

**EXECUTION VERSION**

DATED 1 November 2021

**U AND I GROUP PLC**  
as Target

**LS DEVELOPMENT HOLDINGS LIMITED**  
as Bidco

and

**LAND SECURITIES GROUP PLC**  
as Bidco Parent

**CO-OPERATION AGREEMENT**

relating to the proposed acquisition of U and I Group Plc

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**DATED** 1 November 2021

## **PARTIES**

- (1) **U AND I GROUP PLC** incorporated in England and Wales with registered number 01528784 and whose registered office is at 7a Howick Place, London, United Kingdom, SW1P 1DZ ("**Target**")
- (2) **LS DEVELOPMENT HOLDINGS LIMITED** incorporated in England and Wales with registered number 13692104 and whose registered office is at 100 Victoria Street, London, United Kingdom, SW1E 5JL ("**Bidco**")
- (3) **LAND SECURITIES GROUP PLC** incorporated in England and Wales with registered number 04369054 and whose registered office is at 100 Victoria Street, London, United Kingdom, SW1E 5JL ("**Bidco Parent**")

together referred to as the "**parties**" and each a "**party**" to this Agreement.

## **BACKGROUND**

- (A) Bidco intends to announce, immediately following entry by the parties into this Agreement, a firm intention to make a recommended offer to acquire the entire issued and to be issued share capital of Target (excluding any shares held in treasury) on the terms and subject to the conditions set out in the Press Announcement (as defined below) (the "**Acquisition**").
- (B) The parties intend that the Acquisition will be implemented by means of the Scheme (as defined below), although Bidco reserves the right, subject to the terms and conditions of this Agreement and the Press Announcement, to elect to implement the Acquisition by way of a takeover offer.
- (C) The parties have agreed to take certain steps in relation to, and to effect completion of, the Acquisition (whether by means of the Scheme or a takeover offer) and wish to enter into this Agreement to record their respective obligations relating to such matters.

## **OPERATIVE PROVISIONS**

### **1 DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement (including the recitals and Schedules hereto but excluding Schedule 2 (*Press Announcement*)) the following terms shall have the meanings given to them in this Clause 1.1 unless the context otherwise requires. Terms and expressions used in Schedule 2 (*Press Announcement*) shall have the meanings set out therein.

"**Acceptance Condition**" means, if applicable, the acceptance condition to any Offer as specified in Clause 4.2(a).

"**Acquisition**" has the meaning given to it in Recital (A).

"**Agreed Switch**" has the meaning given to it in Clause 4.1(a).

"**Applicable Law**" means any applicable statute, common law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, policy, guideline, interpretation or rule of common law issued, administered or enforced by

any Relevant Authority, or any judicial or administrative interpretation thereof as from time to time amended, modified, consolidated or re-enacted.

**"Bidco Directors"** means the directors of Bidco from time to time.

**"Bidco Information"** means:

- (a) information relating to Bidco or another member of the Bidder Group;
- (b) any persons acting in concert with Bidco;
- (c) information relating to the financing of the Acquisition;
- (d) any statement regarding Bidco's future plans for the Target Group, its management, employees and pension schemes;
- (e) any statement of opinion, belief or expectation of the Bidco Directors in relation to the Acquisition or in relation to the Target Group following completion of the Acquisition; and
- (f) any other information in the Scheme Document for which an offeror is required to accept responsibility under the Code or Applicable Law.

**"Bidco Responsible Persons"** means each of the individuals (if any) who it is agreed by Bidco with the Panel will take responsibility with the directors of Bidco for the Bidco Information in the Scheme Document.

**"Bidder Group"** means:

- (a) Bidco Parent;
- (b) Bidco; and
- (c) the respective group undertakings of Bidco Parent and/or Bidco.

**"Board Recommendation"** means a unanimous and unqualified recommendation from the Target Directors to the Target Shareholders in respect of the Acquisition:

- (a) to vote in favour of the resolutions to be proposed at the Court Meeting and the resolutions relating to the Acquisition to be proposed at the General Meeting; or
- (b) if Bidco elects to implement the Acquisition by means of an Offer in accordance with the terms of this Agreement, to accept the Offer.

**"Business Day"** means any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business.

**"Code"** means the UK City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel.

**"Companies Act"** has the meaning given to it in the Press Announcement.

**"Competing Proposal"** means:

- (a) other than pursuant to Rule 2.4 or 2.7 of the Code, an offer, exchange, tender offer, merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination for the proposed acquisition directly or indirectly of 30 per cent. or more of the issued and to be issued ordinary share capital of Target made by or on behalf of a Third Party (when aggregated with the shares held in Target by any such Third Party and/or any person acting or presumed or deemed to be acting in concert with such Third Party);
- (b) any arrangement or series of arrangements which results in a Third Party acquiring, consolidating or increasing their "control" of Target (as such term is defined in the Code);
- (c) a scheme of arrangement between Target and some or all of its members under Part 26 of the Companies Act, the effect of which is or would be to vest "control" (as such term is defined in the Code) of Target in a Third Party;
- (d) any transaction whereby a Third Party seeks to acquire directly or indirectly all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Target Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (e) the liquidation, demerger or disposal of a significant proportion (being 30 per cent. or more, calculated by reference to the Target Group's profits, revenue or value taken as a whole) of the business, assets or undertakings of the Target Group to any Third Party.

**"Conditions"** means:

- (a) for so long as the Acquisition is being implemented by means of a Scheme, the terms and conditions to the implementation of the Scheme and the Acquisition set out in Appendix 1 to the Press Announcement; and
- (b) for so long as the Acquisition is being implemented by means of an Offer, the terms and conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition, and as may be further amended by Bidco with the consent of the Panel (and in the case of an Agreed Switch, for so long as there is a Board Recommendation, with the consent of Target).

**"Confidentiality Agreement"** has the meaning given to it in the Press Announcement.

**"Court"** has the meaning given to it in the Press Announcement.

**"Court Meeting"** has the meaning given to it in the Press Announcement.

**"Court Order"** means the order of the Court sanctioning the Scheme under section 899 of the Companies Act.

**"Day 60"** has the meaning given to it in Clause 4.2(d).

**"Effective Date"** means either:

- (a) if the Acquisition is implemented by way of the Scheme, the date on which the Scheme becomes effective pursuant to its terms; or

- (b) if the Acquisition is implemented by way of the Offer, the date on which the Offer is declared or becomes unconditional in accordance with the requirements of the Code.

**"FCA"** has the meaning given to it in the Press Announcement.

**"Initial Provisions"** means Clause 1 (*Definitions and interpretation*), Clause 2.1, Clause 8 (*Warranties, liability and Bidco Parent responsibility*) to Clause 13 (*Notices*) (inclusive), Clause 15 (*General*) and Clause 16 (*Governing law and jurisdiction*).

**"General Meeting"** has the meaning given to it in the Press Announcement.

**"holder"** means a registered holder.

**"Listing Rules"** means the listing rules of the FCA made under Part VI of the Financial Services and Markets Act 2000.

**"Long Stop Date"** has the meaning given to it in the Press Announcement.

**"Offer"** means, if Bidco decides to implement the Acquisition by way of a contractual takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco for the entire issued and to be issued share capital of Target and including, where the context so requires, any subsequent variation, revision, extension or renewal thereof.

**"Offer Document"** means the document to be posted to Target Shareholders (and, as required, others) which will contain, *inter alia*, the terms and conditions of the Offer should the Acquisition be implemented by way of an Offer.

**"Panel"** has the meaning given to it in the Press Announcement.

**"Personnel"** means in relation to any person, its board of directors, officers, employees, staff, agents and representatives and professional advisers.

**"Press Announcement"** means the announcement to be issued by Bidco pursuant to Rule 2.7 of the Code of a firm intention to implement the Acquisition, in the agreed form set out in Schedule 2 (*Press Announcement*).

**"Reconfirmation"** means an announcement by the Target Directors that they continue to make the Board Recommendation.

**"Regulatory Condition"** means any Condition which is an official authorisation or regulatory clearance for the purposes of the Code.

**"Regulatory Information Service"** has the meaning given to it in the Press Announcement.

**"Relevant Authority"** means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), or any entity owned or controlled by them, including, without limitation, the Panel, the FCA, the UK Competition and Markets Authority and the European Commission.

**"Scheme"** means the proposed scheme of arrangement under Part 26 of the Companies Act between Target and the Scheme Shareholders to implement the Acquisition, subject to such changes as may be approved or imposed by the Court and agreed between Target and Bidco.

**"Scheme Conditions"** means the conditions referred to in Paragraph 2 of Part A of Appendix 1 to the Press Announcement.

**"Scheme Court Hearing"** has the meaning given to it in the Press Announcement.

**"Scheme Document"** means the document to be posted to Target Shareholders (and, as required, others) in connection with the Acquisition if the Acquisition is effected by way of the Scheme, containing, *inter alia*, the particulars required by section 897 of the Companies Act, the notice of the Court Meeting and the notice of the General Meeting.

**"Scheme Shares"** has the meaning given to it in the Press Announcement.

**"Scheme Shareholders"** means the holders of Scheme Shares.

**"Switch"** has the meaning given to it in Clause 4.1.

**"Target Board Adverse Change"** means:

- (a) if Target makes an announcement prior to the publication of the Scheme Document or (if different) the document convening the General Meeting that:
  - (i) the Target Directors no longer intend to make a Board Recommendation or intend adversely to modify or qualify such recommendation of the Acquisition;
  - (ii) (other than where a Switch has occurred) it will not convene the Court Meeting or the General Meeting; or
  - (iii) (other than where a Switch has occurred) it intends not to post the Scheme Document or (if different) the document convening the General Meeting;
- (b) if Target makes an announcement that it will delay the convening of, or will adjourn, the General Meeting or the Court Meeting, in each case without the consent of Bidco, except for an Unavoidable Delay;
- (c) the Board Recommendation is not included in the Scheme Document or (where a Switch has occurred) the Target Directors do not consent to the Board Recommendation being included in the Offer Document; or
- (d) the Target Directors publicly withdraw, adversely modify or adversely qualify the Board Recommendation (or make an announcement that they intend to do so), it being understood that the issue by Target of any interim holding statement(s) issued to Target Shareholders following a change of circumstances (so long as any such holding statement contains an express statement that such recommendation is not withdrawn, qualified or modified and does not contain a statement that the Target Directors intend to withdraw, qualify or modify such recommendation) shall

not constitute a withdrawal, qualification or modification of such recommendation for the purposes of this definition.

**"Target Directors"** means the directors of Target from time to time.

**"Target Group"** means Target and its subsidiaries and subsidiary undertakings.

**"Target Shareholders"** means holders of Target Shares.

**"Target Shares"** means the ordinary shares of 50 pence each in the capital of Target from time to time in issue.

**"Third Party"** means a person other than:

- (a) a member of the Bidder Group; or
- (b) an affiliated person (as defined in the Code) of a member of the Bidder Group which shall exclude for this purpose any joint venture company which is not controlled, directly or indirectly, by Bidco Parent and any investor in such joint venture company which is not controlled, directly or indirectly, by Bidco Parent.

**"Unavoidable Delay"** means a delay or adjournment which is for logistical or practical reasons which were not caused by the Target.

1.2 Unless the context requires otherwise, words and expressions defined in or having a meaning provided by the Companies Act at the date of this Agreement shall have the same meaning in this Agreement.

1.3 Unless the context requires otherwise, references in this Agreement to:

- (a) this Agreement is to this agreement as varied, supplemented, novated or replaced from time to time;
- (b) a governmental, regulatory or administrative authority or other agency or body that ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed, means the agency or body which performs most closely the functions of that authority, agency or body;
- (c) a **"person"** includes a legal or natural person, trust, company, corporation, government, state or agency of the state or other body or any joint venture, association or partnership (whether or not having separate legal personality);
- (d) references to a **"company"** shall be construed so as to include any corporation or other body corporate, wherever and however incorporated or established;
- (e) the terms **"holding company"**, **"parent undertaking"**, **"subsidiary"** and **"subsidiary undertaking"** shall be interpreted in accordance with the Companies Act;
- (f) the term **"group"** in relation to a party, means that party together with its subsidiaries, subsidiary undertakings, holding companies and parent undertakings and the subsidiaries and subsidiary undertakings of any such holding company or parent undertaking from time to time;



- (g) a document "**in agreed form**" shall mean a document, the terms of which have been approved by the parties to this Agreement and a copy of which has been identified as such and initialled by or on behalf of each of Bidco and Target;
- (h) the terms "**acting in concert**" and "**offer**" shall have the meanings given in the Code;
- (i) references to "**writing**" shall include any modes of reproducing words in a legible and non transitory form and shall include email except where otherwise expressly stated;
- (j) the interpretation of general words shall not be restricted by words indicating a particular class or particular examples;
- (k) use of any gender includes the other genders;
- (l) words in the singular shall include the plural and vice versa;
- (m) any reference to a "**day**" including the phrase "**Business Day**" shall mean a period of 24 hours running from midnight to midnight;
- (n) any time or date shall be construed as a reference to the time and date prevailing in England; and
- (o) a statute or statutory provision includes a reference to:
  - (i) any statutory amendment, consolidation or re-enactment of it to the extent in force at the date of this Agreement;
  - (ii) all orders, regulations, instruments or other subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) made under it to the extent in force at the date of this Agreement; and
  - (iii) any statute or statutory provision of which it is an amendment, consolidation or re-enactment.

- 1.4 In this Agreement the interpretation of general words shall not be restricted by words indicating a particular class or particular examples and "**including**" means "**including without limitation**".
- 1.5 In this Agreement, the phrases "**to the extent**" and "**to the extent that**" are used to indicate an element of degree and are not synonymous with the word "if".
- 1.6 The headings in this Agreement are for convenience only and shall not affect its meaning.
- 1.7 References to a Recital, Clause, Schedule or paragraph are (unless otherwise stated) to a Recital of, Clause of or a Schedule to this Agreement or to a paragraph of the relevant Schedule. The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement.

## 2 **PUBLICATION OF THE PRESS ANNOUNCEMENT AND TERMS OF THE ACQUISITION**

- 2.1 The obligations of the parties under this Agreement (other than the Initial Provisions) shall be conditional on the release of the Press Announcement in accordance with Clause 2.2. The Initial Provisions shall take effect on and from execution of this Agreement by the parties.
- 2.2 Bidco shall procure the release of the Press Announcement via a Regulatory Information Service at or before 08:00 a.m. on the date of this Agreement or such other date and/or time as Bidco and Target agree in writing (which shall, where required by the Code, be following receipt of the approval of the Panel).
- 2.3 The terms of the Acquisition shall be as set out in the Press Announcement, together with such other terms as may be agreed by Bidco and Target in writing (save in case of an improvement to the terms of the Acquisition, which will be at the absolute discretion of Bidco) and, where required by the Code, approved by the Panel.
- 2.4 The terms of the Acquisition at the date of posting of the Scheme Document shall be as set out in the Scheme Document. Should Bidco elect to implement the Acquisition by way of an Offer in accordance with Clause 4 (*Switch to Offer*), the terms of the Acquisition shall be set out in the announcement of the switch to an Offer, the Offer Document and in any form of acceptance.
- 2.5 Bidco Parent confirms that, on the basis of the price and other terms and conditions set out in the Press Announcement, the Acquisition is not a "Class 1 transaction" (as such term is defined in chapter 10 of the Listing Rules) in relation to Bidco Parent as at the date and time on which this Agreement is entered into.

## 3 **IMPLEMENTATION OF ACQUISITION**

### 3.1 **Scheme Document**

- 3.1.1 Bidco and Bidco Parent each agree:
- (a) promptly to provide Target with all Bidco Information as may reasonably be requested and which is reasonably required by Target for inclusion in the Scheme Document (including any information required under the Code, the Listing Rules, the Companies Act or other Applicable Law);
  - (b) promptly to provide Target with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code, the Listing Rules, the Companies Act or by other Applicable Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Bidco's relevant professional advisers;
  - (c) to procure that the Bidco Directors and the Bidco Responsible Persons accept responsibility, in the terms required by the Code, for such Bidco Information as is contained in the Scheme Document and any other document required under the Code, the Listing Rules, the Companies Act or by other Applicable Law to be published in connection with the Scheme;
  - (d) that, if any supplemental circular or document is required to be published in connection with the Scheme or, subject to the prior written consent of

Bidco, any variation or amendment to the Scheme, it shall promptly provide such co-operation and Bidco Information reasonably necessary to comply with all regulatory provisions as Target may reasonably request in order to finalise such document; and

- (e) subject to Applicable Law, to notify Target if any Bidco Information provided by it or the Bidder Group for use in the Scheme Document or any supplementary circular or document is or has become false or misleading as promptly as is reasonably practicable after it becomes aware that such information is or has become false or misleading.

### 3.2 **Implementation of Scheme**

3.2.1 Where the Acquisition is being implemented by way of the Scheme, Bidco undertakes that, by no later than 11.59 p.m. on the Business Day immediately preceding the Scheme Court Hearing, it shall deliver a notice in writing to Target either confirming:

- (a) the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
- (b) its intention to invoke one or more Conditions (if permitted under the Code and by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Bidco reasonably considers entitles it to invoke such Condition or treat it as unsatisfied or incapable of satisfaction, and the reasons why Bidco considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition(s).

3.2.2 If the board of Bidco intends to invoke any of the Conditions (if the permission of the Panel were forthcoming), Bidco shall (subject to Applicable Law) and Bidco Parent shall procure that Bidco shall inform Target as soon as reasonably practicable, providing reasonable details.

### 3.3 **Bidco to be bound by Scheme**

Where the Acquisition is being implemented by way of the Scheme, Bidco shall instruct counsel to appear on its behalf at the Scheme Court Hearing and undertake to the Court to be bound by the terms of the Scheme insofar as it relates to Bidco, to the extent that all Conditions (other than the Scheme Conditions) have been satisfied or waived prior to or on the date of the Scheme Court Hearing. Bidco shall provide such documentation or information as may reasonably be required by Target's counsel or the Court, in relation to such undertaking.

## 4 **SWITCH TO OFFER**

4.1 Bidco and Target intend, as at the date of this Agreement, to implement the Acquisition by way of the Scheme. However, Bidco shall be entitled, with the consent of the Panel, to implement the Acquisition by way of the Offer, rather than the Scheme (such election being a "**Switch**"), if:

- (a) Target consents in writing to the Switch (an "**Agreed Switch**");
- (b) a Target Adverse Board Change has occurred;
- (c) a Competing Proposal has occurred;

- (d) a Third Party makes an announcement pursuant to Rule 2.7 of the Code in respect of the issued and to be issued share capital of Target; or
- (e) a Third Party or the Target makes an announcement pursuant to Rule 2.4 of the Code in respect of the issued and to be issued share capital of Target.

4.2 In the event of any Switch, unless otherwise agreed in writing with Target or required by the Panel, the parties agree that:

- (a) where it is an Agreed Switch, the Acceptance Condition shall be set at 75 per cent. of the issued share capital of Target (or such other percentage as may be agreed between Target and Bidco in writing after, and to the extent necessary, consultation with the Panel, being in any case more than 50 per cent. of the Target Shares to which the Offer relates);
- (b) Bidco will:
  - (i) discuss any announcements relating to the Switch and any proposed changes to the timetable in relation to the implementation of the Acquisition with Target in a timely manner (including, if proposed, any changes to the Long Stop Date for inclusion in the Offer Document);
  - (ii) prepare, as soon as reasonably practicable, the Offer Document and related form of acceptance;
  - (iii) consult with Target as to the form and contents, and timing of publication of, the Offer Document and related form of acceptance; and
  - (iv) where it is an Agreed Switch and is reasonably practicable, allow Target a reasonable opportunity to consider the draft Offer Document and related form of acceptance for review and comment and consider for inclusion any reasonable comments proposed by Target on such documents;
- (c) where it is an Agreed Switch, Bidco agrees to seek Target's approval of the contents of the information on Target contained in the Offer Document for which Target or the directors of Target are taking responsibility before it is published, and to afford Target with sufficient time to consider such document in order to give its approval for such information (such approval not to be unreasonably withheld or delayed), Bidco shall only publish the Offer Document once the information in the Offer Document for which Target or the directors of Target are taking responsibility is in a form satisfactory to Bidco and Target (both acting reasonably), provided that if Target does not approve the Offer Document within 28 days of the Agreed Switch, Bidco shall be entitled to publish the Offer Document containing only information required by Rule 24 of the Code and excluding such information as may be approved by the Panel;
- (d) Bidco shall not take any action which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to midnight on the 60th day after publication of the Offer Document (or such later date as is set in accordance with Rule 31.3 of the Code and Notes on that Rule) ("**Day 60**") and Bidco shall ensure that the Offer remains open for acceptances until such time;

- (e) Bidco shall not, without the prior written consent of Target, make any acceleration statement (as defined in the Code) unless (i) all of the Conditions (other than the Acceptance Condition) have been satisfied or waived (if capable of waiver); and (ii) the acceleration statement contains no right for Bidco to set the statement aside (except with Target consent); and Bidco undertakes to Target not to take any action or step otherwise to set the acceleration statement aside;
- (f) if at any time following the publication of the Offer Document, it is reasonably expected that any outstanding Regulatory Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.1 of the Code, Bidco shall consult with Target as to whether the offer timetable should be suspended in accordance with Rule 31.4(a) of the Code or (if Day 39 has passed) Day 60 should be extended in accordance with Rule 31.3 of the Code (or if applicable, further suspended or extended) and, if agreed by Bidco and Target, seek jointly with Target the consent of the Panel to suspend or extend the offer timetable no later than the Long Stop Date;
- (g) where it is an Agreed Switch, Bidco shall ensure that, subject to the terms of this Agreement, the Offer is made on the same or improved terms as those set out in the Press Announcement and the only conditions of the Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition referred to in Clause 4.2(a)), unless Bidco and Target agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and
- (h) Bidco shall keep Target informed, on a regular and confidential basis and in any event as soon as reasonably practicable following any request from Target, of the number of Target Shareholders that have validly accepted or withdrawn their acceptance of the Offer, or incorrectly submitted their acceptance or withdrawal, the identity of such shareholders and the number of Target Shares held by such shareholders.

4.3 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme, the Scheme Document and the implementation of the Scheme shall apply to the Offer, the Offer Document and the implementation of the Offer *mutatis mutandis*, save as set out in this Clause 4 (*Switch to Offer*).

4.4 Bidco represents that it is not at the date of this Agreement, and undertakes that (for so long as no circumstance has occurred which would entitle Bidco to elect for a Switch) neither it is, nor any member of the Bidder Group (which shall exclude for this purpose any joint venture company which is not controlled, directly or indirectly, by Bidco Parent and any investor in such joint venture company which is not controlled, directly or indirectly, by Bidco Parent) shall become, required to make a mandatory offer for Target under Rule 9 of the Code.

## 5 **SHARE PLANS AND EMPLOYEE RELATED MATTERS**

The parties agree that the provisions of Schedule 1 (*Share plans and employee related matters*) with respect to certain employee-related matters shall be implemented in accordance with that Schedule.

## 6 **DIRECTORS' AND OFFICERS' INSURANCE**

- 6.1 If and to the extent such obligations are permitted by Applicable Law, for six years after the Effective Date, Bidco and Bidco Parent shall procure that the members of the Target Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers, to advance expenses and to provide all reasonable assistance to the current directors and officers of Target to the extent they need to make a claim against the existing Target directors' and officers' insurance policy (including any associated run-off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 6.2 Bidco acknowledges that Target may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the Target Group, including directors and officers who retire or whose employment is terminated as a result of the Acquisition, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of quantum and scope, substantially equivalent to that disclosed to Bidco by the Target as being provided under the Target Group's directors' and officers' liability insurance as at the date of this Agreement.

## 7 **TERMINATION**

- 7.1 Subject to Clause 7.2 and Clause 7.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under the Agreement shall cease immediately as follows:
- (a) if agreed in writing between the parties, at any time prior to the Effective Date;
  - (b) if the Press Announcement is not released at or before 08:00 a.m. on the date of this Agreement (unless, prior to that time, Bidco and Target have agreed another time and date in accordance with Clause 2.2);
  - (c) upon service of written notice by Bidco to Target, if:
    - (i) prior to the Long Stop Date, there is a Competing Proposal and the Target Directors initiate, publicly announce support of, or recommend, that Competing Proposal or do not make a Reconfirmation no later than the fourth Business Day after the date of announcement of the Competing Proposal;
    - (ii) if a Third Party makes an announcement pursuant to Rule 2.7 of the Code in respect of the issued and to be issued share capital of Target and the Target Directors either: (a) announce that they intend to support that Third Party's offer; or (b) do not make a Reconfirmation by 5:00 p.m. on the fourth Business Day after the date of that Third Party's announcement pursuant to Rule 2.7 of the Code; or
    - (iii) there occurs a Target Board Adverse Change (other than a Target Board Adverse Change set out in limb (b) of that definition which has been agreed between Bidco and Target);
  - (d) upon service of written notice by Bidco to Target or Target to Bidco, if:

- (i) the Effective Date has not occurred on or before the Long Stop Date (unless otherwise agreed by Bidco and Target in writing or required by the Panel); or
- (ii) prior to the Long Stop Date, any Condition has been invoked by Bidco (where the invocation of the relevant Condition is permitted by the Panel); or
- (iii) except following as a result of a Switch, the Scheme is not approved by the Scheme Shareholders at the Court Meeting and/or by the Target Shareholders at the General Meeting, or the Court refuses to sanction the Scheme; or
- (iv) prior to the Long Stop Date, a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Target under Rule 2.7 of the Code, which completes, becomes effective or is declared or becomes unconditional; or
- (v) the Acquisition is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel, unless such withdrawal, termination or lapse:
  - (A) is as a result of the exercise of Bidco's right to effect a Switch in accordance with this Agreement; or
  - (B) is to be followed, within five Business Days, of an announcement under Rule 2.7 of the Code made by Bidco or any person acting in concert with Bidco (or deemed to be acting in concert with Bidco) to implement the Acquisition by a different offer or scheme on substantially the same or improved terms.

7.2 Termination of this Agreement shall be without prejudice to the rights of either party that may have arisen at or prior to termination (including in respect of any pre-existing breaches).

7.3 This Clause 7 (*Termination*), Clause 1 (*Definitions and interpretation*), Clause 6 (*Directors' and officers' insurance*), Clause 8 (*Warranties, liability and Bidco Parent responsibility*) to Clause 13 (*Notices*) (inclusive), Clause 15 (*General*) and Clause 16 (*Governing law and jurisdiction*) shall survive termination of this Agreement.

## 8 **WARRANTIES, LIABILITY AND BIDCO PARENT RESPONSIBILITY**

8.1 Each of Bidco and Bidco Parent warrant to Target and Target warrants to Bidco and Bidco Parent on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:

- (i) result in any breach of any provision of its constitutional documents;
- (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Acquisition to which it is a party or by which it is bound; or
- (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

8.2 Bidco and Bidco Parent each warrant to Target that, as at the date of this Agreement:

- (a) it is not aware of any material matter or circumstance which would or might reasonably be expected to result in any of the Conditions not being satisfied or becoming incapable of satisfaction; and
- (b) no shareholder resolution of Bidco or Bidco Parent is required to implement the Acquisition.

8.3 Bidco and Bidco Parent each acknowledge and agree that any information and/or assistance provided by any member of the Target Group or their respective Personnel, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of Target under or otherwise in connection with this Agreement, or (ii) in connection with the Acquisition, shall in each case be given on the basis that neither any member of the Target Group nor such Personnel shall not incur any liability nor owe any duty of care, whether in contract, tort (including negligence, misrepresentation and misstatement) or otherwise, in respect of any direct, indirect or consequential loss or damage that any member of the Bidder Group or any of their respective directors, officers, employees, investors or advisers may suffer as a result of the provision of any such information and/or assistance save, in each case for loss or damage resulting from the fraudulent misrepresentation of such individual member of Personnel.

8.4 Without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, no party shall have any claim against any other party pursuant to Clause 8.1 for breach of warranty after the Effective Date.

## 9 CONDUCT OF BUSINESS

If, on or after the date of the Press Announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by Target or becomes payable by Target in respect of the Target Shares, Bidco and Bidco Parent each reserve the right to reduce the consideration payable under the terms of the Acquisition by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value. Any exercise by Bidco and/or Bidco Parent of its rights referred to in this Clause 9 (*Conduct of Business*) shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, Target Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.



## 10 THE CODE

- 10.1 Nothing in this Agreement shall in any way limit the parties' obligations (or the obligations of the parties' respective Personnel) under the Code, and any rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.
- 10.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Target to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded and neither Target nor any of its Personnel shall have any obligation to take or not take any such action.
- 10.3 Nothing in this Agreement shall oblige Target or its Personnel to recommend an Offer or a Scheme proposed by Bidco or any member of the Bidder Group.
- 10.4 Nothing in this Agreement shall be taken to restrict the Personnel of the Bidder Group or the Target Group from complying with Applicable Law, orders of court or regulations, including the Code and the rules and regulations of the Panel and the FCA.

## 11 RELATIONSHIP BETWEEN PARTIES

Nothing in this Agreement is intended to or shall operate to create an agency relationship, partnership or joint venture of any kind between the parties. No party shall have the authority to bind any other party or to contract in the name of, or create a liability against, any other party in any way or for any purpose.

## 12 FEES AND EXPENSES

Each party shall pay its own costs and expenses incurred in connection with the preparation, negotiation and completion or termination of this Agreement and any matters contemplated by it.

## 13 NOTICES

- 13.1 Any notice, approval or other communication to be given or made under or in connection with this Agreement (each a "**Notice**" for the purposes of this Clause 13 (*Notices*)) shall be in English in writing and delivered by hand or sent by pre-paid recorded delivery post (or airmail, if the destination is outside the country of origin) or email to the relevant party at its address or number set out in Clause 13.2 (or as notified in accordance with Clause 13.3):
- 13.2 For the purposes of this Clause 13 (*Notices*) (unless otherwise notified in accordance with Clause 13.3):

- (a) notices for Target shall be marked for the attention of:

Name: Company Secretary

Address:

Email:

with a copy to (but such copy shall not constitute notice):

Address: [REDACTED]  
[REDACTED]

Email: [REDACTED]  
[REDACTED]

marked for the attention of [REDACTED]  
[REDACTED]

(b) notices for Bidco and Bidco Parent shall be marked for the attention of:

Name: [REDACTED]

Address: [REDACTED]  
[REDACTED]  
[REDACTED]

Email: [REDACTED]  
[REDACTED]

with a copy to (but such copy shall not constitute notice):

Address: [REDACTED]

Email: [REDACTED]  
[REDACTED]

marked for the attention of [REDACTED]  
[REDACTED]

13.3 A party may notify the other parties of a change to its details specified in Clause 13.2. The new address shall take effect as against the other parties five Business Days after receipt of that notice.

13.4 Without evidence of earlier receipt, communications complying with Clause 13.1 and Clause 13.2 are deemed received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by 'Recorded Signed For' delivery, at 9.00am on the second, or (if sent by airmail) fifth, Business Day after posting; or
- (c) if sent by email, when sent, unless the sender receives notification that the email has not been successfully delivered,

except that if deemed receipt would occur before 9.00am on a Business Day, it shall instead be deemed to occur at 9.00am on that day and if deemed receipt would occur after 5.00pm on a Business Day, or on a day which is not a Business Day, it shall instead be deemed to occur at 9.00am on the next Business Day. References in this Clause to a time of day are to the time of day at the location of the recipient.

13.5 This Clause does not apply to the service of any document required to be served in relation to legal proceedings.

## 14 **FURTHER ASSURANCE**

Each party shall, and shall use all reasonable endeavours to procure that any member of the Target Group or the Bidder Group (as applicable), shall, do and execute and perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

## 15 **GENERAL**

### 15.1 **Entire agreement**

This Agreement together with the Confidentiality Agreement represents the entire agreement and understanding of the parties and supersedes all prior agreements, understandings or arrangements (both oral and written) relating to its subject matter and supersedes any previous agreements between the parties with respect thereto.

### 15.2 **Variations**

No variation of this Agreement shall be effective unless made in writing, signed by or on behalf of all parties and expressed to be such a variation.

### 15.3 **Remedies and waivers**

15.3.1 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that any breach by any party of this Agreement could cause the other injury for which damages may not be an adequate remedy. In the event of a breach or threatened breach by a party of any of the provisions of this Agreement, the other parties shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and none of the parties shall contest the appropriateness or availability thereof) in any court of competent jurisdiction.

15.3.2 A failure or delay in exercising any right or remedy under this Agreement shall not constitute a waiver of that right or remedy. A single or partial exercise of any right or remedy shall not prevent the further exercise of that right or remedy. A waiver of a breach of this Agreement shall not constitute a waiver of any other breach.

15.3.3 No waiver by a party of any requirement of this Agreement, or of any remedy or right under this Agreement, shall have effect unless given in writing and signed by such party. No waiver of any particular breach of the provisions of this Agreement shall operate as a waiver of any repetition of such breach.

### 15.4 **Assignment**

No party may without the written consent of the other parties assign, transfer, grant any security interest over or hold on trust any of its rights or obligations under this Agreement or any interest in them.

### 15.5 **Invalidity**

15.5.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or the Code:

(a) that shall not affect or impair:

- (i) the legality, validity or enforceability in that jurisdiction of any other provisions of this Agreement; or
  - (ii) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement; and
- (b) if it would be legal, valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or reduction as may be necessary to make it valid and enforceable but the enforceability of the remainder of this Agreement shall not be affected.

## 15.6 Counterparts

This Agreement may be executed in any number of counterparts, which shall each constitute an original and together constitute one agreement. If this Agreement is executed in counterpart, it shall not be effective unless each party has executed at least one counterpart.

## 15.7 Third party rights

No provision of this Agreement shall be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not party to this Agreement, save that, under the Contracts (Rights of Third Parties) Act 1999, each:

- 15.7.1 director and officer of members the Target Group who hold office at any time before the Acquisition is completed may enforce the terms of Clause 6 (*Directors' and officers' insurance*); and
- 15.7.2 person who any time before the Acquisition is completed is a member of Personnel of the Target Group may enforce the terms of Clause 8.3;

provided that, in each case, the relevant right is subject to:

- (a) the rights of the parties, before the completion of the Acquisition, to rescind or vary this Agreement in accordance with its terms without the consent of any other person; and
- (b) the other terms and conditions of this Agreement.

## 16 GOVERNING LAW AND JURISDICTION

- 16.1 This Agreement and any non-contractual obligations arising in connection with it (and, unless provided otherwise, any document entered into in connection with it) shall be governed by and construed in accordance with English law.
- 16.2 The English courts shall have exclusive jurisdiction to determine any dispute arising in connection with this Agreement (and, unless provided otherwise, any document entered into in connection with it), including disputes relating to any non-contractual obligations.
- 16.3 Each party irrevocably waives any right that it may have to object to an action being brought in the English Courts, to claim that the action has been brought in an inconvenient forum, or to claim that the English Courts have no jurisdiction.

**This Agreement has been entered into on the date stated at the beginning of this Agreement.**

## **Schedule 1**

### **Share plans and employee related matters**

The Parties agree that the provisions of this Schedule 1 (*Share plans and employee related matters*) (the "**Schedule**") shall apply in respect of the Target Share Plans and certain other employee-related matters.

The acknowledgements in paragraphs 1, 3 and 4 of Part 1 (Share Plans) (inclusive), paragraphs 1 and 3 - 5 of Part 2 (Employees) (inclusive) of this Schedule 1 do not impose contractual restrictions or obligations on any member of the Target Group or their boards of directors.

In this Schedule 1 (*Share plans and employee related matters*), each of the following words and expressions shall have the following meanings:

"**Awards**" means awards comprising conditional awards and options granted under the rules of the LTIP.

"**LTIP**" means the Target's Long Term Incentive Plan 2014.

"**SAYE Plan**" means the Target's Save-As-You-Earn Option Plan 2005 (as renewed in 2014).

"**Target Employees**" means the employees of the Target and the Target Group from time to time.

"**Target Remuneration Committee**" means the remuneration committee of the board of directors of the Target.

"**Target Remuneration Policy**" means the directors' remuneration policy approved by the Target's Shareholders from time to time.

"**Target Share Plans**" means the LTIP and the SAYE Plan.

"**Trust**" means the Target's Employee Share Trust established pursuant to a trust deed dated 21 June 2006.

## Part 1 Share Plans

### 1 GENERAL

1.1 The Parties acknowledge that:

1.1.1 Bidco Parent, Bidco and the Target intend to jointly write (which may be in electronic form) to participants in the Target Share Plans setting out the Parties' appropriate proposals as to the treatment of awards and options under the Target Share Plans, where and as required under Rule 15 of the Code and in accordance with the treatment set out below, and the Target will arrange the delivery of such letters at the same time as the posting of the Scheme Document (or such later time as the Parties and the Panel may agree);

1.1.2 the Scheme Record Time shall take place after the date of the Court Order to allow those participants in the Target Share Plans who acquire Target Shares on or before the date of the Court Order to have those Target Shares acquired by Bidco and dealt with through the Scheme;

1.1.3 subject always to Rule 21 of the Code and the Target Remuneration Policy, the Target may amend the rules of the Target Share Plans (in accordance with their terms) if the directors of the Target (or the relevant committee) are of the opinion that such amendments: (i) are necessary or desirable to implement the Scheme or the treatment set out in this Agreement; or (ii) are minor in nature and facilitate the administration of the Target Share Plans or obtain or maintain favourable tax treatment for participants or for any member of the Target Group;

1.1.4 Target Shareholder approval will be sought for an amendment to the Target's articles of association by the adoption and inclusion of a new article (to be set out in the notice of the General Meeting) under which any Target Shares issued after the Effective Date in connection with the Target Share Plans shall be immediately transferred to Bidco in exchange for the same consideration per Target Share to be paid by Bidco as is due under the Scheme;

1.1.5 if the Transaction is implemented by way of an Offer, references to "**Court Order**" and "**Effective Date**" in this Schedule will be read as if they refer to the date on which the Offer becomes or is declared unconditional and the Parties shall work together in good faith to agree any such modifications to the provisions of this Schedule as may be necessary or desirable; and

1.1.6 any payments and vesting, exercise and settlement under the Target Share Plans and any bonus or other payments as described herein will be subject to the usual deductions for applicable taxes and national insurance and similar social security deductions or contributions, and the appropriate proposals to be made by the Parties may include mechanisms to ensure that any such deductions may be made.

1.2 Bidco and Bidco Parent acknowledge that, before the Effective Date and subject always to Rule 21 of the Code, the Target will continue to operate the Target Share Plans in accordance with the rules of the relevant plan, the Target's normal practice and, where applicable, the Target Remuneration Policy. For the avoidance of doubt, the normal operation of the Target Share Plans includes (without limitation): granting awards, determining the extent to which awards vest and satisfying the vesting of awards and exercise of options (including as detailed in this Schedule 1).

1.3 Bidco and Bidco Parent acknowledge that, having consulted with Bidco, the Target may make any submission to the Panel which it deems necessary or desirable to implement the arrangements referred to in this Schedule 1 and Bidco and Bidco Parent shall co-operate promptly and in good faith in the making of any such submission.

1.4 Subject to applicable confidentiality, legal and regulatory requirements, each Party will co-operate with the other Parties in order to facilitate the implementation of the arrangements set out in this Schedule.

## 2 **OUTSTANDING SHARE AWARDS**

2.1 As at 31 October 2021, there are outstanding Awards over a total of 12,617,553 Target Shares under the LTIP. Of this there are:

- (a) conditional awards over 6,453,050 Target Shares;
- (b) nil cost options over 5,664,503 Target Shares; and
- (c) options over 500,000 Target Shares with an option exercise price of 84.2p.

2.2 As of 26 October 2021, there are options over 575,223 Target Shares under the SAYE Plan with an option exercise price of 75.1p per Target Share.

2.3 The Target confirms that all the Awards (apart from those referred to in paragraph 2.1(c) above) have dividend equivalent rights that, as at 31 October 2021, constitute rights to a further 45,865 Target Shares under the LTIP assuming all Awards vested in full. These dividend equivalent rights will only vest to the extent that the substantive Awards referred to in paragraph 2.1 vest.

2.4 The Target confirms that, as at the date of this Agreement, save for the options and awards under the Target Share Plans referred to in paragraph 2.1, 2.2 and 2.3 of this Schedule, there are no awards or options or similar rights to acquire shares in any member of the Target Group outstanding under any employee share plan or similar arrangement.

## 3 **LTIP**

3.1 Bidco and Bidco Parent acknowledge and agree that all unvested Awards granted under the LTIP will vest on the date of the Court Order subject to the Target Remuneration Committee's discretion under the LTIP rules to: (i) assess the achievement of the performance conditions applicable to Awards and (ii) to apply time pro-rating. Options granted under the LTIP will be exercisable until two months after the date of the Court Order.

3.2 Bidco and Bidco Parent acknowledge that:

- (a) the Target Remuneration Committee has determined that time pro rating will be applied to the Awards by reference to the period commencing on the date of commencement of the relevant performance period and expiring on a date no later than 31 March 2022 pro rata to the length of the performance period;
- (b) the Target Remuneration Committee will determine, based on a faithful assessment of the performance conditions, the extent to which any performance conditions that apply to the Awards have been met shortly

before the Court Order and such assessment will be based on the actual offer price; and

- (c) the Target's current expectation is that the Awards will as a result of these determinations vest over a total of 2,437,571 Target Shares excluding dividend equivalent shares,

and, if the Awards are treated as set out above, Bidco and Bidco Parent agree to that outcome.

#### 4 **SAYE PLAN**

- 4.1 Bidco and Bidco Parent acknowledge that options granted under the SAYE Plan which would not otherwise have been exercisable prior to the Court Order will be exercisable as a result of the Acquisition in the six months following the Court Order and will be exercisable in respect of less than the full number of Target Shares than otherwise would be the case on maturity of the related savings contracts. Bidco and Bidco Parent therefore agree that they will make or procure payment of a one off cash payment to those participants in the SAYE Plan who exercise their option conditional on the Court Order of an amount equal to the additional profit which the participants would have received had they been able to exercise their options in respect of the number of Target Shares they would have received if they had continued making their monthly savings contributions after the date of the Court Order and exercised their options at the end of six months following the date of the Court Order (or, in the case of any leavers, the date their options would otherwise have lapsed), and had those Target Shares been acquired on the terms of the Scheme, provided that no such cash payment will be made in respect of options granted under the SAYE Plan after the date of this Agreement. The Parties acknowledge that any such one off payment will be subject to deductions for income tax and employees' social security contributions and in order to put participants in the same position as if they had exercised their options at the end of the six month period, the amount payable will be grossed up to reflect the fact that no employees' social security contributions are payable in respect of the exercise of SAYE options.

#### 5 **EMPLOYEE BENEFIT TRUST**

- 5.1 As at 26 October 2021, the Trust held 588,869 unallocated Target Shares which are available to satisfy awards and options and approximately £1,960 in cash ("**Cash Amount**").
- 5.2 The Parties agree that, in priority to the Target issuing Target Shares to satisfy awards and options (or settling awards or options in any other manner) under the LTIP, the trustee of the Trust will be requested to agree to satisfy any awards and options vesting or being exercised on or after the date of the Court Order using any unallocated Target Shares. To the extent that there are insufficient Target Shares to satisfy outstanding awards options, the Target will request the trustee of the Trust to use the Cash Amount to the extent necessary to subscribe for new Target Shares or purchase existing Target Shares.



## Part 2 Employee Matters

### 1      **ORDINARY COURSE OF BUSINESS ARRANGEMENTS**

Bidco and Bidco Parent acknowledge and agree that the Target will carry out annual (or other periodic) pay reviews and appraisals and promotion rounds in the ordinary course of business and consistent with past practice or on any basis fairly disclosed to Bidco on or before the date of this Agreement.

### 2      **MAINTENANCE OF COMPENSATION AND BENEFITS**

2.1      Bidco and Bidco Parent agree that they each shall, or shall cause the relevant employing entity in the Target Group or the Bidder Group to, for the twelve month period immediately following the Effective Date (the "**Protected Period**"):

- (a)      in respect of each person who was a Target Employee immediately prior to the Effective Date and who remains in employment within the Target Group or the Bidder Group, maintain at least the same base salary or wage rate, cash incentive compensation opportunities and equity incentive compensation opportunities (or a cash incentive with the same grant date fair value) as were provided to each such Target Employee immediately prior to the Effective Date; and
- (b)      provide a benefits and allowance package (including pension benefits), which, taken as a whole, is no less favourable in the aggregate than the existing benefits and allowances available to such Target Employee immediately prior to the Effective Date and complies in all aspects with their contractual rights in existence on the Effective Date.

2.2      Bidco and Bidco Parent agree that if, in the Protected Period the Bidder Group disposes of any business or undertaking (or any part of any business or undertaking), or any company which, immediately prior to the Effective Date, is a member of the Target Group (as identified immediately prior to the Effective Date), where such disposal will entail any Target Employee ceasing to be an employee of the Target Group or Bidder Group because of:

- (a)      the relevant employee's employing company ceasing to be under the Control of the Target Group or the Bidder Group; or
- (b)      a transfer of the undertaking, or the part of the undertaking, in which the relevant employee works to a person which is not under the Control of the Target Group or the Bidder Group

they will use reasonable endeavours to require the transferee of such business or undertaking (or such part of an undertaking or business) or company (as applicable) to commit to equivalent terms to those set out in this Schedule for the Protected Period.

2.3      In this Schedule, "**Control**" means, in relation to a body corporate, the power of a person to secure by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or as a result of any powers conferred by the articles of association, or other document regulating that or any other body corporate, that the affairs of the first mentioned body corporate are conducted in accordance with the wishes of that person.

### 3 **ANNUAL BONUS**

Bidco and Bidco Parent acknowledge and agree that:

- (a) the Target operates annual bonus arrangements for Target Employees which are conditional on and determined by factors including but not limited to individual performance and the performance of the Target Group;
- (b) the target bonus for each Target Employee (as already disclosed to Bidco and Bidco Parent, as well as bonus criteria) for the financial year in which the Effective Date occurs will be apportioned on a pro rata basis between the period before the Effective Date and the period after the Effective Date. For the period before the Effective Date the actual bonus for each Target Employee shall be determined by the Target Remuneration Committee prior to the Effective Date and communicated to Bidco. For the period after the Effective Date it shall be determined after the end of the financial year by the Target with Bidco's approval. In each case bonuses shall be determined in a manner consistent with past practice and the rules of the annual bonus arrangements and using the target and criteria for the financial year;
- (c) the relevant bonuses referred to in paragraph 3(b) shall be paid on or as soon as reasonably practicable after the normal bonus payment date; and
- (d) for financial years starting after the Target financial year in which the Effective Date occurs, Target Employees will be eligible to participate in such bonus arrangements as Bidco, in its sole and absolute discretion but subject to paragraph 2.1 above, determines.

### 4 **SEVERANCE ARRANGEMENTS**

4.1 Bidco and Bidco Parent acknowledge and agree that, if any Target Employee is the subject of a Qualifying Termination (as defined in paragraph 4.2 below) at any time from the date of this Agreement until the end of the Protected Period, such Target Employee will:

- (a) be entitled to applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those under any Target Group redundancy principles disclosed to Bidco, Bidco Parent or their representatives, in addition to any entitlement by law or under their contracts of employment;
- (b) receive any bonus entitlement calculated in a manner consistent with past practice on a pro-rata basis to the date of termination and disregarding the fact that their employment is terminating;
- (c) be treated as a good leaver (or any similar or equivalent concept) under any relevant leaver provisions of any incentive arrangement in which they participate as at the date of termination; and
- (d) receive a reasonable and appropriate contribution to their legal fees if required to sign a settlement agreement in connection with the termination of their employment.

4.2 In this Schedule, a "**Qualifying Termination**" is:

- (a) any termination by the employer taking effect after the Effective Date: (i) other than by reason of the Target Employee's misconduct or poor performance (in each case, save in the event of gross misconduct, after such employee has received at least two prior written warnings and a reasonable opportunity to improve conduct or performance as the case may be); or (ii) other than where the employer is entitled pursuant to the employment contract to dismiss the Target Employee summarily without notice (or payment in lieu of notice);
- (b) a termination taking effect after the Effective Date by reason of the Target Employee's resignation in circumstances amounting to constructive dismissal or local equivalent; or
- (c) a termination taking effect after the Effective Date by reason of the Target Employee's resignation where, without the Target Employee's express written consent: (i) the Target Employee's role and/or reporting level and/or status has been diminished (provided always that Target ceasing to be a listed company shall not be a ground or basis for a material diminution in any Target Employee's role and/or reporting level and/or status); or (ii) there is a material reduction in the Target Employee's base salary or wage, cash or compensation, taken as a whole, or a material reduction in the Target Employee's benefits and allowance package, taken as a whole; or (iii) a Target Employee's normal place of work is moved away from their reasonable daily commuting distance;

in each case, other than where the Target Employee continues employment with another employer within the Target Group or the Bidder Group.

- 4.3 In the event of any dispute about whether the definition of a Qualifying Termination applies to a particular Target Employee, the dispute shall be referred to Target's Head of HR (or, if that person is no longer in role, the Target Employee responsible for HR activities within the Target Group at the relevant time) and Bidco Parent's Head of HR, who will, acting reasonably, agree the position.

## 5 COMPLETION AND RETENTION BONUSES

- 5.1 Additional to any other payments under this Schedule 1 (*Share plans and employee related matters*), the parties agree, for the purpose of protecting the business which is the subject of the Acquisition, to implement retention arrangements for Target Employees on the following terms:

- (a) a fund of £500,000 shall be allocated for distribution to the Target Employees (excluding the directors of Target) ("**Target Employee Fund**"). Prior to the Effective Date, the Target Remuneration Committee shall determine the apportionment of the Target Employee Fund to such Target Employees as they, in their absolute discretion but in accordance with the Target Remuneration Policy, see fit. The Target Remuneration Committee shall consult with Bidco and pay due regard to any comments by Bidco or Bidco Parent before communicating its final determinations to Bidco. Any amounts awarded under this paragraph will not exceed 100% of the relevant Target Employee's salary;
- (b) Bidco shall procure payment to each identified Target Employee the amount allocated under paragraph 5.1(a) (less any legally required deductions) within 30 days after the Effective Date. In each case payment is also conditional upon the relevant individual being employed with or

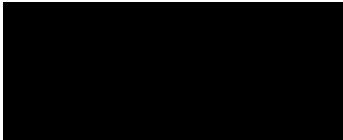
engaged by a member of the Target Group or Bidder Group on, and not having given or received notice prior to, the Effective Date.

- 5.2 Bidco acknowledges that it intends to develop a transition arrangement to enable Target Employees to participate in retention and incentivisation programmes after the Effective Date on the same basis as similarly situated employees of Bidco and will communicate it as appropriate.

**Schedule 2**  
**Press Announcement**

EXECUTION PAGE

Signed by Jamie Christmas )  
for and on behalf of **U AND I GROUP PLC** )  
 )  
 )



Duly authorised person

Signed by )  
for and on behalf of **LS DEVELOPMENT** )  
**HOLDINGS LIMITED** )  
 )

Duly authorised person

Signed by )  
for and on behalf of **LAND SECURITIES** )  
**GROUP PLC** )  
 )

Duly authorised person

EXECUTION PAGE

Signed by )  
for and on behalf of **U AND I GROUP PLC** )  
 )  
 )

Duly authorised person

Signed by Elizabeth Miles )  
for and on behalf of **LS DEVELOPMENT** )  
**HOLDINGS LIMITED** )  
 )



Duly authorised person

Signed by Mark Allan )  
for and on behalf of **LAND SECURITIES** )  
**GROUP PLC** )  
 )



Duly authorised person

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE

1 November 2021

**RECOMMENDED CASH ACQUISITION**

of

**U AND I GROUP PLC**

by

**LS DEVELOPMENT HOLDINGS LIMITED**

**(a newly formed company indirectly owned by Land Securities Group PLC)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Summary and highlights**

- The boards of directors of U and I Group PLC (“**U+I**”) and LS Development Holdings Limited (“**Landsec Development**”), a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC (“**Landsec**”), are pleased to announce that they have reached agreement on the terms of a recommended all cash offer by Landsec Development for the entire issued, and to be issued, ordinary share capital of U+I (the “**Acquisition**”).
- Under the terms of the Acquisition, U+I Shareholders will be entitled to receive:

**149 pence for each U+I Share**
- The Acquisition values the entire issued and to be issued share capital of U+I at approximately £190 million on a fully diluted basis and the price of 149 pence per U+I Share represents a premium of approximately:
  - 73 per cent. to the Closing Price of 86.0 pence per U+I Share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period);
  - 71 per cent. to the volume-weighted average price of 87.2 pence per U+I Share for the one-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period); and
  - 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period).
- If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference



to the consideration as so reduced. Any exercise by Landsec Development of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.
- The Scheme Document will contain a valuation in respect of U+I's property portfolio in accordance with Rule 29 of the Takeover Code.

#### **Transaction overview**

- The Acquisition is an all cash offer for U+I by Landsec Development, unanimously recommended by the U+I Directors.
- The Acquisition recognises the value from combining U+I's front-end development capabilities, placemaking skills and portfolio of core regeneration projects which require funding, with Landsec's development expertise and strong balance sheet.
- Landsec set out a strategy in October 2020 to recycle investment in order to drive growth and generate higher returns, including through urban opportunities in London and other major regional cities. The Acquisition accelerates that strategy, adding an attractive pipeline of mixed-use urban development opportunities along with complementary skills and expertise.
- U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield, Manchester (strategic regeneration framework ("SRF") and detailed consent for phase 1); and Morden Wharf, Greenwich Peninsula (resolution to grant)) and in respect of which Landsec believes that it can accelerate the pace of development.
- U+I also provides access to a further high quality, office-led development in London (Landmark Court, Southwark) with planning consent.
- In addition, there is a strong alignment of cultures between the two companies, with a focus on developing sustainable communities in the interests of broader stakeholders.

#### **Recommendation**

- The U+I Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the U+I Directors, Rothschild & Co has taken into account the commercial assessments of the U+I Directors. Rothschild & Co is providing independent financial advice to the U+I Directors for the purposes of Rule 3 of the Takeover Code.
- **Accordingly, the U+I Directors intend to recommend unanimously that U+I Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting as the U+I Directors who hold U+I Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).**

## **Irrevocable undertakings and letters of intent**

- In addition, Landsec and Landsec Development have received letters of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) from Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited, in respect of a total of 39,754,171 U+I Shares, representing in aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).
- In total, therefore, Landsec and Landsec Development have received irrevocable undertakings or letters of intent, including those irrevocable undertakings from the U+I Directors who own U+I Shares, in respect of, in aggregate, 44,261,785 U+I Shares, representing approximately 35 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).
- Further details of these irrevocable undertakings and letters of intent are set out in Appendix 3 to this announcement.

## **Background to and reasons for the Recommendation**

- In May 2021, U+I announced the first step of its “Reset, Prove, Grow” strategy, which followed the 100-day strategic review undertaken by U+I following the appointment of Richard Upton as CEO in January 2021. As part of the review, U+I reorganised its portfolio into three segments: (i) Core Regeneration assets; (ii) Non-Core Development and Trading assets (“**Non-Core**”); and (iii) Investment Portfolio assets, simplifying the business and providing greater clarity to shareholders on the strategy for each segment.
- In relation to the strategy for the Non-Core portfolio, in the six months to 30 September 2021, U+I has made good progress with Non-Core disposals, fully exiting three of its 35 Non-Core projects with further partial realisations being achieved from a number of other projects. The U+I Board is confident in U+I’s ability to monetise the majority of the remaining Non-Core projects over the four-year timescale previously indicated, albeit these disposals are not without risk and, in some cases, require further capital spend ahead of monetisation. The U+I Board also recognises that there is a wide range of total net sale proceeds outcomes, as set out in May 2021, which is in part dependent on factors beyond U+I’s control.
- In relation to the Core Regeneration business, demand for mixed-use urban environments where people can live, work and socialise has never been greater, and the U+I Board continues to believe that U+I is one of only a small number of companies with the skills, track-record and reputation to successfully deliver these types of projects. However, the scale of U+I’s Core Regeneration pipeline and ambition, relative to the scale of U+I’s own balance sheet and market capitalisation, means that one of the core tenets of U+I’s regeneration strategy is the introduction of external capital partners into key projects.
- The U+I Board believes that U+I’s Core Regeneration model, married to the right long-term capital, and aligned with the Government’s focus on rebuilding economic growth and ‘levelling up’, is more relevant than ever and represents a highly attractive opportunity to create long term stakeholder value. In considering the right partner for a project, U+I seeks an appropriate combination of balance sheet strength and expertise in investing in long-term regeneration projects. The U+I Directors consider Landsec a highly credible partner for these projects, given its financial strength and long track-record of delivering complex projects. Furthermore, the U+I Directors see this partnership as providing an opportunity to accelerate the Core Regeneration business plan for the benefit of all U+I stakeholders.
- Landsec’s initial proposal was received in September 2021 and the final Acquisition price followed from a period of negotiations with U+I.

- Against this backdrop, whilst the U+I Board remains confident in U+I's prospects as a standalone company as it continues to implement its revised strategy, following careful consideration, the U+I Board has concluded the Acquisition is in the best interests of U+I Shareholders. In reaching this conclusion, it has considered in particular the following:
  - the range of risk-adjusted returns under U+I's revised strategy, in particular the range of net proceeds likely receivable from the Non-Core disposals net of U+I's recurring cost base, as compared with the certainty of the Acquisition price;
  - the likely requirement over time to introduce funding partners into certain of U+I's Core Regeneration assets, in order for U+I to monetise its interest in these core projects and create distributable profits for U+I Shareholders;
  - the complexity and cost of U+I's existing capital structure and the overall size of its balance sheet and market capitalisation, relative to the scale and opportunity of its pipeline;
  - the Acquisition price of 149 pence represents a premium of approximately 73 per cent. to the Closing Price of 86.0 pence per U+I share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period) and 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021;
  - that the Acquisition provides an opportunity for all U+I Shareholders to realise their interests in cash; and
  - the impact of the Acquisition on all of U+I's stakeholders and the importance of U+I's assets to Landsec's future strategy.

### **Background to and reasons for the Acquisition**

- In October 2020, Landsec set out its future growth strategy focused on three key areas: (i) Central London offices; (ii) major retail destinations; and (iii) urban opportunities in London and other major regional cities. The ultimate goal of this strategy is to accelerate growth through recycling capital into higher return opportunities and deliver for investors an attractive combination of income and growth driven returns.
- In the near term, Landsec's directors expect to increase portfolio recycling and are prepared to take, in a considered way, more operational risk to create value and drive returns for Landsec's shareholders.
- As Landsec increasingly allocates capital for growth, it is targeting the delivery of mid-to-high single digit returns on equity across the Landsec group, split broadly equally between income and growth.
- The Covid-19 pandemic has accelerated the blurring of lines between where people live, work and socialise. In response to this, mixed-use developments with a clear sense of place are becoming a more important part of the fabric of cities. The directors of Landsec believe it is well positioned with its existing development and asset management capabilities and balance sheet strength to create these places and achieve attractive risk-adjusted returns.
- The Acquisition would add core regeneration assets to Landsec's development pipeline, which Landsec believes it can help realise through the strength of its balance sheet, accelerating the delivery of Landsec's "Urban opportunities" strategic pillar.
- The Acquisition would also complement Landsec's existing development capabilities and enhance the group's placemaking skills. U+I aligns closely with Landsec's sustainability goals, including the design and development of new sustainable communities, working alongside local government, customers, communities and partners.

- U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield (SRF and detailed consent for phase 1) and Morden Wharf (resolution to grant)):
  - Mayfield, Manchester. Mayfield is one of the UK's pre-eminent mixed-use regeneration projects, and works have already commenced onsite. It is a c. 24 acre site in Manchester city centre, adjacent to Manchester Piccadilly railway station, which comprises approximately 2 million sq. ft. of office, retail and leisure space and 1,500 new homes set around a 6.5 acre public park. This site is currently owned in a joint venture with Manchester City Council, Transport for Greater Manchester and London and Continental Railways (the "**Mayfield JV**"). U+I has a 50 per cent. share in the Mayfield JV and acts as development manager for the site.
  - Morden Wharf, Greenwich Peninsula. U+I has a conditional development agreement with Morden College, a charitable trust with significant land holdings on the Greenwich Peninsula. U+I has achieved a resolution to grant planning consent for 1,500 new homes, 200,000 sq. ft. of warehouses and 50,000 sq. ft. of retail across this 19 acre site on the western edge of the Peninsula.
- U+I also provides access to a further high quality, office-led development in London with planning consent:
  - Landmark Court, Southwark. Landmark Court is an office-led development site located within walking distance of London Bridge station and Borough underground station, with planning permission for 200,000 sq. ft. of offices, retail and workspace and 36 new homes. Landmark Court will sit in a joint venture (which is conditional on receipt of development funding) of subsidiaries of U+I and Transport for London ("**TfL**"), held 51:49 respectively. TfL and Network Rail are freeholders of the site, with a new 299-year lease now agreed for development.
- Landsec believes that it can accelerate the pace of development across these sites by combining Landsec's own development capabilities and the strength of its balance sheet, with U+I's placemaking skills, which emphasise: (i) unlocking overlooked, underestimated sites, (ii) community-led neighbourhood planning, and (iii) purposeful construction of mixed-use neighbourhoods, infrastructure and public spaces. Landsec believes these opportunities would enable it to invest a further £600-800 million in development capital expenditure in the short to medium term.
- U+I provides access to a longer dated mixed-use regeneration scheme (Cambridge Northern Fringe East), which Landsec's directors believe could provide additional upside for Landsec, subject to further assessment. U+I also provides access to one further mixed-use regeneration scheme (8 Albert Embankment).

## **Information on Landsec Development, Landsec and U+I**

### *Landsec Development*

- Landsec Development is a private limited company registered in England and Wales and incorporated on 20 October 2021. Landsec Development was formed for the purposes of the Acquisition and is an entity indirectly wholly-owned by Landsec. Landsec Development has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

### *Landsec*

- Landsec is one of the leading real estate development and investment companies in the United Kingdom. Founded in 1944 and headquartered in Victoria, London, Landsec is listed on the London Stock Exchange where it is a constituent of the FTSE 100 Index. Landsec

has been a Real Estate Investment Trust (“REIT”) since the UK introduced REIT status in 2007.

- Landsec operates across four divisions: Central London, Regional Retail, Subscale sectors and Urban opportunities. The company owns and manages some of the most successful real estate assets across the United Kingdom. Its combined portfolio of retail, leisure, workspace and residential hubs is valued at £10.8 billion and spans 23.5 million sq. ft. (as at 31 March 2021). Landsec aims to lead the real estate industry in critical long-term issues: from diversity and community employment, to carbon reduction and climate resilience.

### ***Information on U+I***

- U+I is a property developer and investor focused on complex, mixed-use regeneration in London, Manchester and Dublin, creating socially and economically sustainable places where people can live, work and socialise. Headquartered in London and listed on the London Stock Exchange’s Main Market, U+I employs 70 people across the United Kingdom. U+I began as Development Securities PLC and rebranded as U+I in 2015 following the acquisition of Cathedral Group (Holdings) Limited in 2014.
- As a result of U+I’s strategic review, announced in May 2021, U+I’s portfolio has been reorganised into three segments: Core Regeneration assets, Non-Core Development and Trading assets, and Investment Portfolio assets.
- The Core Regeneration assets segment (£58 million of gross asset value as at 31 March 2021 or 22 per cent. of the total U+I portfolio) comprises five major schemes which are mostly public-private partnerships to build on publicly-owned land. These five major schemes have a significant estimated gross development value of £6 billion. These mixed-use regeneration schemes are expected to deliver sustainable and consistent returns to U+I. U+I’s “master developer” approach provides multiple routes to monetisation over the course of the project and can include: (i) land enablement profits from planning and placemaking, (ii) plot sales to specialists, (iii) development management fees, and (iv) shares of development profits and promotes. These projects, which often require no upfront land purchase, are the core of U+I’s business and require expertise like U+I’s to be successful.
- The Non-Core Development and Trading assets segment (£126 million of gross asset value as at 31 March 2021 or 47 per cent. of the total U+I portfolio) comprised 35 projects (as at 31 March 2021) which were previously described as public-private partnership/development or trading projects and which U+I intends to dispose of within the next four years. As at 31 March 2021, U+I estimated £90-160 million of net cash receipts from these projects from the disposal programme (net of estimated project spend).
- The Investment Portfolio assets segment (£85 million of gross asset value as at 31 March 2021 or 32 per cent. of the total U+I portfolio) is comprised of 15 income-generating assets (as at 31 March 2021) and is largely made up of commercial, retail, shopping centre or leisure assets that U+I acquired or developed. U+I believes the Investment Portfolio provides a potential future opportunity to recycle capital into core regeneration schemes.
- As at 31 March 2021, the total gross asset value across the Core Regeneration, Non-Core Development and Trading and Investment Portfolio asset segments was £269 million.
- For the 12 months ended 31 March 2021, U+I reported total assets of £427.0 million, reported total revenues of £45.8 million and losses before tax of £86.7 million. U+I reported a basic loss of 70.2 pence per U+I Share.

### **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Landsec Development



reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

- The terms of the Acquisition will be put to the Scheme Shareholders at the Court Meeting and to the U+I Shareholders at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof). In addition, at the General Meeting to implement the Scheme, the Resolution must be passed by U+I Shareholders representing at least 75 per cent. of the votes validly cast on the Resolution, whether in person or by proxy. The General Meeting will be held immediately after the Court Meeting.
- The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 and to be set out in the Scheme Document, which will also set out further details of the Acquisition. It is expected that the Scheme Document containing further information about the Acquisition and notices of the Meetings, together with the Forms of Proxy, will be published within 28 days of the date of this announcement (or such later date as may be agreed by Landsec Development and U+I with the consent of the Panel). An expected timetable of principal events will be included in the Scheme Document.
- The Acquisition is expected to become Effective in December 2021 or early 2022, subject to satisfaction (or, where applicable, waiver) of the Conditions and the further terms set out in Appendix 1.

### **Comments on the Acquisition**

Commenting on the Acquisition, Mark Allan, Chief Executive Officer of Landsec, said:

- *“Developing truly world-class mixed-use communities that inspire and create opportunity is more important than ever. The combination of Landsec and U+I is compelling and will help us accelerate our strategy, both by introducing exciting new Urban development opportunities and by further strengthening Landsec’s front end development capabilities and placemaking skills. Landsec has tremendous potential and this transaction is an example of our ability to capitalise on our strengths and create future value for all of our stakeholders – investors, employees, communities and partners alike.”*

Commenting on the Acquisition, Richard Upton, Chief Executive Officer of U+I, said:

- *“This acquisition represents a compelling opportunity to bring together two companies with strong and clear complementary value systems. U+I’s core portfolio of large, mixed-use regeneration schemes can now achieve its full potential with the capital, experience and market positioning that Landsec can provide. U+I’s purpose to effect valuable social and economic changes through authentic, inclusive regeneration is an important proposition for Landsec and the wider industry. This acquisition demonstrates confidence in our highly skilled and valuable team and for our many joint venture partners. Our strategy to re-focus on what we do best has proved to be highly effective in capturing value for our existing shareholders and providing Landsec with an opportunity to unlock future value from our regeneration pipeline. We look forward to a hugely productive and exciting new future with Landsec.”*

**The above summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings and letters of intent received are set out in Appendix 3. Certain terms used in this summary and this announcement are defined in Appendix 4.**

There will be a virtual briefing for analysts and investors at 8.00 am today by Landsec. Information on how to access the live webcast can be found at [www.landsec.com/acquisition](http://www.landsec.com/acquisition). A recording of the webcast will be available at the same address by the end of the day.

Subject to certain restrictions, the recorded briefing and the accompanying slides will be available to all interested parties at [www.uandiplc.com](http://www.uandiplc.com) and [www.landsec.com](http://www.landsec.com). Your attention is also drawn to the important information below.

### **Enquiries**

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Slaughter and May is acting as legal adviser to Landsec in connection with the Acquisition.

Bryan Cave Leighton Paisner LLP is acting as legal adviser to U+I in connection with the Acquisition.

The person responsible for arranging the release of this announcement on behalf of U+I is Chris Barton, Company Secretary.

### **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of U+I in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms*

and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).

U+I and Landsec will prepare the Scheme Document to be distributed to U+I Shareholders. U+I and Landsec urge U+I Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

### **Disclaimers**

N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to U+I and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any 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 Acquisition or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion of its advice in this announcement in the form and context in which it is included.

UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by 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 to Landsec and no one else in connection with the Acquisition. In connection with such matters, UBS, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.

Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than U+I for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its 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 Peel Hunt in connection with the matters referred to in this announcement, or otherwise.

Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I 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 U+I for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Liberum does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with U+I and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to



*the past or future. Liberum accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this announcement or any such statement.*

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Takeover Code, and 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 England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their U+I 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 Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Landsec Development or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, 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 Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition 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 and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition 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, telex 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 Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

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

### **Notice to US investors in U+I**

*US holders of U+I Shares should note that the Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the*

*Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*However, if, in the future, Landsec Development exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations. The receipt of cash pursuant to the Acquisition by a US holder of U+I Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each U+I Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of U+I Shares to enforce their rights and any claims arising out of US federal laws, since Landsec and U+I are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of U+I Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Landsec, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, U+I Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Rothschild & Co and UBS will continue to act as an exempt principal trader in U+I Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Forward-looking statements**

*This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Acquisition, and other information published by Landsec and U+I contain statements which are, or may be deemed to be, "forward-looking statements". 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 Landsec and U+I 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 include statements relating to the expected effects of the Acquisition on Landsec and U+I, the expected timing and scope of the Acquisition 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", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and*

phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Landsec and U+I believe that the expectations reflected in such forward-looking statements are reasonable, Landsec and U+I 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 that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Landsec and U+I operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Landsec and U+I operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Landsec nor U+I, 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. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Landsec nor U+I is under any obligation, and Landsec and U+I 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.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain

details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, 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 pm (London time) on the Business Day following the date of the relevant dealing.

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

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

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

#### **No profit forecasts, estimates or quantified financial benefits statements**

No statement in this announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for U+I for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for U+I.

#### **Publication on a website**

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.

#### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, U+I Shareholders may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (from within the United Kingdom) and +44 (0) 371 664 0300 (from outside the United Kingdom) or by submitting a request in writing to Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

#### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by U+I Shareholders, persons with information rights and other relevant persons for the receipt of

*communications from U+I may be provided to Landsec during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

***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 figures that precede them.*



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

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE

1 November 2021

**RECOMMENDED CASH ACQUISITION**

of

**U AND I GROUP PLC**

by

**LS DEVELOPMENT HOLDINGS LIMITED**

**(a newly formed company indirectly owned by Land Securities Group PLC)**

**to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of directors of U and I Group PLC (“**U+I**”) and LS Development Holdings Limited (“**Landsec Development**”), a newly formed wholly-owned indirect subsidiary of Land Securities Group PLC (“**Landsec**”), are pleased to announce that they have reached agreement on the terms of a recommended all cash offer by Landsec Development for the entire issued, and to be issued, ordinary share capital of U+I (the “**Acquisition**”).

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The purpose of the Scheme is to enable Landsec Development to acquire the whole of the issued and to be issued share capital of U+I.

Under the terms of the Acquisition, U+I Shareholders will be entitled to receive:

**149 pence for each U+I Share**

The Acquisition values the entire issued and to be issued share capital of U+I at approximately £190 million on a fully diluted basis, and the price of 149 pence per U+I Share represents a premium of approximately:

- 73 per cent. to the Closing Price of 86.0 pence per U+I Share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period);
- 71 per cent. to the volume-weighted average price of 87.2 pence per U+I Share for the one-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period); and
- 70 per cent. to the volume-weighted average price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021 (being the last Business Day before the commencement of the Offer Period).

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to

reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Landsec Development of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

In the event that the Acquisition is to be implemented by way of a Takeover Offer, the U+I Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto. Any new U+I Shares issued to Landsec Development pursuant to the Scheme will be transferred on the same basis.

The Scheme Document will contain a valuation in respect of U+I's property portfolio in accordance with Rule 29 of the Takeover Code.

### **3. Background to and reasons for the Acquisition**

In October 2020, Landsec set out its future growth strategy focused on three key areas: (i) Central London offices; (ii) major retail destinations; and (iii) urban opportunities in London and other major regional cities. The ultimate goal of this strategy is to accelerate growth through recycling capital into higher return opportunities and deliver for investors an attractive combination of income and growth driven returns.

In Central London offices, Landsec develops, owns and manages offices that offer a variety of propositions to meet the evolving needs of the occupiers. The Central London offices portfolio offers a blend of returns: from high quality, low risk income through to profits from new developments.

In major retail destinations, Landsec actively manages high quality retail destinations that they believe will remain relevant to brands and shoppers in an increasingly omni-channel world. Returns in this segment are predominantly income driven with the prospects of rental growth and values strengthening in the medium term.

In urban opportunities, Landsec applies its skillset to deliver urban mixed-use schemes. The aim is to capitalise on the attractive blend of income, growth and development-driven returns over multiple years that multi-phased projects can offer.

In the near term, Landsec's directors expect to increase portfolio recycling and are prepared to take, in a considered way, more operational risk to create value and drive returns for Landsec's shareholders. As Landsec increasingly allocates capital for growth, it is targeting the delivery of mid-to-high single digit returns on equity across the Landsec group, split broadly equally between income and growth.

The Covid-19 pandemic has accelerated the blurring of lines between where people live, work and socialise. In response to this, mixed-use developments with a clear sense of place are becoming a more important part of the fabric of cities. The directors of Landsec believe it is well positioned with its existing development and asset management capabilities and balance sheet strength to create these places and achieve attractive risk-adjusted returns.

The Acquisition would add core regeneration assets to the Landsec's development pipeline, which Landsec believes it can help realise through the strength of its balance sheet accelerating the delivery of Landsec's "Urban opportunities" strategic pillar.

U+I also aligns closely with Landsec's sustainability goals, including the design and development of new sustainable communities, working alongside local government, customers, communities and partners.

U+I provides access to a significant pipeline of mixed-use development schemes, of which two are well-progressed through planning (Mayfield, (strategic regeneration framework ("SRF") and detailed consent for phase 1); and Morden Wharf (resolution to grant)):

- Mayfield, Manchester. Mayfield is one of the UK's pre-eminent mixed-use regeneration projects, and works have already commenced onsite. It is a c. 24 acre site in Manchester City Centre, adjacent to Manchester Piccadilly railway station, which comprises 2 million sq. ft. of office, retail and leisure space and 1,500 new homes set around a 6.5 acre public park. This site is currently owned in a joint venture with Manchester City Council, Transport for Greater Manchester and London and Continental Railways (the "**Mayfield JV**"). U+I has a 50 per cent. share in the Mayfield JV and acts as development manager for the site. Following the Acquisition, Landsec expects that it will be able to satisfy the financing requirements of the Mayfield JV. U+I estimates that the site has a £1.5 billion gross development value, of which approximately 60 per cent. is expected to be the office element, and the site is expected to complete in calendar year 2032.
- Morden Wharf, Greenwich Peninsula. U+I has a conditional development agreement with Morden College, a charitable trust with significant land holdings on the Greenwich Peninsula. U+I has secured planning consent for 1,500 new homes, 200,000 sq. ft. of warehouses and 50,000 sq. ft. of retail across this 19 acre site on the western edge of the Peninsula. U+I estimates that the site has a gross development value of £770 million.

U+I also provides access to a further high quality, office-led development in London with planning consent:

- Landmark Court, Southwark. Landmark Court is an office-led development site located within walking distance of London Bridge station and Borough underground station, with planning permission for 200,000 sq. ft. of offices, retail and workspace and 36 new homes. Landmark Court is targeting BREEAM Excellent and WELL Platinum (building validations/certifications focusing on sustainability, human health and well-being). The offices are expected to provide prime space in a location that continues to mature, with the consented and cleared site offering the potential to deliver near-term returns. Landmark Court will sit in a joint venture (which is conditional on receipt of development funding) of subsidiaries of U+I and Transport for London ("TfL"), held 51:49 respectively (the "**Landmark JV**"). TfL and Network Rail are freeholders of the site, with a new 299-year lease now agreed for development. Following the Acquisition, Landsec expects that it will be able to satisfy the financing requirements of the Landmark JV. U+I estimates that the site has a £240 million gross development value and work is expected to commence in 2022 and complete in calendar year 2025.

Landsec believes that it can accelerate the pace of development across these sites by combining Landsec's own development capabilities and the strength of its balance sheet, with U+I's placemaking skills, which emphasise: (i) unlocking overlooked, underestimated sites, (ii) community-led neighbourhood planning, and (iii) purposeful construction of mixed-use neighbourhoods, infrastructure and public spaces. Landsec believes these opportunities would enable it to invest a further £600-800 million in development capital expenditure in the short to medium term.



In addition, U+I provides access to a longer dated mixed-use regeneration scheme, which Landsec's directors believe could provide additional upside for Landsec, subject to further assessment:

- Cambridge Northern Fringe East ("CNFE"). CNFE is a venture with Cambridge City Council and Anglian Water for a potential £3 billion "masterplan" on a 120 acre site on the outskirts of Cambridge, for which U+I currently acts as "masterplanner" and promoter. U+I's stated plan for CNFE is to create a new district, including 5,000 new homes and 0.5 million sq. ft. of office and lab space for life sciences industries.

U+I provides access to one further mixed-use regeneration scheme:

- 8 Albert Embankment, Lambeth. In partnership with the London Fire Brigade, U+I was given a mandate for development in 2016, subject to planning. This scheme offers the potential for 443 new homes alongside approximately 85,000 sq. ft. of office space. U+I estimates that the site has a gross development value of £500 million. However, in June 2021, the latest planning application was refused by the Secretary of State. Landsec will evaluate options for this site.

#### **4. Recommendation**

The U+I Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the U+I Directors, Rothschild & Co has taken into account the commercial assessments of the U+I Directors. Rothschild & Co is providing independent financial advice to the U+I Directors for the purposes of Rule 3 of the Takeover Code.

**Accordingly, the U+I Directors intend to recommend unanimously that U+I Shareholders vote in favour of the Scheme at the Court Meeting and the Resolution to be proposed at the General Meeting as the U+I Directors who hold U+I Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).**

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3.

#### **5. Background to and reasons for the Recommendation**

In May 2021, U+I announced the first step of its "Reset, Prove, Grow" strategy, which followed the 100-day strategic review undertaken by U+I following the appointment of Richard Upton as CEO in January 2021. As part of the review, U+I reorganised its portfolio into three segments: (i) Core Regeneration assets; (ii) Non-Core Development and Trading assets ("**Non-Core**"); and (iii) Investment Portfolio assets, simplifying the business and providing greater clarity to shareholders on the strategy for each segment.

In relation to the strategy for the Non-Core portfolio, in the six months to 30 September 2021, U+I has made good progress with Non-Core disposals, fully exiting three of its 35 Non-Core projects with further partial realisations being achieved from a number of other projects. The U+I Board is confident in U+I's ability to monetise the majority of the remaining Non-Core projects over the four-year timescale previously indicated, albeit these disposals are not without risk and, in some cases, require further capital spend ahead of monetisation. The U+I Board also recognises that there is a wide range of total net sale proceeds outcomes, as set out in May 2021, which is in part dependent on factors beyond U+I's control.

In relation to the Core Regeneration business, demand for mixed-use urban environments where people can live, work and socialise has never been greater, and the U+I Board continues to believe that U+I is one of only a small number of companies with the skills, track-record and reputation to

successfully deliver these types of projects. However, the scale of U+I's Core Regeneration pipeline and ambition, relative to the scale of U+I's own balance sheet and market capitalisation, means that one of the core tenets of U+I's regeneration strategy is the introduction of external capital partners into key projects.

The U+I Board believes that U+I's Core Regeneration model, married to the right long-term capital, and aligned with the Government's focus on rebuilding economic growth and 'levelling up', is more relevant than ever and represents a highly attractive opportunity to create long term stakeholder value. In considering the right partner for a project, U+I seeks an appropriate combination of balance sheet strength and expertise in investing in long-term regeneration projects. The U+I Directors consider Landsec a highly credible partner for these projects, given its financial strength and long track-record of delivering complex projects. Furthermore, the U+I Directors see this partnership as providing an opportunity to accelerate the Core Regeneration business plan for the benefit of all U+I stakeholders.

Landsec's initial proposal was received in September 2021 and the final Acquisition price followed from a period of negotiations with U+I.

Against this backdrop, whilst the U+I Board remains confident in U+I's prospects as a standalone company as it continues to implement its revised strategy, following careful consideration, the U+I Board has concluded the Acquisition is in the best interests of U+I Shareholders. In reaching this conclusion, it has considered in particular the following:

- the range of risk-adjusted returns under U+I's revised strategy, in particular the range of net proceeds likely receivable from the Non-Core disposals net of U+I's recurring cost base, as compared with the certainty of the Acquisition price;
- the likely requirement over time to introduce funding partners into certain of U+I's Core Regeneration assets, in order for U+I to monetise its interest in these core projects and create distributable profits for U+I Shareholders;
- the complexity and cost of U+I's existing capital structure and the overall size of its balance sheet and market capitalisation, relative to the scale and opportunity of its pipeline;
- the Acquisition price of 149 pence represents a premium of approximately 73 per cent. to the Closing Price of 86.0 pence per U+I share on 29 October 2021 (being the last Business Day before the commencement of the Offer Period) and 70 per cent. to the volume-weighted average Closing Price of 87.8 pence per U+I Share for the three-month period ended 29 October 2021;
- that the Acquisition provides an opportunity for all U+I Shareholders to realise their interests in cash; and
- the impact of the Acquisition on all of U+I's stakeholders and the importance of U+I's assets to Landsec's future strategy.

## **6. Irrevocable undertakings and letters of intent**

The U+I Directors who hold U+I Shares have irrevocably undertaken to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) in respect of 4,507,614 U+I Shares in aggregate, representing approximately 3.6 per cent. of U+I's issued share capital on 29 October 2021 (being the last Business Day before the date of this announcement).

In addition, Landsec and Landsec Development have received letters of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by a Takeover Offer, to accept such Takeover Offer) from Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited, in respect of a total of 39,754,171 U+I Shares, representing in

aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).

In total, therefore, Landsec and Landsec Development have received irrevocable undertakings or letters of intent, including those irrevocable undertakings from the U+I Directors who own U+I Shares, in respect of, in aggregate, 44,261,785 U+I Shares, representing approximately 35 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement).

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

## **7. Information relating to U+I**

U+I is a property developer and investor focused on complex, mixed-use regeneration in London, Manchester and Dublin, creating socially and economically sustainable places where people can live, work and socialise. Headquartered in London and listed on the London Stock Exchange's Main Market, U+I employs 70 people across the United Kingdom. U+I began as Development Securities PLC and rebranded as U+I in 2015 following the acquisition of Cathedral Group (Holdings) Limited in 2014.

As a result of U+I's strategic review, announced in May 2021, U+I's portfolio has been reorganised into three segments: Core Regeneration assets, Non-Core Development and Trading assets, and Investment Portfolio assets.

The Core Regeneration assets segment (£58 million of gross asset value as at 31 March 2021, or 22 per cent. of the total U+I portfolio) comprises five major schemes which are mostly public-private partnerships to build on publicly-owned land. These five major schemes have a significant estimated gross development value of £6 billion. These mixed-use regeneration schemes are expected to deliver sustainable and consistent returns to U+I. U+I's "master developer" approach provides multiple routes to monetisation over the course of the project and can include: (i) land enablement profits from planning and placemaking, (ii) plot sales to specialists, (iii) development management fees, and (iv) shares of development profits and promotes. These projects, which often require no upfront land purchase, are the core of U+I's business and require expertise like U+I's to be successful.

The Non-Core Development and Trading assets segment (£126 million of gross asset value as at 31 March 2021 or 47 per cent. of the total U+I portfolio) comprised 35 projects (as at 31 March 2021) which were previously described as public-private partnership/development or trading projects and which U+I intends to dispose of within the next four years. As at 31 March 2021, U+I estimated £90-160 million of net cash receipts from these projects from the disposal programme (net of estimated project spend).

The Investment Portfolio assets segment (£85 million of gross asset value as at 31 March 2021 or 32 per cent. of the total U+I portfolio) is comprised of 15 income-generating assets (as at 31 March 2021) and is largely made up of commercial, retail, shopping centre or leisure assets that U+I acquired or developed. U+I believes the Investment Portfolio provides a potential future opportunity to recycle capital into core regeneration schemes.

As at 31 March 2021, the total gross asset value across the Core Regeneration, Non-Core Development and Trading and Investment Portfolio asset segments was £269 million.

For the 12 months ended 31 March 2021, U+I reported total assets of £427.0 million, reported total revenues of £45.8 million and losses before tax of £86.7 million. U+I reported a basic loss of 70.2 pence per U+I Share.

U+I is a public limited company registered in England and Wales. The U+I Shares are listed on the premium listing segment of the Official List and are admitted to trading on the London Stock Exchange's Main Market for listed securities.

## **8. Information relating to Landsec Development and Landsec**

### ***Landsec Development***

Landsec Development is a private limited company registered in England and Wales and incorporated on 20 October 2021. Landsec Development was formed for the purposes of the Acquisition and is an entity indirectly wholly-owned by Landsec. Landsec Development has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The current directors of Landsec Development are Elizabeth Miles, Land Securities Management Services Limited and LS Director Limited.

Further details in relation to Landsec Development will be contained in the Scheme Document.

### ***Landsec***

Landsec Group is one of the leading real estate development and investment companies in the United Kingdom. Founded in 1944 and headquartered in Victoria, London, Landsec is listed on the London Stock Exchange where it is a constituent of the FTSE 100 Index. Landsec has been a Real Estate Investment Trust ("**REIT**") since the UK introduced REIT status in 2007.

Landsec operates across four divisions: Central London, Regional Retail, Subscale sectors and Urban opportunities. The company owns and manages some of the most successful real estate assets across the United Kingdom. Its combined portfolio of retail, leisure, workspace and residential hubs is valued at £10.8 billion and spans 23.5 million sq. ft. (as at 31 March 2021). Landsec aims to lead the real estate industry in critical long-term issues: from diversity and community employment, to carbon reduction and climate resilience.

## **9. Directors, management, employees, pensions, research and development and locations**

### ***Landsec's strategic plans for U+I***

Landsec holds the reputation of the U+I management team and staff in high regard. Landsec believes that the U+I management team will materially enhance Landsec's placemaking skills and complement Landsec's existing development capabilities.

Following completion of the Acquisition, Landsec intends to continue to pursue U+I's existing strategy, utilising Landsec's existing development capabilities and the strength of its balance sheet to accelerate U+I's pipeline of near-term development opportunities.

#### ***1. Core regeneration assets***

Landsec intends to continue to treat this segment as the core focus of the U+I business, using Landsec's balance sheet strength and existing development capabilities to accelerate U+I's two major mixed-use development schemes which are well-progressed through planning (Mayfield, Manchester (SRF and detailed consent for phase 1); and Morden Wharf, Greenwich Peninsula (resolution to grant)), as well as its office-led scheme at Landmark Court, Southwark. Landsec intends to assess U+I's longer dated mixed-use regeneration scheme (CNFE) and will evaluate its options in respect of 8 Albert Embankment. Landsec intends to invest in new mixed-use development opportunities as and when they arise.

Landsec believes that U+I's placemaking skills are complementary to Landsec's skills and expertise. Through the combination of Landsec's own development capabilities and financing capacity with U+I's front-end development capabilities and placemaking expertise,

Landsec intends to accelerate its own strategic objective of growing through urban, mixed-use opportunities.

2. *Investment portfolio assets*

In line with U+I's current strategy, Landsec intends to review each of these assets and consider recycling capital into core regeneration assets.

3. *Non-core development and trading assets*

In line with U+I's current strategy, Landsec intends to trade out of this portfolio over the next four years.

***Employees and management***

Landsec attaches great importance to the skill and experience of the U+I management team and employees and recognises that the commitment of the employees and management of U+I will be a critical part of the future success of the combined business. Landsec intends to support the U+I management team and, save as set out below, Landsec has no intention to make any change to the continued employment of the employees and management of the U+I Group, including any material changes to the terms and conditions of employment or in the balance of skills and functions of the management and employees of the U+I Group as a result of the Acquisition.

Landsec intends to undertake an evaluation of U+I and its operations as part of the Landsec Group, within six months after U+I ceases to be a listed company. There may be certain corporate and support functions associated with operating the business under public ownership which are no longer required or are reduced in scope, which will potentially (subject to compliance with any information and consultation obligations) require reduced headcount in these areas. Landsec has not yet developed proposals as to how any such headcount reductions could be implemented.

***Conditions of employment and existing rights and pensions***

Landsec confirms that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pension rights and obligations, of the management and employees of the U+I Group will be fully safeguarded in accordance with applicable law.

U+I operates a defined contribution scheme on behalf of the U+I Group for U+I Directors and employees. Monthly premiums are invested in an independent insured fund. Landsec does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members under the pension scheme.

***Headquarters, locations and research and development***

Following completion of the Acquisition, U+I will retain its head office operations at 7A Howick Place, London SW1P 1DZ for a transitional period. Landsec intends to review opportunities to consolidate U+I's London head office operations with Landsec's own head office at 100 Victoria Street, London SW1E 5JL. Landsec has no other plans to undertake any change in the other locations of U+I's places of business.

In addition, the U+I Group currently has no research and development function and Landsec has no plans in this regard.

***Management incentive arrangements***

Following completion of the Acquisition, Landsec intends to review the management, governance and incentive structure of U+I and put in place incentivisation arrangements for certain managers and employees of U+I. The terms of these arrangements are to be determined at the appropriate time. Landsec has not entered into, and has not had discussions on proposals to enter into, any



form of incentivisation arrangements with members of the U+I management or employees, and no such discussions will take place prior to completion of the Acquisition.

### ***Trading facilities***

The U+I Shares are currently listed on the premium listing segment of the Official List and are admitted to trading on the London Stock Exchange's Main Market for listed securities. Subject to the Scheme becoming Effective, applications will be made to the FCA and the London Stock Exchange to cancel the listing of the U+I Shares on the Official List and trading on the Main Market, following which U+I will be re-registered as a private limited company.

None of the statements in this paragraph 9 constitute or are intended to become "post-offer undertakings" for the purpose of Rule 19.5 of the Takeover Code.

## **10. U+I Share Plans**

Participants in the U+I Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the U+I Share Plans and an appropriate proposal will be made to such participants in due course. Details of the proposal will be set out in the Scheme Document (or, as the case may be, the Offer Document) and in separate letters to be sent to participants in the U+I Share Plans.

## **11. Financing of the Acquisition**

The Cash Consideration payable by Landsec Development under the terms of the Acquisition will be funded from the Wider Landsec Group's existing cash resources.

UBS, in its capacity as financial adviser to Landsec, is satisfied that sufficient resources are available to satisfy in full the Cash Consideration payable to U+I Shareholders under the terms of the Acquisition.

## **12. Offer-related arrangements**

### ***Confidentiality Agreement***

On 4 October 2021, Landsec and U+I entered into a confidentiality agreement in relation to the Acquisition (the "**Confidentiality Agreement**"), pursuant to which, amongst other things, Landsec gave certain undertakings to: (a) subject to certain exceptions, keep information relating to U+I and the Acquisition confidential and not to disclose it to third parties; and (b) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of 4 October 2023 and completion of the Acquisition by Landsec Development.

In the Confidentiality Agreement, Landsec also gives customary standstill undertakings in relation to itself and its concert parties, all of which cease to apply upon the release of this announcement.

### ***Co-operation Agreement***

Pursuant to a co-operation agreement (the "**Co-operation Agreement**") between Landsec Development, U+I and Landsec: (i) Landsec and Landsec Development have agreed to provide U+I with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (ii) the parties have agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (iii) the parties have agreed certain arrangements with respect to the U+I Share Plans and other employee-related matters.

The Co-operation Agreement shall terminate, *inter alia*: (i) by notice from Landsec Development or U+I, if the Acquisition is withdrawn or lapses in accordance with its terms; (ii) by notice from Landsec Development or U+I, if prior to the Long Stop Date any Condition has been invoked by Landsec Development (where permitted by the Panel); (iii) at Landsec Development's election if the U+I Directors withdraw or adversely modify or qualify their recommendation of the Acquisition

or announce that they intend to support a third party's offer or fail to reconfirm their recommendation of the Acquisition following publication of a competing proposal by a third party; (iv) at Landsec Development's election if U+I announces a delay to the dates of the Court Meeting or the General Meeting without Landsec Development's consent (other than for logistical or practical reasons which were not caused by U+I); or (v) by notice from Landsec Development or U+I, if the Scheme does not become effective in accordance with its terms by the Long Stop Date.

### **13. Scheme process**

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between U+I and the Scheme Shareholders under Part 26 of the Companies Act. Landsec Development reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement.

The purpose of the Scheme is to provide for Landsec Development to become owner of the whole of the issued and to be issued share capital of U+I. Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to Landsec Development in consideration for which Scheme Shareholders will receive the Cash Consideration on the basis set out in paragraph 2 above. The procedure involves, among other things, a petition by U+I to the Court to sanction the Scheme.

The Acquisition will be subject to the Conditions and the further terms referred to in Appendix 1 and the full terms and conditions to be set out in the Scheme Document and will only become Effective if, among other things, the following events occur on or before the Long Stop Date (or such later date as Landsec Development and U+I may, with the consent of the Panel, agree and, if required, the Court may allow):

- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. or more in value of each class of the Scheme Shares held by those Scheme Shareholders;
- the Resolution is passed at the General Meeting by U+I Shareholders representing at least 75 per cent. of the votes validly cast on the Resolution, whether in person or by proxy;
- following the Meetings, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Landsec Development and U+I); and
- following such sanction, an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of U+I Shares will cease to be valid and entitlements to U+I Shares held within the CREST system will be cancelled. In accordance with the applicable provisions of the Takeover Code, the Cash Consideration for the transfer of the Scheme Shares to Landsec Development will be despatched no later than 14 days after the Effective Date.

Any U+I Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolution to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any U+I Shares issued after the Scheme Record Time (other than to Landsec Development and/or its nominees) to be automatically transferred to Landsec Development on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the Articles (as amended) will avoid any person (other than Landsec Development and its nominees) holding U+I Shares after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless the Panel otherwise consents).

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document, together with the Forms of Proxy, will be published as soon as practicable and in any event within 28 days of the date of this announcement (unless the Panel agrees otherwise).

Subject, amongst other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in December 2021 or early 2022. The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

#### **14. Dividends**

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount up to the amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value.

#### **15. Disclosure of interests in U+I**

Except for the irrevocable undertakings referred to in paragraph 6 above, as at the close of business on 29 October 2021 (being the last Business Day before the date of this announcement), neither Landsec Development, Landsec, nor any of their respective directors, nor, so far as Landsec Development or Landsec is aware, any person acting in concert (within the meaning of the Takeover Code) with Landsec Development or Landsec:

- has any interest in, or right to subscribe for, any relevant securities of U+I; nor
- has any short position in U+I Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of U+I; nor
- has borrowed or lent any relevant securities of U+I or entered into any financial collateral arrangements relating to relevant securities of U+I; nor
- is party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code in relation to relevant securities of U+I.

An “interest in” securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

It has not been practicable for Landsec Development or Landsec to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if Landsec Development and/or Landsec become aware, following the making of such enquiries, that any of Landsec Development or Landsec’s concert parties have any additional interests in relevant securities of U+I, all relevant details in respect of Landsec Development and Landsec’s concert



parties will be included in Landsec Development's Opening Position Disclosure in accordance with the Takeover Code.

#### **16. Delisting, cancellation of trading and re-registration**

It is expected that the last day of dealings in U+I Shares on the London Stock Exchange's Main Market for listed securities will be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 pm (London time) on that date.

Subject to the Scheme becoming effective, U+I will make an application to the London Stock Exchange for the cancellation of the admission to trading of the U+I Shares on the London Stock Exchange's Main Market for listed securities and an application to the FCA for the cancellation of the listing of the U+I Shares on the Official List, in each case, to take effect on or shortly after the Effective Date.

Following the Scheme becoming Effective and after the delisting and cancellation of admission to trading of the U+I Shares, it is intended that U+I be re-registered as a private limited company as soon as practicable following the Effective Date.

#### **17. Consents**

Rothschild & Co and UBS have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

#### **18. Documents available for inspection**

Copies of the following documents will be published, by no later than 12 noon (London time) on the first Business Day following the date of this announcement, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) until the Effective Date:

- this announcement;
- the irrevocable undertakings and letters of intent referred to in paragraph 6 above and summarised in Appendix 3;
- the Confidentiality Agreement referred to in paragraph 12 above;
- the Co-operation Agreement referred to in paragraph 12 above; and
- the consent letters from each of Rothschild & Co and UBS referred to in paragraph 17 above.

The contents of U+I's website and Landsec's website are not incorporated into and do not form part of this announcement.

#### **19. Overseas Shareholders**

The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. U+I Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

#### **20. General**

Landsec Development reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on

substantially the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1, and to the full terms and conditions to be set out in the Scheme Document. The formal Scheme Document containing further information about the Acquisition and notices of the Meetings, together with the Forms of Proxy, will be sent to U+I Shareholders as soon as practicable and in any event within 28 days of this announcement (or on such later date as may be agreed between Landsec Development and U+I with the consent of the Panel).

Appendix 2 contains bases and sources of certain information contained in this announcement. Details of irrevocable undertakings and letters of intent received are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.

This announcement does not constitute an offer for sale of any securities or an invitation to purchase or subscribe for any securities. U+I Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy once these have been dispatched.

## Enquiries

### **U and I Group PLC**

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| Jamie Christmas (Chief Financial Officer) |                  |

|   |                  |
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|  |                  |
|--|------------------|
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|   |                  |
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|   |                  |
|---|------------------|
| <b>UBS</b> (sole financial adviser and corporate broker to Landsec) | +44 20 7567 8000 |
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| George Dracup   |                  |

|   |                  |
|---|------------------|
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| Sunni Chauhan   |                  |

Slaughter and May is acting as legal adviser to Landsec in connection with the Acquisition.

Bryan Cave Leighton Paisner LLP is acting as legal adviser to U+I in connection with the Acquisition.

The person responsible for arranging the release of this announcement on behalf of U+I is Chris Barton, Company Secretary.

## **Further information**

*This announcement is for information purposes only and is not intended to and does not constitute, or form part of an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of U+I in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*U+I and Landsec will prepare the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to U+I Shareholders. U+I and Landsec urge U+I Shareholders to read the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

## **Disclaimers**

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to U+I and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than U+I for providing the protections afforded to clients of Rothschild & Co nor for providing advice in connection with any 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 Acquisition or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion of its advice in this announcement in the form and context in which it is included.*

*UBS AG London Branch ("**UBS**") is authorised and regulated by the Financial Market Supervisory Authority in Switzerland. It is authorised by 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 to Landsec and no one else in connection with the Acquisition. In connection with such matters, UBS, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter referred to herein.*

*Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than U+I for providing the protections afforded to clients of Peel Hunt, nor for providing advice in relation to the matters referred to herein. Neither Peel Hunt nor any of its 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 Peel Hunt in connection with the matters referred to in this announcement, or otherwise.*

*Liberum Capital Limited ("**Liberum**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for U+I 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 U+I for providing the protections afforded to its clients or for providing any advice in relation to matters or arrangements referred to herein. Apart from the responsibilities and liabilities, if any, which may be imposed on Liberum by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Liberum does not accept any responsibility whatsoever for, and makes no representation or warranty, express or implied, as to the contents of this announcement or for any other statement made or purported to be made by it, or on its behalf, in connection with U+I and nothing in this announcement will be relied upon as a promise or representation in this respect, whether or not to the past or future. Liberum accordingly, to the fullest extent permitted by law, disclaims all and any responsibility or liability, whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this announcement or any such statement.

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purpose of complying with, the laws of England and Wales and the Takeover Code, and 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 England.*

*The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements of their jurisdictions.*

*The availability of the Acquisition to U+I Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their U+I 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 Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Landsec Development or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, 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 Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition 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 and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition 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, telex 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 Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

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

### **Notice to US investors in U+I**

*US holders of U+I Shares should note that the Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure and procedural requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules.*

*The financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with generally accepted accounting principles of the United Kingdom and thus may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*However, if, in the future, Landsec Development exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Takeover Offer will be made in compliance with applicable United States tender offer and securities laws and regulations. The receipt of cash pursuant to the Acquisition by a US holder of U+I Shares as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each U+I Shareholder is therefore urged to consult with legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for US holders of U+I Shares to enforce their rights and any claims arising out of US federal laws, since Landsec and U+I are each located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of U+I Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*To the extent permitted by applicable law, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Landsec, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, U+I Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Rothschild & Co and UBS will continue to act as an exempt principal trader in U+I Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Forward-looking statements**

*This announcement (including information incorporated by reference into this announcement), oral statements made regarding the Acquisition, and other information published by Landsec and U+I contain statements which are, or may be deemed to be, "forward-looking statements". 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 Landsec and U+I 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 include statements relating to the expected effects of the Acquisition on Landsec and U+I, the expected timing and scope of the Acquisition 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”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Although Landsec and U+I believe that the expectations reflected in such forward-looking statements are reasonable, Landsec and U+I 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 that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Landsec and U+I operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Landsec and U+I operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Landsec nor U+I, 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. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, neither Landsec nor U+I is under any obligation, and Landsec and U+I 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.

### **Dealing and Opening Position Disclosure requirements**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a)

*applies must be made by no later than 3.30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10<sup>th</sup> 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 Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, 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 pm (London time) on the Business Day following the date of the relevant dealing.*

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

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

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

### **No profit forecasts, estimates or quantified financial benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for U+I for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for U+I.*

### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on U+I's website at [www.uandiplc.com](http://www.uandiplc.com) and Landsec's website at [www.landsec.com](http://www.landsec.com) by no later than 12 noon (London time) on the first Business Day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks is incorporated into or forms part of this announcement.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, U+I Shareholders may request a hard copy of this announcement (and any information incorporated by reference in this announcement), free of charge, by contacting Link Group during business hours on 0371 664 0300 (from within the United Kingdom) and +44 (0) 371 664 0300 (from outside the United Kingdom) or by submitting a request in writing to Link Group, 10<sup>th</sup> Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the*

*United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales.*

*For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by U+I Shareholders, persons with information rights and other relevant persons for the receipt of communications from U+I may be provided to Landsec during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **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 figures that precede them.*



## **APPENDIX 1**

### **CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION**

#### **PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than the Long Stop Date.

#### **Scheme approval**

2. The Scheme will be conditional upon:
  - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of Scheme Shareholders who are on the register of members of U+I (or the relevant class or classes thereof) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof); and (ii) such Court Meeting (and any separate class meeting which may be required) being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow if required));
  - (B) (i) the Resolution being duly passed at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow if required)); and
  - (C) (i) the sanction of the Scheme by the Court (with or without modification (but subject to any such modification being acceptable to Landsec Development and U+I)) and the delivery of the office copy of the Scheme Court Order to the Registrar of Companies; and (ii) the Scheme Court Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Landsec Development and U+I with the consent of the Panel (and that the Court may allow)).

#### **General Third Party and regulatory conditions**

3. In addition, subject as stated in Part B below and to the requirements of the Panel, Landsec Development and U+I have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:
  - (A) all necessary filings or applications having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition by any member of the Wider Landsec Group of any shares or other securities in, or control of, any member of the Wider U+I Group, where the direct consequence of a failure to make such a notification or filing or to wait for

the expiry, lapse, or termination of any such waiting or time period would be unlawful in any relevant jurisdiction;

- (B) no relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would reasonably be expected to:
- (i) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Landsec Group or any member of the Wider U+I Group of all or a material part of their respective businesses, assets or property or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof;
  - (ii) require, prevent or materially delay the divestiture by any member of the Wider Landsec Group of any shares or other securities in U+I;
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Landsec Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or any other securities in, or to exercise voting or management control over, any member of the Wider U+I Group or the Wider Landsec Group;
  - (iv) make the Scheme or the Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by Landsec Development or any member of the Wider Landsec Group of any shares or other securities in, or control of U+I void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, materially delay or impose additional conditions or obligations with respect thereto;
  - (v) except pursuant to the implementation of the Acquisition or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Landsec Group or the Wider U+I Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider U+I Group or the Wider Landsec Group owned by any third party;
  - (vi) impose any limitation on the ability of any member of the Wider U+I Group to co-ordinate its business, or any part of it, with the businesses of any other members of the Wider U+I Group which is adverse to and material in the context of the Wider U+I Group taken as a whole or in the context of the Acquisition; or
  - (vii) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Landsec Group or of any member of the Wider U+I Group to an extent which is material in the context of the Wider Landsec Group or the Wider U+I Group in either case taken as a whole;

#### **General other conditions**

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

- (C) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider U+I Group is a party or

by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the acquisition or proposed acquisition by any member of the Wider Landsec Group of any shares or other securities (or equivalent) in U+I or because of a change in the control of U+I, would, or would reasonably be expected to, result in any of the following (in any case to an extent which is or would reasonably be expected to be material and adverse in the context of the Wider U+I Group taken as a whole):

- (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any member of the Wider U+I Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any asset or interest of any member of the Wider U+I Group being or falling to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider U+I Group otherwise than in the ordinary course of business;
- (iii) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider U+I Group;
- (iv) the rights, liabilities, obligations or interests of any member of the Wider U+I Group, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (v) the value or financial or trading position or prospects of any member of the Wider U+I Group being prejudiced or adversely affected; or
- (vi) the creation or acceleration of any material liability, actual or contingent, by any member of the Wider U+I Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, save as Disclosed, no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider U+I Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (vi) above, in each case to the extent material in the context of the Wider U+I Group taken as a whole;

***Certain events occurring since 31 March 2021***

- (D) save as Disclosed, no member of the Wider U+I Group having, since 31 March 2021:
  - (i) save as between U+I and wholly-owned subsidiaries of U+I and/or for U+I Shares issued under or pursuant to the exercise of options and vesting of awards granted under the U+I Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
  - (ii) save as between U+I and wholly-owned subsidiaries of U+I and/or for the grant of options and awards and other rights under the U+I Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into

shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

- (iii) other than to another member of the U+I Group, prior to the Acquisition becoming Effective, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
- (iv) save for intra-U+I Group transactions and transactions in the ordinary course of business, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or announced any intention to effect any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (v) save for intra-U+I Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (vi) save in the ordinary course of business, issued, authorised or announced its intention for the issue of, or made any change in or to, any debentures or (save for intra-U+I Group transactions), incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider U+I Group taken as a whole;
- (vii) purchased, redeemed or repaid or announced its intention to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;
- (viii) save for intra-U+I Group transactions, implemented, or authorised, or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business which in any case is material in the context of the Wider U+I Group taken as a whole;
- (ix) entered into, varied or authorised any material agreement, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which:
  - (a) is of a long term, onerous or unusual nature or magnitude or which is reasonably likely to involve an obligation of such nature or magnitude (save in the ordinary course of business); or
  - (b) would or would reasonably be likely to materially restrict the business of any member of the Wider U+I Group other than to a nature and extent which is normal in the context of the business concerned,

and, in either case, which is or would reasonably be expected to be material and adverse in the context of the Wider U+I Group taken as a whole;

- (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its

winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which in any case is material in the context of the Wider U+I Group taken as a whole;

- (xi) other than claims between U+I and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider U+I Group taken as a whole;
- (xii) made any alteration to its memorandum or articles of association or other incorporation documents (other than in connection with the Scheme) which is material in the context of the Acquisition;
- (xiii) save as Disclosed, been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, 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 to an extent which is material in the context of the Wider U+I Group taken as a whole;
- (xiv) otherwise than in the ordinary course of business, entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention to, effect any of the transactions, matters or events referred to in this paragraph 3(D) which is material in the context of the Wider U+I Group taken as a whole;
- (xv) (except in relation to changes made or agreed as a result of, or arising from, applicable law or changes to applicable law) made or agreed or consented to:
  - (a) any change to:
    - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the U+I Group for its directors, employees or their dependents, including the U+I Pension Schemes;
    - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
    - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
    - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made; or
  - (b) any non-ordinary course change to the trustees including the appointment of a trust corporation,

in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;

- (xvi) save as agreed by the Panel (if required) and by Landsec Development, proposed, agreed to provide or modified the terms of any of the U+I Share Plans or other benefit relating to the employment or termination of employment of a

material category of persons employed by the Wider U+I Group or which constitutes a material change to the terms or conditions of employment of any senior executive of the Wider U+I Group, or entered into or changed the terms of or made any offer (which remains open for acceptance) to enter into or change the terms of any contract with any director or senior executive, in each case, in a manner which is material in the context of the Wider U+I Group taken as a whole;

- (xvii) taken any action which requires, or would require, the consent of the Panel or the approval of U+I Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

***No adverse change, litigation or regulatory enquiry***

(E) save as Disclosed, since 31 March 2021:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or operational performance of any member of the Wider U+I Group which, in any such case, is material and adverse in the context of the Wider U+I Group taken as a whole;
- (ii) (other than as a result of, or in connection with, the Acquisition) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider U+I Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider U+I Group having been instituted, announced, implemented or threatened in writing by or against or remaining outstanding in respect of any member of the Wider U+I Group which in any such case has had or would reasonably be expected to have a material adverse effect on the Wider U+I Group taken as a whole;
- (iii) no contingent or other liability of any member of the Wider U+I Group having arisen or become apparent or increased other than in the ordinary course of business, which has had or might reasonably be expected to have an adverse effect on the Wider U+I Group taken as a whole and is material to the Wider U+I Group taken as a whole;
- (iv) no member of the Wider U+I Group having conducted its business in breach of any applicable laws and regulations and which in any case is material in the context of the Wider U+I Group taken as a whole; and
- (v) no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider U+I Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider U+I Group taken as a whole;

***No discovery of certain matters***

(F) save as Disclosed, Landsec not having discovered that:

- (i) any financial, business or other information concerning the Wider U+I Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider U+I Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before



the date of this announcement by disclosure either publicly or otherwise to Landsec or its professional advisers, in each case, to the extent which is material in the context of the Wider U+I Group taken as a whole;

- (ii) any member of the Wider U+I Group is subject to any liability (contingent or otherwise), other than in the ordinary course of business, which, in any case, is material in the context of the Wider U+I Group taken as a whole; or
- (iii) any past or present member of the Wider U+I Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) which non-compliance would be likely to give rise to any material liability (actual or contingent) or cost on the part of any member of the Wider U+I Group and which is material in the context of the Wider U+I Group taken as a whole;
- (iv) there is any material liability (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 U+I Group under any environmental legislation, regulation, notice, circular or order of any government, governmental, quasi-governmental, state or local government, supranational, statutory or other regulatory body, agency, court, association or body in any jurisdiction, which in any case is material in the context of the Wider U+I Group taken as a whole;

***Anti-corruption, economic sanctions, criminal property and money laundering***

(G) save as Disclosed, Landsec not having discovered that:

- (i) any:
  - (a) past or present member, director, officer or employee of the Wider U+I Group is or has at any time, in connection with their position in the Wider U+I Group, engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
  - (b) any person that performs or has performed services for or on behalf of the Wider U+I Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery legislation; or
- (ii) any asset of any member of the Wider U+I Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, director, officer or employee of the Wider U+I Group, or any other person for whom any such person may be liable or

responsible, is or has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from:

- (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or Her Majesty's Revenue and Customs; or
- (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations or the European Union or any of their respective member states,

which in each case, would cause any member of the Wider U+I Group to be in breach of any economic sanctions law applicable to the Wider U+I Group; or

- (iv) any member of the Wider U+I Group is or has been engaged in any transaction which would cause the Wider U+I Group to be in breach of any law or regulation prior to completion of the Acquisition, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or Her Majesty's Revenue and Customs, or any other relevant government authority which in any case is material in the context of the Wider U+I Group taken as a whole.



## **PART B: FURTHER TERMS OF THE ACQUISITION**

1. Conditions 2(A)(i), 2(B)(i) and 3(A) to (G) (inclusive) must be fulfilled, be determined by Landsec Development to be or remain satisfied or (if capable of waiver) be waived prior to the commencement of the Scheme Court Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above and subject to the requirements of the Panel and the Takeover Code, Landsec Development reserves the right in its sole discretion to waive:
  - (A) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, General Meeting and the Scheme Court Hearing. If any such deadline is not met, Landsec Development 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 or agreed with U+I to extend the deadline in relation to the relevant Condition; and
  - (B) in whole or in part, all or any of the Conditions set out in paragraphs 3(A) to 3(G) (inclusive) of Part A of this Appendix 1.
3. Landsec Development shall be under no obligation to waive or treat as satisfied any of the Conditions set out in paragraphs 3(A) to 3(G) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions 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 Takeover Code and subject to paragraph 5, Landsec Development may only invoke a Condition so as to cause the Acquisition 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 Landsec Development in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. The Conditions set out in paragraphs 2(A)(i) 2(B)(i) and 2(C)(i) of Part A of this Appendix 1 and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Landsec Development.
6. If Landsec Development is required by the Panel to make an offer for U+I Shares under the provisions of Rule 9 of the Takeover Code, Landsec Development may make such alterations to any of the above Conditions and the terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
7. Landsec Development reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Acquisition will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. of the U+I Shares (or such other percentage as Landsec Development may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the U+I Shares), or any amendments required by applicable law or any amendments necessary to reflect the Takeover Offer) as those which would apply to the Scheme.
8. The U+I Shares will be acquired pursuant to the Acquisition 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 whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.

9. If, on or after the date of this announcement and before the Acquisition becomes Effective, any dividend, distribution or other return of capital or value is announced, declared, made or paid by U+I or becomes payable by U+I in respect of the U+I Shares, Landsec Development reserves the right (without prejudice to any right of Landsec Development, with the consent of the Panel, to invoke the Condition set out in paragraph 3(D)(iii) of Part A of this Appendix 1) to reduce the consideration payable under the terms of the Acquisition of the U+I Shares by an amount equal to the aggregate amount of such dividend, distribution or other return of capital or value. In such circumstances, U+I Shareholders would be entitled to receive and retain any such dividend, distribution or return of capital or value. Any exercise by Landsec Development of its rights referred to in this paragraph 9 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
10. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document and such further terms as may be required to comply with the provisions of the Listing Rules and the provisions of the Takeover Code.
11. This announcement, any rights or liabilities arising hereunder are, and the Acquisition, the Scheme and any Forms of Proxy will be, governed by English law and subject to the jurisdiction of the courts of England and Wales. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.
12. The Acquisition 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 Restricted Jurisdiction.
13. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
14. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## APPENDIX 2

### BASES AND SOURCES

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

1. As at close of business on 29 October 2021 (being the last Business Day before the date of this announcement) there were 125,431,713 U+I Shares in issue. The legal entity identifier for the U+I Shares is 213800HTEQQEI0GR5A58.
2. As at 29 October 2021 (being the last Business Day before the date of this announcement), there were 2,005,409 U+I Shares that may be issued pursuant to U+I Share Plans. The additional number of U+I Shares has been calculated on the basis that there are 588,869 U+I Shares held by U+I Group's employee benefit trust that will be used to satisfy awards under the U+I Share Plans.
3. Any references to the issued and to be issued ordinary share capital of U+I are each based on:
  - the 125,431,713 U+I Shares referred to in paragraph 1 above; and
  - the 2,005,409 U+I Shares that may be issued pursuant to U+I Share Plans referred to in paragraph 2 above.
4. Certain figures included in this announcement have been subject to rounding adjustments.
5. Unless otherwise stated, the financial information of U+I is extracted (without material adjustment) from U+I's annual report and financial statements for the 12 months ended 31 March 2021, which were released on 26 May 2021 or, where applicable, U+I's annual report and financial statements for the 12 months ended 31 March 2020, which were released on 8 July 2020.
6. Volume-weighted average prices have been derived from Bloomberg and have been rounded to the nearest tenth of a penny.

## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

#### U+I Directors' irrevocable undertakings

The following U+I Directors who hold U+I Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolution at the General Meeting in respect of their own beneficial holdings of U+I Shares (or those U+I Shares over which they have control):

| Name              | Total number of<br>U+I Shares | Percentage of U+I Shares in<br>issue on 29 October 2021 (being the<br>last Business Day before the date of<br>this announcement) (per cent.) |
|-------------------|-------------------------------|--|
| Peter Williams    | 127,941                       | 0.10%  |
| Richard Upton     | 4,254,384                     | 3.39%  |
| Barry Bennett     | 53,352                        | 0.04%  |
| Lynette Krige     | 12,605                        | 0.01%  |
| Jamie Christmas   | 20,860                        | 0.02%  |
| Rosaleen Kerslake | 13,031                        | 0.01%  |
| Sadie Morgan      | 25,441                        | 0.02%  |
| <b>Total</b>      | <b>4,507,614</b>              | <b>3.59%</b>   |

The undertakings from the U+I Directors will cease to be binding only:

- (A) if Landsec Development shall not have announced a firm intention to proceed with the Acquisition by 8.00 am or on such other date as U+I and Landsec Development may agree on the terms and conditions set out or referred to in the Co-operation Agreement;
- (B) if Landsec Development announces that it does not intend to proceed with the Acquisition and no new revised or replacement Scheme or Takeover Offer is announced by Landsec Development in accordance with Rule 2.7 of the Takeover Code at the same time;
- (C) if the Scheme Document or Offer Document is not dispatched to U+I Shareholders within 28 days of the relevant announcement (or such longer period, in the case of the Scheme Document, as Landsec Development and U+I agree with the consent of the Panel or, in the case of an Offer Document, such longer period as Landsec Development, with the consent of the Panel, determines) of this announcement, provided that if the Acquisition was initially being implemented by way of a Scheme and Landsec Development elects to exercise its right to implement the Acquisition by way of a Takeover Offer, or vice versa, the time period is to be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may require); or
- (D) if any competing offer for the entire issued and to be issued ordinary share capital of U+I becomes or is declared unconditional or, if proceeding by way of scheme of arrangement, becomes effective; or
- (E) on the earlier of:
  - (i) the Long Stop Date; or
  - (ii) the date on which the Acquisition (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, unless the Acquisition is withdrawn or lapses as a result of Landsec Development exercising its right to implement the Acquisition by way of a Takeover Offer in accordance with the

Co-operation Agreement and the Takeover Code rather than by way of a Scheme or vice versa.

**Letters of intent**

Aberforth Partners LLP, J O Hambro Capital Management Limited, Jupiter Asset Management Limited and Ennismore Fund Management Limited have each given to Landsec and Landsec Development a non-binding letter of intent to vote in favour of the resolutions relating to the Acquisition at the Meetings, in respect of a total of 39,754,171 U+I Shares, representing in aggregate approximately 32 per cent. of the issued ordinary share capital of U+I on 29 October 2021 (being the last Business Day before the date of this announcement), or to accept, or procure the acceptance of, the Takeover Offer if the Acquisition is implemented as a Takeover Offer.

## APPENDIX 4

### DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

|                                    |   |
|------------------------------------|---|
| <b>“Acquisition”</b>               | the acquisition of the entire issued, and to be issued, ordinary share capital of U+I by Landsec Development (other than U+I Shares already held or controlled by Landsec, if any) to be implemented by way of the Scheme or, should Landsec Development so elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof; |
| <b>“Articles”</b>                  | the articles of association of U+I from time to time;   |
| <b>“Business Day”</b>              | any day (excluding any Saturday or Sunday or any public holiday in England) on which banks in the City of London are generally open for business;   |
| <b>“Cash Consideration”</b>        | the cash consideration payable by Landsec Development in connection with the Acquisition, being 149 pence for each U+I Share;   |
| <b>“Closing Price”</b>             | the closing middle market price of an U+I Share as derived from the Daily Official List on any particular date;   |
| <b>“Companies Act”</b>             | the Companies Act 2006, as amended from time to time;   |
| <b>“Conditions”</b>                | the conditions to the Acquisition, as set out in Appendix 1 and to be set out in the Scheme Document;   |
| <b>“Confidentiality Agreement”</b> | the confidentiality agreement entered into between Landsec and U+I in relation to the Acquisition dated 4 October 2021, a summary of which is set out in paragraph 12 of this announcement;   |
| <b>“Co-operation Agreement”</b>    | the co-operation agreement entered into between Landsec Development, U+I and Landsec dated 1 November 2021, a summary of which is set out in paragraph 12 of this announcement;   |
| <b>“Court Meeting”</b>             | the meeting of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof;  |
| <b>“Court”</b>                     | the High Court of Justice in England and Wales;   |
| <b>“CREST”</b>                     | the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018)), in respect of which Euroclear UK & Ireland Limited is the Operator (as  |

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|                              | defined in such Regulations) in accordance with which securities may be held and transferred in uncertificated form;   |
| <b>“Daily Official List”</b> | the daily official list of the London Stock Exchange;  |
| <b>“Dealing Disclosure”</b>  | an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;   |
| <b>“Disclosed”</b>           | <ul style="list-style-type: none"> <li>(a) information disclosed by, or on behalf of, U+I in U+I's annual report and financial statements for the 12 months ended 31 March 2021 and 31 March 2020 or in this announcement; or</li> <li>(b) information fairly disclosed in writing or as discussed in the scheduled due diligence meetings between Landsec Development, Landsec and U+I and their respective professional advisers prior to the date of this announcement by, or on behalf of, U+I to Landsec Development or Landsec (or their respective officers, employees, agents or advisers in their capacity as such), including in the virtual data room operated on behalf of U+I and which Landsec and its advisers are able to access in respect of the Acquisition; or</li> <li>(c) as otherwise publicly announced by U+I prior to the date of this announcement (by the delivery of an announcement to a Regulatory Information Service);</li> </ul> |
| <b>“Effective Date”</b>      | the date on which the Acquisition becomes Effective;   |
| <b>“Effective”</b>           | <p>either:</p> <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(b) if the Acquisition is implemented by way of a Takeover Offer, means the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;</li> </ul>  |
| <b>“Excluded Shares”</b>     | any U+I Shares: (a) registered in the name of, or beneficially owned by Landsec Development, Landsec or any member of the Wider Landsec Group which is controlled by any member of the Wider Landsec Group or their respective nominees; (b) registered in the name of, or beneficially owned by, funds managed by Landsec Development, Landsec or a member of the Wider Landsec Group which is controlled by a member of the Wider Landsec Group or any of their subsidiary undertakings or their respective nominees; or (c) held by U+I in treasury;  |
| <b>“FCA”</b>                 | the Financial Conduct Authority;   |
| <b>“FSMA”</b>                | the Financial Services and Markets Act 2000, as amended from time to time;   |



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| <b>“Forms of Proxy”</b>        | the forms of proxy in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;  |
| <b>“General Meeting”</b>       | the general meeting of U+I Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolution (with or without amendment), including any adjournment, postponement or reconvening thereof;   |
| <b>“Landsec”</b>               | Land Securities Group PLC, a public limited company incorporated in England and Wales with registered number 04369054 and whose registered office is at 100 Victoria Street, London SW1E 5JL;  |
| <b>“Landsec Development”</b>   | LS Development Holdings Limited, a private limited company incorporated in England and Wales with registered number 13692104 and whose registered office is at 100 Victoria Street, London SW1E 5JL;   |
| <b>“Liberum”</b>               | Liberum Capital Limited;   |
| <b>“Listing Rules”</b>         | the listing rules made by the FCA pursuant to Part 6 of the Financial Services and Markets Act 2000, referred to in section 73A(2) of the same, and contained in the FCA's publication of the same name;   |
| <b>“London Stock Exchange”</b> | London Stock Exchange plc;   |
| <b>“Long Stop Date”</b>        | 1 July 2022, or such later date as may be agreed in writing between Landsec Development and U+I (with the Panel's consent and as the Court may allow, if such consent and/or approval is/are required);  |
| <b>“Meetings”</b>              | the Court Meeting and the General Meeting;   |
| <b>“Offer Document”</b>        | if (with the consent of the Panel and subject to the terms of the Co-operation Agreement, as applicable) Landsec Development elects to implement the Acquisition by way of the Takeover Offer, the document to be sent to U+I Shareholders which will contain, <i>inter alia</i> , the terms and conditions of the Takeover Offer; |
| <b>“Offer Period”</b>          | the offer period (as defined in the Takeover Code) relating to U+I commencing on 1 November 2021 and ending on the earlier of the Effective Date and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide);  |
| <b>“Official List”</b>         | the official list of the FCA;  |
| <b>“Overseas Shareholders”</b> | Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;   |
| <b>“Panel”</b>                 | the Panel on Takeovers and Mergers;  |
| <b>“Peel Hunt”</b>             | Peel Hunt LLP;   |
| <b>“PRA”</b>                   | the Prudential Regulation Authority;   |



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| <b>“Registrar of Companies”</b>         | the Registrar of Companies in England and Wales;   |
| <b>“Regulatory Information Service”</b> | any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;   |
| <b>“Resolution”</b>                     | the resolution(s) to be proposed at the General Meeting necessary to approve and implement the Scheme, including, amongst other things, a resolution to amend the Articles by the adoption and inclusion of a new article under which any U+I Shares issued or transferred after the Scheme Record Time (other than to Landsec Development and/or its nominees) shall be automatically transferred to Landsec Development (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the U+I Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities); |
| <b>“Restricted Jurisdiction”</b>        | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to U+I Shareholders in that jurisdiction;  |
| <b>“Rothschild &amp; Co”</b>            | N.M. Rothschild & Sons Limited;  |
| <b>“Scheme”</b>                         | the proposed scheme of arrangement under Part 26 of the Companies Act between U+I and Scheme Shareholders to implement the Acquisition;  |
| <b>“Scheme Court Hearing”</b>           | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act, including any adjournment thereof;   |
| <b>“Scheme Court Order”</b>             | the order of the Court sanctioning the Scheme under section 899 of the Companies Act;  |
| <b>“Scheme Document”</b>                | the document to be dispatched to U+I Shareholders including the particulars required by section 897 of the Companies Act;  |
| <b>“Scheme Record Time”</b>             | the time and date specified as such in the Scheme Document, expected to be 6.00 pm on the Business Day immediately after the date of the Scheme Court Hearing, or such later time as Landsec Development and U+I may agree;  |
| <b>“Scheme Shareholders”</b>            | the holders of Scheme Shares;  |
| <b>“Scheme Shares”</b>                  | <p>all U+I Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</li> </ul> <p>but excluding any Excluded Shares;</p>  |

|                                     |  |
|-------------------------------------|--|
| <b>“Substantial Interest”</b>       | a direct or indirect interest in 20 per cent. or more of the voting equity share capital of an undertaking;  |
| <b>“Takeover Code”</b>              | the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;  |
| <b>“Takeover Offer”</b>             | if (with the consent of the Panel and subject to the terms of the Co-operation Agreement, as applicable) Landsec Development elects to implement the Acquisition by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Landsec Development to acquire the entire issued and to be issued share capital of U+I and, where the context admits, any subsequent revision, variation, extension or renewal of such offer; |
| <b>“UBS”</b>                        | UBS AG London Branch;  |
| <b>“UK” or “United Kingdom”</b>     | the United Kingdom of Great Britain and Northern Ireland;  |
| <b>“U+I”</b>                        | U and I Group PLC, a public limited company incorporated in England and Wales with registered number 01528784 and whose registered office is at 7A Howick Place, London SW1P 1DZ;  |
| <b>“U+I Board”</b>                  | the board of directors of U+I as at the date of this announcement;   |
| <b>“U+I Directors”</b>              | the directors of U+I as at the date of this announcement;  |
| <b>“U+I Employee Benefit Trust”</b> | the U and I Group PLC Employee Benefit Trust;  |
| <b>“U+I Group”</b>                  | U+I and its subsidiaries and subsidiary undertakings from time to time;  |
| <b>“U+I Pension Scheme”</b>         | the U+I defined contribution pension scheme;   |
| <b>“U+I Share Plans”</b>            | the U+I Long-Term Incentive Plan and the U+I Save As You Earn Option Plan;   |
| <b>“U+I Shareholders”</b>           | the registered holders of U+I Shares from time to time;  |
| <b>“U+I Shares”</b>                 | the ordinary shares of 50 pence each in the capital of U+I from time to time;  |
| <b>“US Exchange Act”</b>            | the United States Securities Exchange Act 1934, as amended, and the rules and regulations promulgated thereunder;  |
| <b>“US” or “United States”</b>      | the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;   |
| <b>“Voting Record Time”</b>         | the time and date specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;  |
| <b>“Wider Landsec Group”</b>        | Landsec, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or  |

company) in which Landsec and/or such undertakings (aggregating their interests) have a Substantial Interest; and

**“Wider U+I Group”** U+I, its subsidiary undertakings and associated undertakings (including any joint venture, partnership, firm or company) in which U+I and/or such undertakings (aggregating their interests) have a Substantial Interest.

All references to time in this announcement are to London time unless otherwise stated.

All references to “pounds”, “pounds Sterling”, “Sterling”, “£”, “pence”, “penny” and “p” are to the lawful currency of the United Kingdom.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be construed accordingly.

For the purposes of this announcement, “subsidiary”, “subsidiary undertaking”, “undertaking” and “equity share capital” have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

References to the singular include the plural and vice versa.

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