

CAPITAL & COUNTIES PROPERTIES PLC
(Incorporated and registered in the United Kingdom
with Registration Number 07145051 and
registered in South Africa as an external company
with Registration Number 2010/003387/10)
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("Capco")



RECOMMENDED ALL-SHARE MERGER OF CAPCO AND SHAFTESBURY PLC ("SHAFTESBURY") - UPDATE ON PRE-COMPLETION DIVIDENDS FOR SHAFTESBURY SHAREHOLDERS AND CAPCO SHAREHOLDERS

**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.**

29 November 2022

Pursuant to the scheme document dated 7 July 2022 (the "**Scheme Document**") and sent to Shaftesbury Shareholders in connection with the recommended all-share merger of Shaftesbury with Capco (the "**Merger**") and the announcement dated 26 October 2022, the Shaftesbury Board and the Capco Board have agreed to changes to the terms of the Permitted Shaftesbury Dividends and Permitted Capco Dividends set out in the Scheme Document. Such changes will facilitate the payment of dividends to both sets of shareholders in respect of the three-month period ending 31 December 2022, given that Completion is now expected to occur during the first quarter of 2023.

Defined terms used but not defined in this announcement have the meanings set out in the Scheme Document, which is available on each of Shaftesbury's and Capco's websites for the Merger.

Permitted Shaftesbury Dividends

Under the terms of the Merger, the Capco Board agreed that the Shaftesbury Board would be entitled to pay the Shaftesbury Full Year Dividend in respect of the year ending 30 September 2022. On 28 November 2022, the Shaftesbury Board declared a dividend of 5.1 pence per Shaftesbury Share for the Shaftesbury Full Year Dividend. The timing of the payment of the Shaftesbury Full Year dividend will be brought forward from the expected timeframe set out in the Scheme Document, with the record date for the Shaftesbury Full Year Dividend of 9 December 2022 and payment to be made on 21 December 2022.

In addition, the Shaftesbury Board and Capco Board have agreed that Shaftesbury may declare and pay a dividend of up to 2.7 pence per Shaftesbury Share in respect of the three-month period ending 31 December 2022 (the "**Shaftesbury Q1 2023 Dividend**") with the exact dividend amount (if any) to be announced in due course. The Shaftesbury Q1 2023 Dividend will be declared and paid to Shaftesbury Shareholders before the Effective Date and will constitute a Permitted Shaftesbury Dividend.

Permitted Capco Dividends

Under the terms of the Merger, the Shaftesbury Board agreed that the Capco Board would be entitled to pay the Capco Pro Rata Second Interim Dividend of up to 1 pence per Capco Share in respect of the three-month period ending 30 September 2022. In addition, the Shaftesbury Board and Capco Board have agreed that Capco may declare and pay a dividend of up to 0.7 pence per Capco Share in respect of the three-month period ending 31 December 2022 (the "**Capco Q4 2022 Dividend**"), with the exact dividend amount (if any) to be announced in due course.

The Capco Q4 2022 Dividend will be combined with the Capco Pro Rata Second Interim Dividend and paid as one dividend of up to 1.7 pence per Capco Share, covering the six-month period ending 31 December 2022 (together, the “**Capco Second Interim Dividend**”). The Capco Second Interim Dividend will constitute a Permitted Capco Dividend.

The Shaftesbury Board and the Capco Board have agreed that the Shaftesbury Q1 2023 Dividend is to be declared before the Capco Second Interim Dividend is declared and paid before the Capco Second Interim Dividend is paid. This is to allow for the dividend amount received by Capco in respect of the Shaftesbury Shares held by the Capco Group on the record date for the Shaftesbury Q1 2023 Dividend to be included in the amount of the Capco Second Interim Dividend to be paid to Capco Shareholders.

The record date for the Capco Second Interim Dividend will be prior to the Effective Date and will be announced in due course. The Capco Second Interim Dividend will be paid within 30 Business Days of the record date of the Capco Second Interim Dividend.

Equalisation Dividends

As noted above, the Shaftesbury Board and Capco Board have agreed that the Shaftesbury Q1 2023 Dividend will constitute a Shaftesbury Permitted Dividend and that the Capco Second Interim Dividend will constitute a Capco Permitted Dividend. Accordingly, if and to the extent declared and paid in accordance with the terms set out in this announcement, the Shaftesbury Board and the Capco Board have agreed that the Shaftesbury Q1 2023 Dividend and the Capco Second Interim Dividend can be declared and paid in each case without any adjustment to the Exchange Ratio under the terms of the Merger. As set out in the Scheme Document, any distributions in addition to the Shaftesbury Permitted Dividends or the Capco Permitted Dividends will however be treated as either an Excess Shaftesbury Dividend or an Excess Capco Dividend, as relevant, and the equalisation dividend mechanics set out in the Scheme Document shall apply.

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Further information

This announcement is for information purposes only and is not intended to and does not constitute, or form part of, any offer to sell or issue, or any solicitation of an offer to purchase, subscribe for or otherwise acquire, or the solicitation of any offer to dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any sale, issuance or transfer of securities of Shaftesbury or Capco pursuant to the Merger in any jurisdiction in contravention of applicable laws.

The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the forms of proxy, contains the full terms and conditions of the Scheme. Any decision in respect of, or other response to, the Merger by Shaftesbury Shareholders should be made only on the basis of the information contained in the Scheme Document (or, in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document).

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

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

Information Relating to Shaftesbury Shareholders

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

Disclosure requirements

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

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

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

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

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

Cautionary note regarding forward-looking statements

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

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

Publication of this announcement

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Shaftesbury's website at <https://www.shaftesbury.co.uk/en/investor-relations/recommended-all-share-merger-with-capco.html> and Capco's website at <https://www.capitalandcounties.com/investors/investor-information/merger->

[shaftesbury-plc](#) and by no later than 12 noon (London time) on the business day after the date of this announcement.

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

Requesting hard copy documents

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

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

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

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, blue, sans-serif font, followed by "CAPITAL" in a lighter, grey, sans-serif font. A thin blue horizontal line is positioned above the letters "A" and "C".