garden Market	London	WC2	Leasehold
Flat 1, 20 The Piazza	London	WC2	Leasehold
20 The Piazza	London	WC2	Leasehold
11-12 Russell Street	London	WC2	Freehold
10 Russell Street	London	WC2	Freehold
9 Russell Street	London	WC2	Freehold
8 Russell Street	London	WC2	Freehold
49 Wellington Street	London	WC2	Leasehold
4-7 Russell St/45-49 Wellington Street	London	WC2	Leasehold
41-43 Wellington Street	London	WC2	Freehold
33-35 Wellington Street	London	WC2	Freehold
London Transport Museum	London	WC2	Freehold
Jubilee Hall	London	WC2	Leasehold
1a Henrietta Street	London	WC2	Freehold
3 Henrietta Street	London	WC2	Freehold

4 Henrietta Street	London	WC2	Freehold
5-6 Henrietta Street	London	WC2	Freehold
7-8 Henrietta Street	London	WC2	Freehold
9-10 Henrietta Street	London	WC2	Freehold
11 Henrietta Street & 33 Maiden Lane	London	WC2	Freehold
14,15 Henrietta Street & 29 Maiden Lane	London	WC2	Freehold
17-18 Henrietta Street	London	WC2	Freehold
30 Maiden Lane	London	WC2	Freehold
40-41 Maiden Lane	London	WC2	Freehold
42-43 Maiden Lane	London	WC2	Freehold
44 Maiden Lane	London	WC2	Freehold
Tower House	London	WC2	Freehold
Bedford Chambers	London	WC2	Leasehold
40-43 King Street	London	WC2	Freehold
11-12 Floral Street	London	WC2	Freehold
9-10 Floral Street	London	WC2	Freehold
22-23 James Street	London	WC2	Freehold
21 James Street	London	WC2	Freehold
11 James Street	London	WC2	Freehold
Regal House	London	WC2	Freehold
37 King Street	London	WC2	Freehold
8 King Street	London	WC2	Freehold
9 King Street	London	WC2	Freehold
7 King Street	London	WC2	Freehold
13-14 Floral Street	London	WC2	Freehold
Floral Court	London	WC2	Freehold
26 King Street	London	WC2	Freehold
35 King Street and 17-18 Floral Street	London	WC2	Freehold
38 King Street and 15-16 Floral Street	London	WC2	Leasehold
16 Henrietta Street	London	WC2	Freehold

19 Henrietta Street & 35 Bedford Street	London	WC2	Freehold
37 Bedford Street	London	WC2	Freehold
39-40 Bedford Street	London	WC2	Freehold
39 Floral Street	London	WC2	Freehold
37 Floral Street	London	WC2	Freehold
Floral Place	London	WC2	Leasehold
15-17 Long Acre	London	WC2	Leasehold
14 Garrick Street	London	WC2	Freehold
Walter House	London	WC2	Leasehold
158-159 Drury Lane	London	WC2	Freehold

Source of Information and Scope of Works

Sources of Information

The Properties

Inspection	We have previously inspected all the properties within the scope of our instructions from the Company to carry out valuations for financial reporting purposes, under which we carry out external inspections of the properties every year and all properties are subject to internal re-inspection over a three-year period.

In accordance with your instructions, we have not re-inspected the Properties for the purposes of this valuation, except where properties had not been inspected within twelve months of the valuation date.

The Company has confirmed that they are not aware of any material changes to the physical attributes of these properties, since the last inspection. We have assumed this advice to be correct.

	Where properties have not been reinspected, the valuer will not carry out the usual range of enquiries performed during a full inspection of these properties and will make the appropriate assumptions based on the information provided or available that, without a full inspection, cannot be verified. The instructing parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis.
Areas	
Environmental Considerations	

Services and Amenities

Repair and Condition

Town Planning

Titles, Tenures and Lettings

Valuation Assumptions

Introduction

Capital Values

Taxation, Costs and Realisation Costs

VAT

Passing Rent

Net Annual Rent

Estimated Net Annual Rental Value

Rental Values

Fixtures, Fittings and Equipment