THIS LETTER IS IMPORTANT AND EXPLAINS THE IMPACT OF THE ACQUISITION ON YOUR LTIP AWARD(S). PLEASE READ THIS LETTER CAREFULLY AS IT REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the contents of this document or what action you should take, you are recommended to seek your own financial, legal and tax advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

LS Development Holdings Limited
(incorporated in England and Wales with registered number 13692104)
100 Victoria Street
London SW1E 5JL

U and I Group PLC
(incorporated in England and Wales with registered number 01528784)
7a Howick Place
London SW1P 1DZ

To: Individuals holding conditional awards under the U and I Group PLC Long Term Incentive Plan 2014 (the "LTIP")

Please note that if you also hold an option under the U and I Group PLC Save-As-You-Earn Option Plan 2005, you will receive a separate proposal letter in relation to that option.

15 November 2021

Dear Participant

Recommended cash acquisition of U and I Group PLC ("U+I") by LS Development Holdings Limited ("Landsec Development"), a wholly owned subsidiary of Land Securities Group PLC ("Landsec")

1 Background

On 1 November 2021, the boards of U+I and Landsec Development announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Landsec Development will acquire the entire issued and to be issued ordinary share capital of U+I (the "**Acquisition**"). Except where otherwise defined in this letter, capitalised terms and expressions used in this letter have the meanings given to them in the Scheme Document (as defined below).

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

for each U+I Share **149 pence in cash**.

The Acquisition is to be effected through a court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") which requires the approval of U+I Shareholders and the sanction of the High Court (the "**Court**").

A copy of the document containing full details of the Scheme (the "**Scheme Document**") is available at https://www.uandiplc.com/. You should read this letter in conjunction with the Scheme Document.

It is expected that:

- the Court hearing to consider sanctioning the Scheme will take place on or about 13 December 2021 (the "**Scheme Sanction Date**"); and
- the Scheme will become effective on the next business day after the Scheme Sanction Date, at which point U+I will be owned by Landsec Development.

2 Your Award(s)

You have been sent this letter because you currently hold unvested conditional awards over U+I Shares ("**Award(s)**") under the LTIP.

3 Effect of the Scheme on your Award(s)

If the Scheme is sanctioned by the Court, your Award(s) will vest on the Scheme Sanction Date to the extent described below.

The extent to which your Award(s) granted in 2019, 2020 or 2021 will vest will be determined based on two factors:

- firstly, they will vest based on the extent to which the U+I Remuneration Committee determines (in accordance with the LTIP rules) that the applicable performance conditions have been met; and
- secondly, the number of U+I Shares in respect of which the 2019, 2020 and 2021 Award(s) would otherwise vest (as determined in accordance with the previous paragraph) will normally be reduced pro rata to reflect the proportion of the period over which the performance conditions applicable to the Awards are assessed that has elapsed (the performance period). The U+I Remuneration Committee has determined that pro-rating will be applied in respect of all Awards by reference to the period commencing at the start of the relevant performance period and expiring on 31 March 2022 pro rata to the length of the performance period.

To the extent that your Award(s) do not vest, they will lapse on the Scheme Sanction Date.

The 2019 Awards will be entitled to a "dividend equivalent payment" of 2.4p in respect of each U+I Share that vests under the 2019 Award. This will either be satisfied in cash or in additional U+I Shares which will be treated in the same way as the U+I Shares that are the subject of the Award. No other Awards are entitled to dividend equivalent payments.

The U+I Shares that you acquire will automatically be sold to Landsec Development as part of the Acquisition and you will receive 149p per U+I Share, less the relevant deductions for income tax and employee's National Insurance contributions. U+I will deduct any income tax and employee's National Insurance contributions that U+I is obliged to account to HM Revenue & Customs from your sales proceeds. To facilitate this it is anticipated that the U+I Shares that you acquire under your Award(s) will be held by the U+I Employee Share Trust who will hold the U+I Shares for you until they are acquired by Landsec Development.

The consideration for your U+I Shares, less the relevant deductions for income tax and employee's National Insurance contributions, will be paid to you through payroll as soon as reasonably practicable following the date the Scheme becomes effective.

You do not need to do anything to receive your cash payment.

4 What happens if the Court does not sanction the Scheme?

If the Court does not sanction the Scheme, your Award(s) will not vest early and will remain outstanding in accordance with the LTIP rules.

5 Leaving U+I before the Scheme Sanction Date

If you leave employment with U+I before the Scheme Sanction Date, the leaver provisions of the LTIP rules will apply in the normal way.

This means that if you leave employment with U+I and are a "good leaver", your Award(s) will remain outstanding and this letter would continue to apply to those Awards(s), except that the calculation of the time pro-rating reduction to your Award(s) may differ, as the U+I Remuneration Committee may determine it will take account of the date on which you left. If, at the discretion of the U+I Remuneration Committee, any other arrangements are applied in connection with you leaving U+I employment, you would be contacted separately.

If you leave employment with U+I prior to the Scheme Sanction Date and are not a "good leaver", all of your Award(s) will lapse on the date your employment with U+I ends.

A "good leaver" is defined in the LTIP rules and includes anyone who leaves due to ill health, injury, disability, redundancy, retirement (by agreement with U+I) or the sale of their employing company or business out of the U+I group or who dies.

6 Leaving U+I after the Scheme Sanction Date

If you leave employment with U+I after the Scheme Sanction Date, your Award(s) will already have vested at this point, so the U+I Shares you receive on vesting will still be sold to Landsec Development as part of the Acquisition and you will still receive your cash payment.

7 Tax

The schedule to this letter summarises the UK tax consequences that apply to the vesting of your Award(s).

8 City Code on Takeovers and Mergers

As your Award(s) will automatically vest on the Scheme Sanction Date and the U+I Shares you receive will be subject to the Scheme, no proposals for the purposes of Rule 15 of the City Code on Takeovers and Mergers are being made to you.

9 Important notes

Please note that no officer or employee of U+I nor Landsec Development nor Landsec will be able to give you legal, financial or tax advice nor advise you personally in relation to your Award(s). If you are in any doubt as to the contents of this letter or your tax position, you should seek your own independent professional advice immediately.

If you received this letter by email, you may request a hard copy of this letter, free of charge, by emailing [redacted] and including your name, and the address to which the hard copy should be sent. You may also request that all future letters, documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

If there is a conflict between the information in this letter (including its schedule) and the LTIP rules or any relevant legislation, the LTIP rules and the legislation will prevail.

Yours faithfully

[redacted]

Director
LS Development Holdings Limited

[redacted]

Non-executive Chairman
U and I Group PLC

SCHEDULE

UK Taxation

This Schedule is applicable to UK tax-resident individuals who are domiciled in the UK and work for U+I in the UK at all relevant times. It is intended as a guide only and is not a full description of all the circumstances in which a tax liability may occur.

- Income tax and National Insurance contributions will arise on the vesting of your Award(s) on the market value of the U+I Shares you acquire at that time.

- U+I is required to withhold and account to HM Revenue & Customs for the amount of these liabilities.

- Therefore, U+I will calculate its best estimate of the amount of your income tax and National Insurance contributions liability. U+I will, as described above, deduct from your sales proceeds an amount equal to this liability.

- However, there may be instances where the value withheld is more than the actual liabilities due, and in this situation any amounts over-withheld from you will be reimbursed to you through payroll. Similarly, if the amount withheld has been underestimated, you will need to meet any shortfall and the arrangements for this will be communicated to you individually should this arise, which may include these liabilities being deducted through payroll.

If you are in any doubt about your tax position, you are advised to seek advice from a suitably authorised tax adviser.