

COOPERATION AGREEMENT
relating to
THE PROPOSED ACQUISITION OF
ST. MODWEN PROPERTIES PLC

between

BRIGHTON BIDCO LIMITED

and

ST. MODWEN PROPERTIES PLC

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This Agreement is made on **20 May** 2021 between:

- (1) **Brighton Bidco Limited** incorporated in Jersey whose registered office is at 44 Esplanade, St Helier, Jersey, JE4 9WG with registered number 131280 (“**Bidco**”); and
- (2) **St. Modwen Properties PLC**, a public limited company incorporated in England & Wales whose registered office is at Park Point, 17 High Street, Longbridge, Birmingham B31 2UQ with registered number 00349201 (“**St. Modwen**”),

together referred to as the “**parties**” and each as a “**party**” to this agreement (the “**Agreement**”).

Whereas:

- (A) Bidco, a company owned (directly or indirectly) by investment funds managed by affiliates of Blackstone (as defined below), proposes to announce, immediately following execution of this Agreement, a firm intention to make a recommended offer for the entire issued and to be issued share capital of St. Modwen on the terms and subject to the conditions set out in the Press Announcement (as defined below) (the “**Transaction**”).
- (B) The parties intend that the Transaction will be implemented by way of a scheme of arrangement of St. Modwen pursuant to Part 26 of the Act (as defined below) (the “**Scheme**”), but Bidco reserves the right, as set out in (and subject to the terms and conditions of) the Press Announcement and this Agreement, to elect to implement the Transaction by way of a contractual takeover offer as defined in Chapter 3 of Part 28 of the Act (the “**Offer**”).
- (C) The parties have agreed to take certain steps to effect completion of the Transaction and wish to enter into this Agreement to record their respective rights, commitments and obligations relating to such matters.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 In this Agreement:

“**Acceptance Condition**” means, if applicable, the acceptance condition to the Offer as specified in Clause 6.2.1;

“**Act**” means the Companies Act 2006 as amended from time to time;

“**Agreed Switch**” means where the Transaction is implemented by way of an Offer in accordance with: (i) Clause 6.1.1; or (ii) Clause 6.1.2 in circumstances where the St. Modwen Board Recommendation applies in respect of the Offer;

“**Bidco Directors**” means the directors of Bidco from time to time;

“**Blackstone**” means The Blackstone Group Inc.;

“**Business Day**” means a day, other than a Saturday or Sunday or public or bank holiday, on which banks in London are generally open for business;

“**Clearances**” means all written approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Laws or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one

or more of the Regulatory Conditions; and any reference to any Clearance having been “satisfied” shall be construed as meaning that the foregoing has been obtained, or where relevant, made or expired;

“**Code**” means the UK City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;

“**Conditions**” means the conditions to implementation of the Transaction set out in Appendix 1 to the Press Announcement and “**Condition**” shall be construed accordingly;

“**Confidentiality Agreement**” means the confidentiality agreement entered into between The Blackstone Group International Partners LLP and St. Modwen in relation to the Transaction dated 13 April 2021;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Meeting**” means the meeting of the holders of the Scheme Shares which are in issue as at the Voting Record Time to be convened by order of the Court pursuant to section 896 of the Act for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme, including any adjournment thereof;

“**Day 60**” has the meaning given to it in Clause 6.2.3;

“**Disclosing Party**” has the meaning given to it in Clause 3.6;

“**Effective Date**” means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Bidco elects to implement the Transaction by way of the Offer, the Offer becomes or is declared unconditional in all respects;

“**FCA Handbook**” means the Financial Conduct Authority’s Handbook of rules and guidance as amended from time to time;

“**Initial Provisions**” means Clause 1, Clause 2.1 and Clauses 9 to 20 and 22 to 23 (in each case, inclusive);

“**Law**” means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority;

“**Long Stop Date**” means the date that is 6 months following the date of the Press Announcement or such later date as may be agreed by the parties in writing (with the Panel’s consent and as the Court may approve (if such consent and/or approval is/are required));

“**Notice**” has the meaning given to it in Clause 12.1;

“**Offer**” has the meaning given to it in Recital (B), and reference to Offer also includes any increased, renewed or revised offer;

“**Offer Document**” means, in the event Bidco elects to implement the Transaction by means of the Offer in accordance with Clause 6, the document setting out (among other things) details of the Transaction and the full terms and conditions of the Offer to be sent to (among others) the St. Modwen Shareholders, including any revised or supplementary offer document;

“**Panel**” means the UK Panel on Takeovers and Mergers;

“**Press Announcement**” means the press announcement to be released by Bidco and St. Modwen pursuant to Rule 2.7 of the Code in relation to the Transaction, in substantially the form set out in Schedule 2 (*Press Announcement*);

“**Regulatory Conditions**” means the Conditions set out in paragraph 3(a) to 3(c)(inclusive) of Part A of Appendix 1 to the Press Announcement (so far as, in the case of paragraphs 3(b) to 3(c), the relevant third party under that condition is a Relevant Authority);

“**Regulatory Information Service**” means a regulatory information service as defined in the FCA Handbook;

“**Relevant Authority**” means any central bank, ministry, governmental, quasi-governmental, national, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment review body), tribunal, court, trade agency, association, institution, employee representative body or any other body or person whatsoever in any jurisdiction, including the Panel;

“**Relevant Third Party**” has the meaning given to it in Clause 17.1;

“**Remedies**” means any conditions, obligations, measures, commitments, modifications, undertakings, remedies (including disposals and any pre-divestiture reorganisations) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances and “**Remedy**” shall be construed accordingly;

“**St. Modwen Board Adverse Recommendation Change**” means:

- (a) if St. Modwen makes an announcement prior to the publication of the Scheme Document that: (i) the St. Modwen Directors no longer intend to make the St. Modwen Board Recommendation or intend adversely to modify or qualify such recommendation; (ii) (other than where an Agreed Switch has occurred) it will not convene the Court Meeting or the St. Modwen General Meeting; or (iii) (other than where an Agreed Switch has occurred) it intends not to post the Scheme Document or (if different) the document convening the St. Modwen General Meeting;
- (b) if St. Modwen makes an announcement that it will delay the convening of, or will adjourn, the Court Meeting or the St. Modwen General Meeting, in each case without the consent of Bidco, except where such delay or adjournment is for reasons outside St. Modwen’s control;
- (c) the St. Modwen Board Recommendation is not included in the Scheme Document; or
- (d) the St. Modwen Directors withdraw or adversely modify or qualify the St. Modwen Board Recommendation;

“**St. Modwen Board Recommendation**” means a unanimous and unqualified recommendation from the St. Modwen Directors to the St. Modwen Shareholders in respect of the Transaction: (i) to vote in favour of such shareholder resolutions of St. Modwen as are necessary to approve, implement and effect the Scheme and the Transaction and the changes to St. Modwen’s articles of association contemplated in the Press Announcement; or (ii) if Bidco elects to implement the Transaction by means of an Offer in accordance with the terms of this Agreement, to accept the Offer;

“**St. Modwen Directors**” means the directors of St. Modwen from time to time;

“**St. Modwen General Meeting**” means the general meeting of holders of St. Modwen Shares which are in issue as at the Voting Record Time (including any adjournment thereof) to be convened and held in connection with the Transaction to consider, and if thought fit, approve the shareholder resolutions necessary to enable St. Modwen to implement the Transaction;

“**St. Modwen Group**” means St. Modwen and its subsidiaries and subsidiary undertakings from time to time and “**member of the St. Modwen Group**” shall be construed accordingly;

“**St. Modwen Representative**” has the meaning given to it in Clause 11.4;

“**St. Modwen Share Plans**” has the meaning given to it in Schedule 1;

“**St. Modwen Shareholders**” means the registered holders of St. Modwen Shares from time to time;

“**St. Modwen Shares**” means the ordinary shares of 10 pence each in the capital of St. Modwen from time to time;

“**Sanction Hearing**” means the hearing of the Court of the petition to sanction the Scheme pursuant to section 899 of the Act, including any adjournment thereof;

“**Scheme**” has the meaning given to it in Recital (B), and reference to Scheme also includes any modified, renewed or revised scheme;

“**Scheme Conditions**” means the Conditions relating to the Scheme becoming effective in accordance with its terms, set out in paragraph 14 (*Scheme process*) and paragraph 2 of Part A of Appendix 1 to the Press Announcement;

“**Scheme Document**” means the circular to be sent to (among others) St. Modwen Shareholders setting out (among other things) details of the Transaction, the full terms and conditions of the Scheme and the explanatory statement required pursuant to Part 26 of the Act and incorporating the notices convening the Court Meeting and the St. Modwen General Meeting, including any revised or supplementary circular;

“**Scheme Shares**” has the meaning given to that term in the Press Announcement;

“**Specified Regulatory Condition**” means the Condition set out in paragraph 3(a) of Part A of Appendix 1 to the Press Announcement;

“**Transaction**” has the meaning given to it in Recital (A);

“**Voting Record Time**” has the meaning given to it in the Press Announcement or such other time and/or date as the parties may agree in writing; and

“**Wider Bidco Group**” has the meaning given in the Press Announcement.

1.2 In this Agreement, except where the context otherwise requires:

1.2.1 the expression “**group**”, in relation to a party, means that party together with its subsidiaries and subsidiary undertakings from time to time;

1.2.2 the expressions “**subsidiary**” and “**subsidiary undertaking**” shall have the meanings given in the Act;

1.2.3 the expression “**acting in concert**” shall be construed in accordance with the Code;

- 1.2.4 a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
 - 1.2.5 references to one gender include other genders;
 - 1.2.6 words in the singular shall include the plural and vice versa;
 - 1.2.7 a reference to a “**person**” shall include a reference to an individual, an individual’s executors or administrators, a partnership, a firm, a body corporate, an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture or association (in any case, whether or not having separate legal personality);
 - 1.2.8 a reference to a Recital, Clause or Schedule (other than to a schedule to a statutory provision) shall be a reference to a recital, clause or schedule (as the case may be) to this Agreement;
 - 1.2.9 references to times are to London time;
 - 1.2.10 any reference to a “**day**” (including within the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;
 - 1.2.11 references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates the English legal term in that jurisdiction;
 - 1.2.12 references to “**writing**” shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
 - 1.2.13 a reference to “**includes**” or “**including**” shall mean “includes without limitation” or “including without limitation” respectively;
 - 1.2.14 the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
 - 1.2.15 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
 - 1.2.16 references to “**£**”, “**pounds sterling**”, “**GBP**”, “**pence**” and “**p**” are to the lawful currency of the United Kingdom;
 - 1.2.17 a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time; and
 - 1.2.18 references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

1.4 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. **PUBLICATION OF THE PRESS ANNOUNCEMENT AND TERMS OF THE TRANSACTION**

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 via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement, or such later date and time as the parties may agree (and, where required by the Code, the Panel may approve). The Initial Provisions shall take effect on and from execution of this Agreement.

2.2 The terms of the Transaction shall be as set out in the Press Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Transaction, which shall be at the sole discretion of Bidco) and, where required by the Code, approved by the Panel.

2.3 The terms of the Transaction at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Bidco elect to implement the Transaction by way of an Offer in accordance with Clause 6, the terms of the Transaction shall be set out in the announcement of the switch to an Offer and in the Offer Document.

3. **REGULATORY CLEARANCES**

3.1 Bidco shall take all such actions as may be necessary or advisable to secure the Clearances as soon as reasonably practicable following the date of this Agreement and in any event in sufficient time to enable the Effective Date to occur by the Long Stop Date. This shall include offering and executing any Remedies that are required or can reasonably be expected to be required to obtain Clearances to enable the Effective Date to occur by the Long Stop Date, provided always that any such Remedy applies only to a member or members of the St. Modwen Group and/or its or their business(es), and not, for the avoidance of doubt, to any company or business (i) which is (directly or indirectly) controlled by funds and entities managed or advised by affiliates of Blackstone; or (ii) in which any fund or entity managed or advised by affiliates of Blackstone has a direct or indirect interest.

3.2 Without prejudice to the generality of Clause 3.1, Bidco shall submit to the Relevant Authorities (in draft or in final form, as the case may be) any filings, notifications or submissions as are necessary in connection with the Clearances which it has a responsibility to make under applicable Law (or if otherwise required by a Relevant Authority) as soon as reasonably practicable after the date of this Agreement and within any applicable mandatory time periods.

3.3 Except where otherwise required by applicable Law or a Relevant Authority, Bidco shall:

3.3.1 after prior consultation with St. Modwen, and having taken into account the reasonable views of St. Modwen, determine the strategy to be pursued for obtaining the Clearances;

3.3.2 contact, correspond and maintain appropriate, regular and ongoing dialogue with the Relevant Authorities in relation to the Clearances, including submitting and preparing, with the reasonable assistance of St. Modwen in accordance with this Agreement, all necessary filings, notifications and submissions; and

3.3.3 be responsible for the payment of all filing fees required in connection with the Clearances.

- 3.4 Save to the extent prohibited by applicable Law or the Relevant Authority, St. Modwen undertakes to Bidco to:
- 3.4.1 provide as soon as reasonably practicable, and in any event before any deadline or due date imposed by applicable Law:
- (a) all such information as may reasonably be required by Bidco to determine in which jurisdictions any merger control, regulatory or other similar filing, notification or submission with a Relevant Authority may be necessary or advisable for the purposes of obtaining the Clearances;
 - (b) all such information as may reasonably be required for inclusion in any filings, notifications or submissions to any Relevant Authority for the purposes of obtaining the Clearances or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
 - (c) all such other assistance as may reasonably be required for the purposes of obtaining the Clearances, including assistance in connection with such pre-notification contacts with the Relevant Authorities as Bidco, after prior consultation with St. Modwen, and having had regard to the views of St. Modwen, reasonably considers desirable or appropriate in the circumstances, and the identifying, structuring and preparation of any Remedies (if any are required); and
- 3.4.2 provide as soon as reasonably practicable, in consultation with Bidco, such information and access to St. Modwen management and employees as Bidco or any Relevant Authority may reasonably require for the purposes of making a filing, notification or submission to any Relevant Authority in connection with the Clearances.
- 3.5 Save to the extent prohibited by applicable Law or the Relevant Authority, Bidco undertakes to St. Modwen (and St. Modwen undertakes to Bidco) to:
- 3.5.1 provide, or procure the provision of, to the other party (and/or its legal advisers) draft copies of all filings, notifications, submissions, material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications), other than those of an administrative nature, intended to be submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance, at such time as will allow the other party (and/or its legal advisers) reasonable opportunity to review and comment thereon;
- 3.5.2 take into account reasonable comments made by the other party (and/or its legal advisers) on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 3.5.1;
- 3.5.3 as soon as reasonably practicable provide, or procure the provision of, to the other party (and/or its legal advisers) copies of all filings, notifications, submissions, material correspondence and material communications in the form finally submitted, sent or communicated to any Relevant Authority in connection with obtaining any Clearance (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);
- 3.5.4 as soon as reasonably practicable notify the other party (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications,

reasonably detailed summaries of such correspondence or communications) received from any Relevant Authority in connection with obtaining the Clearances;

- 3.5.5 give the other party (and/or its legal advisers) reasonable notice of any meetings, hearings or scheduled telephone calls, other than those of an administrative nature, with any Relevant Authority in connection with obtaining the Clearances, and allow the other party (and/or its legal advisers) to attend and make reasonable oral submissions during any such material meetings, hearings or telephone calls (provided such oral submissions have been discussed by the parties in advance) and, where such attendance and participation is not permitted by applicable Law or the Relevant Authority, to provide, to the extent so permitted, the other party with a reasonably detailed written summary of such meeting, hearing or telephone call as soon as reasonably practicable following the meeting, hearing or telephone call;
 - 3.5.6 keep the other party (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to obtaining of any of the Clearances; and
 - 3.5.7 not to withdraw a filing, submission or notification made to any Relevant Authority in connection with obtaining any of the Clearances without the prior consent of the other party.
- 3.6 If a provision of this Agreement obliges Bidco or St. Modwen (the “**Disclosing Party**”) to disclose any information to the other:
- 3.6.1 that is personally identifiable information of a director, officer or employee of the Disclosing Party or its affiliated persons, unless that information can be reasonably anonymised (in which case the Disclosing Party shall provide the relevant information on an anonymous basis);
 - 3.6.2 which the Disclosing Party or its affiliated persons reasonably considers to be commercially or competitively sensitive;
 - 3.6.3 which the disclosing party is prohibited from disclosing by applicable Law or the terms of an existing contract; or
 - 3.6.4 where such disclosure would result in the loss of privilege that subsists in relation to such information, including legal professional privilege,
- the Disclosing Party shall, to the extent permitted by applicable Law, disclose the relevant information to the other party:
- (a) on an outside counsel basis; or
 - (b) where disclosure to the other party would reasonably be expected to have a material adverse effect on the Disclosing Party’s legitimate business interest, directly to the Relevant Authority (and in such circumstances, the Disclosing Party shall provide, or procure the provision of, a non-confidential version of such information to the other party).
- 3.7 Except with the prior written consent of St. Modwen, until the Regulatory Conditions are fulfilled, Bidco shall not, and shall procure that no person acting in concert or deemed to be acting in concert with it will take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or enter into any acquisition, transaction or other agreement, which would, or would be reasonably likely to, have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the Regulatory Conditions or completion of the

Transaction provided always that, for the avoidance of doubt, nothing in this Clause 3.7 shall apply to any company or business (i) which is (directly or indirectly) controlled by funds and entities managed or advised by affiliates of Blackstone; or (ii) in which any fund or entity managed or advised by affiliates of Blackstone has a direct or indirect interest.

- 3.8 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a party (or any person acting in concert or deemed to be acting in concert) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the St. Modwen Group, or any combination thereof, that is not conditional on completion of the Transaction, except as otherwise agreed by the parties and with the consent of the Panel if required.

4. **SCHEME DOCUMENT**

- 4.1 Bidco agrees to:

4.1.1 as soon as reasonably practicable provide to St. Modwen (and/or its legal advisers) all such information about itself, the Bidco Directors, Blackstone or any other person acting in concert with Bidco (including any information required by the Code or under other applicable Law, including in relation to the intentions of Bidco) as may be reasonably requested and which is reasonably required by St. Modwen and/or its legal advisers, having regard to the Code and other applicable Law, for inclusion in the Scheme Document;

4.1.2 as soon as reasonably practicable provide all such other assistance and access as may be reasonably required for the preparation of the Scheme Document and any other document required by the Code or other applicable Law to be published in connection with the Scheme, including access to, and procuring that reasonable assistance is provided by, Bidco's relevant professional advisers; and

4.1.3 procure that the Bidco Directors (and any other person connected with Bidco and/or Blackstone, as required by the Panel) accept responsibility, in the terms required by the Code, for all the information in the Scheme Document, and any other document required by the Code or other applicable Law to be published in connection with the Scheme, relating to:

- (a) themselves (and their close relatives (as defined in the Code), related trusts and companies and other persons connected with them), Blackstone, Bidco's concert parties and the financing of the Transaction;
- (b) information on Bidco's future plans for the St. Modwen Group and its management and employees;
- (c) any statements of the opinion, belief, intention or expectation of Bidco or the Bidco Directors in relation to the Transaction or the St. Modwen Group following the completion of the Transaction; and
- (d) any other information in the Scheme Document for which a bidder and/or its directors are required to accept responsibility under the Code.

5. **IMPLEMENTATION OF THE SCHEME**

- 5.1 Where the Transaction is being implemented by way of the Scheme, Bidco undertakes to deliver a notice in writing to St. Modwen on the Business Day prior to the Sanction Hearing, confirming either:

- 5.1.1 the satisfaction or waiver of the Conditions (other than the Scheme Conditions); or
 - 5.1.2 its intention to invoke one or more Conditions (if permitted 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 why Bidco considers such event or circumstances to be sufficiently material for the Panel to permit it to invoke such Condition(s).
- 5.2 Where the Transaction is being implemented by way of the Scheme, Bidco shall instruct counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Bidco and to the extent that all the Conditions (other than the Scheme Conditions) have been satisfied or waived prior to or on the date of the Sanction Hearing. Bidco shall provide such documentation or information as may reasonably be required by St. Modwen's counsel or the Court in relation to such undertaking.
- 5.3 If the board of Bidco intends to invoke (and the Panel would permit Bidco to so invoke) any of the Conditions, Bidco shall, subject to applicable Law, inform St. Modwen, providing reasonable details as soon as is reasonably practicable.

6. SWITCHING TO AN OFFER

- 6.1 The parties intend that the Transaction will be implemented by way of the Scheme. Bidco shall be entitled, with the consent of the Panel (if required), to elect at any time to implement the Transaction by way of the Offer, rather than the Scheme only if:
- 6.1.1 St. Modwen provides its prior written consent;
 - 6.1.2 a third party announces a firm intention to make an offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for all or part of the issued, and to be issued, share capital of St. Modwen; or
 - 6.1.3 a St. Modwen Board Adverse Recommendation Change occurs.
- 6.2 In the event of an Agreed Switch, unless otherwise agreed with St. Modwen or required by the Panel, the parties agree:
- 6.2.1 the Acceptance Condition shall be set at 75 per cent of the St. Modwen Shares (or such other percentage as may be agreed between the parties in writing after (to the extent necessary) consultation with the Panel, being in any case more than 50 per cent of the St. Modwen Shares to which the Offer relates);
 - 6.2.2 Bidco will discuss any announcements relating to the Agreed Switch and its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch with St. Modwen in a timely manner;
 - 6.2.3 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 may be the last date for the Offer to be declared unconditional as to acceptances under Rule 31.6 of the Code (“**Day 60**”)) and subject to the Conditions Bidco shall ensure that the Offer remains open for acceptances until such time;
 - 6.2.4 Bidco shall not, without the prior consent of St. Modwen, declare the Offer unconditional as to acceptances prior to Day 60, unless all of the remaining Conditions either: (i) have been satisfied or waived (if capable of waiver); or (ii) are reasonably

expected to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.7 of the Code;

- 6.2.5 if at any time following the publication of the Offer Document the Specified Regulatory Condition is outstanding and it is reasonably expected that the Specified Regulatory Condition is not likely to be satisfied or waived (if capable of waiver) prior to the last date permitted under Rule 31.7 of the Code, Bidco shall, before the 30th day after the publication of the Offer Document (or such later day as St. Modwen may agree), consult with St. Modwen and the Panel as to whether an extension to Day 60 should be sought, rather than an extension under Rule 31.7 and, if so, seek the consent of the Panel to extend Day 60 to a date agreed with St. Modwen and the Panel, provided always that such date shall not be later than the Long Stop Date;
 - 6.2.6 Bidco shall ensure that, subject to the terms of this Agreement, the Offer is made on the same or improved terms relative to 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 6.2.1), unless the parties agree otherwise in writing or with any modification or amendments to such terms and Conditions as may be required by the Panel; and
 - 6.2.7 Bidco shall keep St. Modwen informed, on a regular and confidential basis, of the number of holders of St. Modwen Shares that have validly accepted the Offer or withdrawn their acceptance of the Offer, or incorrectly submitted their acceptance or withdrawal, the identity of such shareholders and the number of St. Modwen Shares held by such shareholders.
- 6.3 In the event of any Agreed Switch, the parties agree that all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as set out in this Clause 6.
- 6.4 Bidco hereby represents that it is not, at the date of this Agreement, and undertakes that (for so long as the Agreement is in force) it shall not become, following the date of this Agreement, required to make a mandatory offer for St. Modwen under Rule 9 of the Code, unless Clause 6.1.2 applies.

7. **ST. MODWEN SHARE PLANS**

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

8. **DIRECTORS' AND OFFICERS' INSURANCE**

- 8.1 If and to the extent such obligations are permitted by applicable Law, for six years after the Effective Date Bidco shall procure that the members of the St. Modwen Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to provide all reasonable assistance to the current directors and officers of each member of the St. Modwen Group to the extent they need to make a claim against the existing St. Modwen 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.
- 8.2 Bidco acknowledges that St. Modwen may purchase directors' and officers' liability insurance cover for both current and former directors and officers of the St. Modwen Group, including directors and officers who retire or whose employment is terminated as a result of the Transaction, for acts and omissions up to and including the Effective Date, in the form of run-off 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 provided under the St. Modwen Group's directors' and officers' liability insurance as at the date of this Agreement.

9. **CODE AND RELEVANT APPLICABLE LAW**

9.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code and any other applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.

9.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires St. Modwen to take or not take 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 St. Modwen nor the St. Modwen Directors shall have any obligation to take or not take any such action.

9.3 Nothing in this Agreement shall oblige St. Modwen or the St. Modwen Directors to recommend an Offer or a Scheme proposed by Bidco and/or Blackstone and/or any of the Wider Bidco Group.

10. **TERMINATION**

10.1 Subject to Clauses 10.2 and 10.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease immediately as follows:

10.1.1 if agreed in writing between the parties, at any time prior to the Effective Date;

10.1.2 if the Press Announcement is not released via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another later time and date in accordance with Clause 2.1);

10.1.3 upon service of written notice by Bidco to St. Modwen, if one or more of the following occurs:

(a) prior to the Long Stop Date, a third party announces a possible or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for St. Modwen, which is or is intended to be recommended by the St. Modwen Directors; or

(b) a St. Modwen Board Adverse Recommendation Change occurs other than a St. Modwen Board Adverse Recommendation Change set out in limb (b) of that definition, it being understood that the issue of any holding statement(s) issued to St. Modwen Shareholders following a change of circumstances (so long as any such holding statement: (i) contains an express statement that such recommendation is not withdrawn or adversely modified; and (ii) does not contain a statement that the St. Modwen Directors intend to withdraw or adversely modify such recommendation), shall not constitute a St. Modwen Board Adverse Recommendation Change for purposes of this Clause 10.1.3(b);

10.1.4 upon service of written notice by either party to the other party, if one or more of the following occurs:

(a) 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);

- (b) prior to the Long Stop Date, a third party announces a possible or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for St. Modwen, which completes, becomes effective or is declared or becomes unconditional in all respects;
- (c) if the Transaction 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 (other than: (i) where such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Scheme to the Offer under Clause 6.1.1 or Clause 6.1.3; or (ii) it is otherwise to be followed within five Business Days (or such other period as St. Modwen and Bidco may agree) by 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 Transaction by a different offer or scheme on substantially the same or improved terms);
- (d) if the Scheme is not approved by the holders of Scheme Shares at the Court Meeting and/or St. Modwen Shareholders at the St. Modwen General Meeting, or the Court refuses to sanction the Scheme; or
- (e) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred by the Long Stop Date.

10.2 Termination of this Agreement shall be without prejudice to the rights of either party that have or may have arisen at or prior to termination.

10.3 This Clause 10 and Clauses 1, 9 and 11 to 20 (inclusive), 22 and 23 shall survive termination of this Agreement.

11. **WARRANTIES AND UNDERTAKINGS**

11.1 Each of the parties warrants to the other on the date of this Agreement that:

11.1.1 it has the requisite power and authority to enter into and perform its obligations under this Agreement;

11.1.2 this Agreement constitutes its legal, valid and binding obligations in accordance with its terms; and

11.1.3 the execution and delivery of, and performance of its obligations under, this Agreement shall not:

- (a) result in a breach of any provision of its constitutional documents;
- (b) result in a breach of, or constitute a default under, any instrument (which is material in the context of the Transaction) to which it is a party or by which it is bound; or
- (c) 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.

11.2 No party shall have any claim against the other for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

11.3 Bidco warrants to St. Modwen that, as at the date of the Agreement:

- 11.3.1 no shareholder resolution of Bidco is required to implement the Transaction; and
- 11.3.2 it is not aware of any matter or circumstances which would or could reasonably be expected to result in any of the Conditions not being satisfied.
- 11.4 Bidco acknowledges and agrees that any information and/or assistance provided by any of the St. Modwen Directors, officers, employees or advisers (each a “**St. Modwen Representative**”) to it and/or any of the Wider Bidco Group or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of St. Modwen or any member of the St. Modwen Group under or otherwise in connection with this Agreement; or (ii) in connection with the Transaction, shall in each case be (and have been) given on the basis that the relevant St. Modwen Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any of the Wider Bidco Group or any of their respective directors, officers, employees 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 the relevant St. Modwen Representative.

12. NOTICES

- 12.1 A notice under or in connection with this Agreement (a “**Notice**”) shall be:
- 12.1.1 in writing;
- 12.1.2 in the English language; and
- 12.1.3 delivered personally or sent by first class post pre-paid recorded delivery (and air mail if overseas) or by email to the party due to receive the Notice at the address specified in Clause 12.2 (or to another address specified by that party by not less than seven days’ written notice to the other party).
- 12.2 The address referred to in Clause 12.1.3 is:
- 12.2.1 in the case of Bidco:

Address: Brighton Bidco Limited
44 Esplanade
St Helier, Jersey
JE4 9WG

Email: Samir.Amichi@Blackstone.com
Peter.Krause@Blackstone.com

Marked for the attention of Samir Amichi and Peter Krause and a copy to (but such copy shall not constitute Notice):

Address: Kirkland & Ellis LLP
30 St Mary’s Axe
London, EC3A 8AF
United Kingdom

Email: michael.steele@kirkland.com
dipak.bhundia@kirkland.com

Marked for the attention of Michael Steele (Partner) and Dipak Bhundia (Partner)

in the case of St. Modwen:

Address: St. Modwen Properties PLC
Park Point
17 High Street
Longbridge
Birmingham, B31 2UQ
Email: Lisa.Minns@stmodwen.co.uk

Marked for the attention of Lisa Minns and a copy to (but such copy shall not constitute Notice):

Address: Slaughter and May
One Bunhill Row
London
EC1Y 8YY

Email: Roland.Turnill@SlaughterandMay.com
Victoria.MacDuff@SlaughterandMay.com

Marked for the attention of Roland Turnill (Partner) and Victoria MacDuff (Partner)

- 12.3 A party may change its notice details on giving notice to the other party of the change in accordance with Clauses 12.1, 12.2 and 12.4.
- 12.4 Unless there is evidence that it was received earlier, a Notice is deemed given:
- 12.4.1 if delivered personally, when left at the address referred to in Clause 12.2;
 - 12.4.2 if sent by post, except air mail, two Business Days after posting it;
 - 12.4.3 if sent by air mail, six Business Days after posting it;
 - 12.4.4 if sent by email, when sent, provided that the sender does not receive a notice of non-delivery.

Any Notice sent outside of the hours of 9 a.m. to 5.30 p.m. shall be deemed to be given at the start of the next Business Day.

13. **REMEDIES AND WAIVERS**

- 13.1 No delay or omission by any party to this Agreement in exercising any right, power or remedy provided by applicable Law or under this Agreement shall affect that right, power or remedy or operate as a waiver of it.
- 13.2 The single or partial exercise of any right, power or remedy provided by applicable Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 13.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by applicable Law.
- 13.4 Without prejudice to any other rights and remedies which either party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any breach

by either party of the provisions of this Agreement and the other party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by a party hereto, and no proof of special damages shall be necessary for the enforcement by either party of the rights under this Agreement.

- 13.5 Nothing in this Agreement shall oblige St. Modwen to pay an amount in damages which the Panel determines would not be permitted by Rule 21.2 of the Code.

14. **VARIATION**

No variation of this Agreement shall be valid unless it is in writing (which, for this purpose, does not include email) and signed by or on behalf of each of the parties.

15. **INVALIDITY**

- 15.1 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the applicable Law of any jurisdiction, that shall not affect or impair:

15.1.1 the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or

15.1.2 the legality, validity or enforceability under the applicable Law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

16. **ENTIRE AGREEMENT**

- 16.1 Save for the Confidentiality Agreement (which remains in force) and any other agreements the parties agree in writing are deemed to be included in this Clause 16, this Agreement constitutes the whole and only agreement between the parties relating to the Transaction, and supersedes any previous agreement whether written or oral between the parties in relation to the Transaction.

- 16.2 Except in the case of fraud, each party acknowledges that it is entering into this Agreement in reliance upon only this Agreement and that it is not relying upon any pre-contractual statement that is not set out in this Agreement.

- 16.3 Except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against the other party arising out of or in connection with any pre-contractual statement, except to the extent that it is repeated in this Agreement.

- 16.4 For the purposes of this Clause 16, “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement.

17. **THIRD PARTY RIGHTS**

- 17.1 Each of the persons to whom Clauses 8 and/or 11.4 applies (“**Relevant Third Party**”) may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of Clauses 8 and/or 11.4 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person (save that any amendment, waiver or

variation of Clause 8 and/or 11.4 shall require the consent of the affected Relevant Third Party); and (ii) the other terms and conditions of this Agreement.

17.2 Except as set out in Clause 17.1 above, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

18. NO PARTNERSHIP

No provision of this Agreement creates a partnership between any of the parties or makes a party the agent of another party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for another party in any way or for any purpose.

19. ASSIGNMENT

No party shall be entitled to assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of in any manner whatsoever, the benefit of this Agreement (or any part of it) or sub-contract in any manner whatsoever its performance under this Agreement, without the prior written consent of the other party.

20. COSTS AND EXPENSES

Save as expressly provided otherwise, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and implementation of this Agreement and any matter contemplated by it.

21. FURTHER ASSURANCE

Each party shall, at the cost of the requesting party, use reasonable endeavours to, or use reasonable endeavours to procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as the requesting party may reasonably be required to give effect to this Agreement to the requesting party.

22. COUNTERPARTS

22.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.

22.2 Delivery of an executed counterpart signature page of this Agreement by email (pdf) shall be as effective as manual delivery. In relation to each counterpart, upon confirmation by or on behalf of the signatory that the signatory authorises the attachment of such counterpart signature page on the final text of this Agreement, such counterpart signature page shall take effect with such final text as a complete authorised counterpart.

23. GOVERNING LAW AND JURISDICTION

23.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

23.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual.

IN WITNESS WHEREOF the parties have executed this Agreement on the date first set out above.

EXECUTED BY

Peter Krause

acting for and on behalf of

BRIGHTON BIDCO LIMITED

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)
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EXECUTED BY

Sarwjit Sambhi

acting for and on behalf of

ST. MODWEN PROPERTIES PLC



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SCHEDULE 1
St. Modwen Share Plans and Employee Related Matters

St. Modwen and Bidco intend that the following arrangements and acknowledgements will, subject to the Scheme becoming effective in accordance with its terms, apply to the St. Modwen Share Plans and the St. Modwen Employees.

In the event that the Acquisition is effected as an Offer, references to the date of the Scheme Order (“**Court Sanction Date**”) and the Effective Date will be read as if they referred to the date on which the Offer becomes or is declared unconditional in all respects.

The acknowledgements in paragraphs 2, 4-14 and 16 of Part 1 (*St. Modwen Share Plans*) (inclusive), and paragraphs 1, 3 and 4 of Part 2 (*Employees*) (inclusive) of this Schedule 1 do not impose contractual restrictions or obligations on any member of the St. Modwen Group or their boards of directors.

In this Schedule 1, each of the following words and expressions shall have the following meanings:

“ Awards ”	has the meaning given to it in Part 1, paragraph 1.1(C) of this Schedule 1;
“ ESOS ”	means the St. Modwen 2007 Executive Share Option Scheme, including the 2012 Approved Addendum;
“ ESOP ”	means the St. Modwen 2017 Employee Share Option Plan;
“ PSP ”	means the St. Modwen 2017 Performance Share Plan as amended from time to time;
“ Qualifying Termination ”	has the meaning given to it in Part 2, paragraph 7 of this Schedule 1;
“ Retention Awards ”	has the meaning given to it in Part 2, paragraph 4 of this Schedule 1;
“ SAYE ”	means the St. Modwen Saving Related Share Option Scheme, as amended from time to time;
“ Scheme Order ”	means the order of the Court sanctioning the Scheme pursuant to section 899 of the Companies Act;
“ St. Modwen Directors’ Remuneration Policy ”	means the directors’ remuneration policy approved by St. Modwen Shareholders from time to time;
“ St. Modwen Employees ”	means the employees of St. Modwen and the employees of members of the St. Modwen Group from time to time;
“ St. Modwen Remuneration Committee ”	means the remuneration committee of the board of directors of St. Modwen;
“ St. Modwen Share Plans ”	means each of the PSP, ESOS, ESOP and SAYE; and
“ Trust ”	has the meaning given to it in Part 1, paragraph 15 of this Schedule 1.

Part 1
St. Modwen Share Plans

General

1. As at 14 May 2021, the following options and awards were outstanding under the St. Modwen Share Plans:

St. Modwen Share Plan	Form of award(s)	Number of St. Modwen Shares subject to outstanding awards/options
PSP	Options	2,857,266
ESOS and ESOP	Options	1,870,908
SAYE	Options	1,232,046

2. Bidco acknowledges St. Modwen's current intention that additional St. Modwen Shares will be due to be delivered on vesting of certain outstanding awards under the PSP by way of dividend equivalent under the rules of the PSP.
3. St. Modwen confirms that no additional options or awards have been granted since 14 May 2021.
4. Bidco acknowledges that, before the Effective Date, St. Modwen may continue to operate the St. Modwen Share Plans in accordance with the rules of the relevant plan, St. Modwen's normal practice and, where applicable, the St. Modwen Directors' Remuneration Policy. For the avoidance of doubt, the operation of the St. Modwen Share Plans includes (without limitation): granting awards, determining the extent to which awards vest and satisfying the vesting of awards and exercise of options. In particular, Bidco acknowledges that St. Modwen may make additional awards under the PSP in a manner and level (both individually and in aggregate) consistent with the PSP rules and the St. Modwen Directors' Remuneration Policy (as applicable).
5. Bidco and St. Modwen acknowledge that:
- (A) The Scheme Record Time (as defined in the Announcement) shall take place after the Court Sanction Date, to allow those participants in St. Modwen Share Plans who acquire St. Modwen Shares on or before the Court Sanction Date to have those St. Modwen Shares acquired by Bidco and dealt with through the Scheme.
- (B) St. Modwen may amend the rules of the St. Modwen Share Plans if the St. Modwen Directors (or the relevant committee) are of the opinion that such amendments are necessary to implement the Scheme and the treatment set out in this Agreement, to facilitate the administration of the St. Modwen Share Plans or to obtain or maintain favourable tax treatment for participants or for St. Modwen. For the avoidance of doubt, Bidco acknowledges that St. Modwen intends to make minor amendments to the rules of the ESOS to facilitate a cashless exercise process.
- (C) Bidco and St. Modwen intend to jointly write to participants in the St. Modwen Share Plans on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding options under the St. Modwen

Share Plans (“Awards”) and the extent to which their Awards will vest and become exercisable as a result of the Scheme and any actions they may need to take in connection with their Awards as a result of the Scheme.

- (D) St. Modwen Shareholder approval will be sought for an amendment to the articles of association of St. Modwen so that any St. Modwen Shares issued or transferred on or after the Scheme Record Time will be automatically transferred to, or to the order of, Bidco in exchange for the provision by Bidco of the same consideration payable per St. Modwen Share under the Scheme (or such other consideration as may be agreed between Bidco and St. Modwen and disclosed in the Scheme Document).
- 6. Bidco acknowledges and agrees that if, for any reason, St. Modwen Shares cannot be issued or transferred (including by way of market purchase) when options are exercised under any of the St. Modwen Share Plans (or the St. Modwen Remuneration Committee considers that it is inconvenient or costly to do so), such Awards may be settled by St. Modwen in cash.
 - 7. Bidco acknowledges that St. Modwen may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 1 (*Employee Related Matters*), having consulted with Bidco before making such submission, and Bidco agrees to co-operate as soon as possible and in good faith in the making of any such submission.

PSP

- 8. Bidco acknowledges that the extent to which unvested options outstanding under the PSP vest in consequence of the Acquisition is to be determined solely by the St. Modwen Remuneration Committee subject to its discretions under the rules of the PSP and the St. Modwen Directors’ Remuneration Policy to: (A) assess the achievement of performance conditions; and (B) apply or disapply time pro-rating.
- 9. Bidco acknowledges that:
 - (A) it is the current intention of the St. Modwen Remuneration Committee to determine that:
 - (i) all outstanding awards granted under the PSP in 2018, 2019 and 2020 shall vest, subject to the satisfaction of performance targets, in full, with no application of time pro-rating; and
 - (ii) all outstanding awards granted under the PSP in 2021 shall be time pro-rated so that the awards vest to 1/3 of the total award, subject to the satisfaction of performance targets;
 - (B) the satisfaction of performance targets will be assessed by the St. Modwen Remuneration Committee and in good faith, on, or shortly prior to, the Court Sanction Date. Bidco further acknowledges that based on the information available to the St. Modwen Remuneration Committee as at the date of this Agreement, it is the current intention of the St. Modwen Remuneration Committee that performance targets will be satisfied such that:
 - (i) all outstanding awards granted under the PSP in 2018, 2019 and 2020 shall vest as to 50%; and
 - (ii) all outstanding awards granted under the PSP in 2021 shall vest as to 84%.

ESOS

10. Bidco acknowledges that all outstanding options under the ESOS have vested and will be exercisable until the Effective Date (in the case of approved options) or four weeks (in the case of unapproved options) after the Court Sanction Date.

ESOP

11. Bidco acknowledges that any outstanding options under the ESOP that are unvested on the Court Sanction Date (“**Unvested ESOP Options**”) will vest on the Court Sanction Date in accordance with the rules of the ESOP. Bidco further acknowledges that it is the current intention of the St. Modwen Remuneration Committee to determine that all Unvested ESOP Options will vest with no application of time pro-rating.
12. Bidco acknowledges that all options under the ESOP that have vested before or on the Court Sanction Date will be exercisable until the date 20 days (in the case of approved options) or one month (in the case of unapproved options) after the Court Sanction Date.

SAYE

13. Bidco acknowledges that options granted under the SAYE which would not otherwise have been exercisable prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants’ contractual rights under the SAYE) be exercisable from the Court Sanction Date and will be exercisable over less than the full number of St. Modwen Shares than would otherwise be the case on maturity of the relevant savings contracts. Bidco therefore agrees that it will make (or procure the making of) a one-off cash payment to those participants in the SAYE who exercise their options conditional on the Effective Date of an amount calculated in accordance with Part 1, paragraph 14 below, provided that no such cash payment will be made in respect of options granted under the SAYE after the date of this Agreement.
14. Bidco acknowledges that any such one-off cash payment made or procured by Bidco in accordance with Part 1, paragraph 13 above in relation to options exercised under the SAYE shall, after taking account of the participants’ liability to income tax and employee’s social security deductions thereon, provide them with an amount after deductions for income tax and employee’s social security deductions equal to the amount of gain they would have received had they exercised their option on the earlier of: (i) six months following the Court Sanction Date; and (ii) the maturity of the relevant savings contract, and had the St. Modwen Shares acquired upon such exercise been acquired on the terms of the Scheme.

Employee Benefit Trust

15. As at 11 May 2021, the St. Modwen Employee Benefit Trust (the “**Trust**”) held approximately 364,514 St. Modwen Shares.
16. Bidco acknowledges that, subject always to St. Modwen's ability to make recommendations to the trustee of the Trust to use any unallocated St. Modwen Shares held in the Trust to satisfy Awards in the normal course prior to the Effective Date, St. Modwen’s intention is that the trustee of the Trust will be requested to use the St. Modwen Shares that it holds to satisfy outstanding Awards as far as possible in priority to St. Modwen issuing St. Modwen Shares to satisfy such Awards.

Part 2 Employees

St. Modwen Employees: ordinary course of business arrangements

1. Bidco acknowledges and agrees that St. Modwen will carry out annual (or other periodic) pay reviews and appraisals and promotion rounds in the ordinary course of business.
2. Bidco agrees, in respect of each St. Modwen Employee (as identified immediately prior to the Effective Date) who remains in employment within the St. Modwen Group, that for the six-month period immediately following the Effective Date it shall, or shall cause the relevant employing entity in the St. Modwen Group to, maintain at least the same base salary and benefits (including pension) as were provided to each such St. Modwen Employee immediately prior to the Effective Date.

Annual bonus

3. Bidco acknowledges that:
 - (A) St. Modwen operates annual bonus arrangements that are conditional on financial and individual performance;
 - (B) bonus determinations for any St. Modwen financial year completed before the Effective Date have been undertaken by St. Modwen and, if applicable, bonuses have been or will be paid by St. Modwen in accordance with the St. Modwen Directors' Remuneration Policy (where applicable) and consistent with normal St. Modwen practice, with payment being made on the normal bonus payment date;
 - (C) for the St. Modwen financial year in which the Effective Date occurs:
 - (i) bonus determinations for the period from the start of the St. Modwen financial year up to and including the Effective Date will be undertaken by the St. Modwen Remuneration Committee on or around the Effective Date based on existing performance conditions and, provided the relevant individual was an St. Modwen Employee on the Effective Date, paid by St. Modwen; and
 - (ii) bonus determinations for the period from the day after the Effective Date to the end of the St. Modwen financial year in which the Effective Date occurs will be undertaken shortly after the end of that St. Modwen financial year based on existing performance conditions (or, where existing performance conditions are no longer appropriate after the Effective Date, such performance conditions as are agreed between St. Modwen and the relevant St. Modwen Employee) and paid by St. Modwen;
 - (D) any relevant bonus awards in respect of the periods referred to in Part 2, paragraphs 3(C)(i) and 3(C)(ii) above shall be paid on the normal bonus payment date for the St. Modwen financial year in which the Effective Date occurs, provided that the relevant current or former St. Modwen Employee:
 - (i) meets the usual conditions for payment of a bonus, including that they are in employment with a member of the St. Modwen Group or member of the Wider Bidco Group on the last date of the relevant St. Modwen financial year and has not served or been served with notice; or

- (ii) has been served with, or serves notice of, a Qualifying Termination (as defined in Part 2, paragraph 7 below), or is otherwise subject to a Qualifying Termination, in each case on or before the last date of the relevant St. Modwen financial year,

provided always that any bonus determination in respect of a former St. Modwen Employee shall be prorated to reflect the period in which they are in employment during the St. Modwen financial year in which the Effective Date occurs.

- (E) for financial years starting after the St. Modwen financial year in which the Effective Date occurs, St. Modwen Employees will be eligible to participate in bonus arrangements operated by Bidco in respect of St. Modwen in accordance with applicable policies and practices from time to time.

Retention arrangements

- 4. Bidco acknowledges that, for the purpose of protecting the business to be acquired pursuant to the Scheme, St. Modwen may make cash retention awards, up to a maximum in aggregate of £2.5 million, to St. Modwen Employees (excluding Executive Directors) whose recruitment and/or retention is considered critical for the business (the "Retention Awards"). Bidco further acknowledges that the Retention Awards will be paid no earlier than 90 days after the Effective Date. Unless otherwise agreed by Bidco, it will be a condition of payment of any Retention Award that, on the relevant payment date, the relevant current or former St. Modwen Employee:
 - (A) is in employment with a member of the St. Modwen Group or a member of the Wider Bidco Group and has not served or been served with notice (other than where the resulting termination of employment would be a Qualifying Termination); or
 - (B) has been subject to a Qualifying Termination at any time before the relevant payment date.
- 5. Unless otherwise agreed by Bidco, no St. Modwen Employee shall be eligible for a Retention Award that exceeds 50% of the relevant St. Modwen Employee's basic salary as at the date of this Agreement.

Severance arrangements

- 6. Bidco agrees that, where any St. Modwen Employee is served with (or serves) notice of a Qualifying Termination (as defined in Part 2, paragraph 7 below) or is otherwise subject to a Qualifying Termination at any time during the period of twelve months from the Effective Date, such St. Modwen Employee will:
 - (A) receive a bonus in respect of the financial year in which their employment terminates, pro-rated to the date of termination (to be paid on the normal bonus payment date);
 - (B) receive reasonable and appropriate outplacement support commensurate to their seniority;
 - (C) receive a reasonable and appropriate contribution towards legal fees if, on termination of employment, they enter into a settlement agreement on terms materially consistent with St. Modwen's standard form; and
 - (D) subject to the St. Modwen Employee (if requested by Bidco) entering into a settlement agreement on terms materially consistent with St. Modwen's standard form, receive a severance payment calculated in accordance with either: (i) the formula used by St.

Modwen historically, as notified in writing by St. Modwen's legal advisors to Blackstone's legal advisors prior to entry into this Agreement; or (ii) any other policy or arrangement agreed between St. Modwen and Bidco, such policy or arrangement to be no less favourable on an individual basis than the formula referred to under Part 2, paragraph 6(D)(i).

7. In this Schedule 1, a “**Qualifying Termination**” is:

- (A) any termination by the employer: (i) other than by reason of the St. Modwen Employee’s misconduct or poor performance (provided, in the reasonable opinion of St. Modwen’s HR Director or, if that person is no longer in role, the St. Modwen Employee responsible for HR activities within St. Modwen, an appropriate and reasonable disciplinary process or performance improvement plan was implemented and followed prior to termination); or (ii) other than where the employer is entitled pursuant to the employment contract to dismiss the St. Modwen Employee summarily without notice (or payment in lieu of notice);
- (B) a termination by reason of the St. Modwen Employee’s resignation in circumstances amounting to constructive dismissal; or
- (C) a termination by reason of the St. Modwen Employee’s resignation where, without the St. Modwen Employee’s express written consent: (i) the St. Modwen Employee’s role and/or reporting level and/or status has been materially diminished (provided that St. Modwen ceasing to be a listed company shall not of itself, without there being an actual material diminution in an St. Modwen Employee’s role and/or reporting level and/or status, be deemed to result in such a material diminution); or (ii) there is a material reduction in the St. Modwen Employee’s base salary or wage, or cash compensation opportunities, taken as a whole, or a material reduction in the St. Modwen Employee’s benefits and allowance package, taken as a whole; or (iii) an St. Modwen Employee's normal place of work is moved more than 25 miles from their previous place of work. In the event of any dispute about whether (i) or (ii) applies to a particular St. Modwen Employee, the decision shall be referred to St. Modwen’s HR Director (or, if that person is no longer in role, the St. Modwen Employee responsible for HR activities within St. Modwen), who shall, acting reasonably, determine the position.

SCHEDULE 2
PRESS ANNOUNCEMENT

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

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

20 May 2021

RECOMMENDED CASH ACQUISITION

of

St. Modwen Properties PLC

by

Brighton Bidco Limited

(a newly formed company indirectly owned by investment funds advised by Blackstone)

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

Summary

- The directors of Brighton Bidco Limited (“**Bidco**”) and the directors of St. Modwen Properties PLC (“**St. Modwen**”) are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash offer by Bidco for the entire issued, and to be issued, ordinary share capital of St. Modwen. It is intended that the Acquisition will be implemented by way of a scheme of arrangement.
- Under the terms of the Acquisition, each St. Modwen Shareholder will be entitled to receive:

for each St. Modwen Share: 542 pence in cash

- The Acquisition price per St. Modwen Share represents a premium of approximately:
 - 21.1 per cent. to the Closing Price of 448 pence on 6 May 2021 (being the last Business Day before the commencement of the offer period);
 - 33.7 per cent. to the volume-weighted average St. Modwen share price of 405 pence over the 90-day period ending on 6 May 2021 (being the last Business Day before the commencement of the offer period);

- 37.2 per cent. to the volume-weighted average St. Modwen share price of 395 pence over the 180-day period ending on 6 May 2021 (being the last Business Day before the commencement of the offer period); and
- 23.8 per cent. to St. Modwen's reported 2020 EPRA Net Tangible Assets Per Share of 438 pence.
- The Acquisition values St. Modwen's entire issued, and to be issued, ordinary share capital at approximately £1,237 million.
- If, on or after the date of this announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the St. Modwen Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the St. Modwen Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, 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 Bidco 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, St. Modwen Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital declared, made or paid.
- The Scheme Document will contain a valuation in respect of St. Modwen's property portfolio as at 31 May 2021 in accordance with Rule 29 of the Takeover Code.

Recommendation

- The St. Modwen Directors, who have been so advised by Lazard, J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice, Lazard, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the St. Modwen Directors. Lazard and Numis are each providing independent financial advice to the St. Modwen Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the St. Modwen Directors confirm they intend to recommend unanimously that the St. Modwen Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings which are under their control of, in aggregate, 3,042,309 St. Modwen Shares representing approximately 1.37 per cent. of the issued ordinary share capital of St. Modwen on 19 May 2021 (being the last Business Day before the date of this announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

Background to and reasons for Recommendation

- Over the last four years, St. Modwen has reshaped its business to focus on two sectors with long-term structural growth trends, logistics and housebuilding. Apart from in 2020, which was impacted by Covid-19, St. Modwen has delivered underlying total accounting returns of between 6.0% and 6.3% during this period, at the same time as reducing leverage and

recycling capital from legacy assets into its development pipeline. Today, St. Modwen has high quality, scalable platforms and substantial pipelines in both logistics and housebuilding, supported by its strategic land and regeneration capability.

- The Board believes that St. Modwen’s high quality product, pipeline, development expertise and strong capital base provide a foundation for continued growth, with a targeted improvement in total accounting return to c.9-10% in the medium term, assuming current market conditions persist. Since the start of this year, overall operational performance has been in line with the Board’s expectations. The Board remains confident in St. Modwen’s strategy and continues to believe that St. Modwen is well positioned to succeed as an independent business but has concluded that the Acquisition presents shareholders with a significant acceleration of this value creation.

St. Modwen Logistics

- St. Modwen Logistics consists of a growing and resilient income-producing portfolio focused on modern urban and big box warehouses and a landbank with the potential to deliver c.19m sq ft of new logistics space at an average yield on cost of c.7-8%, of which c.7.6m sq ft (representing 40% of the pipeline by space as at 30 November 2020) is committed or consented. The Company is on track to deliver 1.5m sq ft of new developments during 2021, of which 10% is pre-let, with a further 16% under offer, on average 1.6% ahead of expected ERV. 2020 completions are currently 91% let or under offer, up from 81% since February 2021.
- The Board has taken into account the pace of capital growth in the industrial property market, as evidenced by recent MSCI data (+7.2% for the UK excluding the South East in the five-month period between November and April), which it expects to be reflected in the next portfolio revaluation as at 31 May 2021, and the potential for further yield compression. In assessing the value creation opportunity within its landbank, and the timing thereof, the Board recognises that c.60% (c.12m sq ft) of the landbank does not currently have planning consent; specifically, c.30% of the planned development in FY23 remains subject to planning consent, rising to c.85% in FY25.
- Delivery of this development potential will require significant additional capital, an acceleration in the pace of delivery from 1.2m sq ft in 2020 to up to c.2m sq ft per year from 2022, and further growth in occupier demand in the Midlands and West of England where St. Modwen’s land holdings are concentrated. Based on a recently completed independent external valuation, the Board believes the book value of the land options in the c.12m sq ft controlled pipeline (which was c.£11m as at 30 November 2020) to be an accurate reflection of their current market value.

St. Modwen Homes

- St. Modwen Homes (“SMH”) was established in 2012 and has since grown to delivering 1,060 units in 2019 and 948 units in 2020 (despite c.9-10 weeks of lost production due to the national lockdown in the spring) with a high quality, affordable family product and 5,900 plot pipeline in attractive regions.
- Despite SMH’s strong growth, the business remains smaller in scale than the majority of its listed peers which is reflected in SMH’s lower operating and financial metrics. The Company is on track to increase completions by c.25% and operating margin to c.14.5% in

2021, supported by recent positive trends in house prices. With an average sales rate of 0.86 over the last 12 weeks, the Company expects to complete c.450 units during the half year ending on 31 May 2021 (vs. 411 in H1 2019 and 280 in H1 2020).

- The Company intends to grow completions to c.1,500 units by 2023 as the pipeline is built out and has also outlined its plan to increase operating margins to c.16-17% by 2023. This margin improvement is expected to be driven by an improvement in the gross margin embedded within the existing landbank of 19.5%, identified operational efficiencies, and assumed additional land acquisitions with a target gross margin of at least 22% to deliver c.19% of the targeted completions in 2023.
- Whilst the Board remains confident of the scope for improving both the SMH operating margin and ROCE (which was 11.4% in 2019 and 7.7% in 2020) over time, it recognises the extended period of time required to deliver these improvements, as well as the inherent cyclicity in the housebuilding market.

Strategic Land & Regeneration

- Strategic Land & Regeneration (“SL&R”) consists of a mixture of residential land, long-term regeneration sites and non-core retail and other assets. The Company’s strong land repositioning capability enables the long-term value creation in its logistics and housebuilding businesses, but the existing SL&R portfolio also includes several assets which do not support these sectors, or which, due to their size or other characteristics, are too long-dated and do not meet St. Modwen’s return requirements.
- Since 2017, the SL&R portfolio has reduced in size from £1.2bn to £332m (as at 30 November 2020), due to a combination of disposals and, in 2020, £121m of write-downs on residential land and retail assets. The Company plans to sell £180-200m of SL&R assets by 2023 (of which £33m has already been sold or contracted for sale). The disposal programme includes a number of large assets with unique characteristics and others which require considerable investment in order to sell, and of the £332m portfolio, c.£100m is expected to be disposed beyond 2023.

Conclusion

- The proposed acquisition of St. Modwen by Bidco follows the receipt of multiple proposals from Blackstone negotiated over an approximately 10 week period since St Modwen’s preliminary results announcement in February 2021 at which St. Modwen set out its strategy for the business. The Board believes that the Acquisition is in the best interests of St. Modwen shareholders by significantly accelerating the value that could be realised by St. Modwen independently. In reaching its conclusion, the Board has considered the following in particular:
 - the risk-adjusted returns that may be generated by St. Modwen’s strategy as compared with the certainty of execution of the Acquisition, which represents an acceleration of expected value creation;
 - that the offer price of 542 pence per St. Modwen share represents a premium of 23.8% to EPRA Net Tangible Assets Per Share of 438 pence as at 30 November 2020;

- that the offer price of 542 pence per St. Modwen share represents premia of 21.1% to the unaffected share price of 448 pence as at 6 May 2021, 37.2% to the volume weighted average share price of 395 pence over the 180-day period ending on 6 May 2021, and 39.0% to the share price of 390 pence as at 22 February 2021 prior to Blackstone's first proposal;
- that the offer price of 542 pence per St. Modwen share exceeds the highest share price of 530 pence since the global financial crisis;
- that the Acquisition provides St. Modwen shareholders with the opportunity to realise the entirety of their interests in cash; and
- the impact of the Acquisition on all of St. Modwen's stakeholders, including the importance of St. Modwen's employees to Blackstone's future strategy.

Background to and reasons for the Acquisition

- Blackstone is a global leader in real estate investing with \$196 billion of investor capital under management dedicated to real estate. The Blackstone Real Estate group is highly active in both the logistics and residential segments. Blackstone's pan-European logistics real estate platform, Mileway, is a leading urban logistics real estate business in Europe and the UK where it owns a 48m square foot urban logistics portfolio. In the UK residential sector, Blackstone's Sage Housing platform is a registered provider of affordable housing, working with the largest homebuilders to deliver new housing for shared ownership and low-cost rental homes. Over the past three years, Sage Housing has delivered over 3,000 homes, with a pipeline of more than 14,000 under contract.
- Bidco believes that while St. Modwen's core logistics and residential business divisions each operate in attractive markets, realising the full potential of each division will require significant incremental scale and equity capital, which Bidco believes it is in a better position to provide to each business as a private company than St. Modwen can as a public company.
- St. Modwen Logistics would be a complementary addition to Mileway's existing portfolio and development activities. Bidco believes St. Modwen Logistics would be further enhanced by being part of Mileway's broader pan-European platform. St. Modwen Logistics will require significant incremental capital to realise its full potential.
- In order to maximise St. Modwen Homes' full potential and achieve management's objective of accelerating growth and operational efficiencies through scale, Bidco believes that St. Modwen Homes would benefit from the incremental growth and capital investment opportunities that private ownership can bring.

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 2006 Act (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement).

- The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement along with certain other terms; the full terms and conditions will be provided in the Scheme Document. The Conditions include the anti-trust Condition set out in paragraph 3(a) of Appendix 1 to this announcement. This Condition is expected to be satisfied in time to allow for the Scheme to become effective during July 2021.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and St. Modwen General Meeting, together with the associated forms of proxy, will be posted to St. Modwen Shareholders within 28 days of this announcement (or such later time as St. Modwen, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter. The Acquisition is currently expected to complete during July 2021. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document. An updated valuation in respect of land options in St. Modwen's controlled pipeline will be made available on St. Modwen's and Bidco's websites at www.stmodwen.co.uk/investors and www.publishdocuments.co.uk by the time the Scheme Document is published.

Irrevocable undertakings

- In addition to the irrevocable undertakings referred to above received from the St. Modwen Directors, Bidco has also received irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer) from members of the Clarke family in respect of 11,621,472 St. Modwen Shares, representing approximately 5.22 per cent. of the issued ordinary share capital of St. Modwen on 19 May 2021 (being the last Business Day prior to the date of this announcement).
- In total, therefore, Bidco has procured irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer), including those from the St. Modwen Directors who own St. Modwen Shares, in respect of, in aggregate, 14,663,781 St. Modwen Shares, representing approximately 6.59 per cent. of issued ordinary share capital of St. Modwen on 19 May 2021 (being the Business Day prior to this announcement). Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

Information on Bidco and Blackstone

- Bidco is a limited company registered in Jersey and incorporated on 24 March 2021. Bidco was formed for the purposes of the Acquisition and is an entity owned indirectly by investment funds advised by Blackstone and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.
- Blackstone is one of the world's leading investment firms. It seeks to create positive economic impact and long-term value for its investors, the companies it invests in, and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Its \$649 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.

- Blackstone Real Estate is a global leader in real estate investing. Blackstone’s real estate business was founded in 1991 and has \$196 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single family housing, office, hospitality and retail.
- Further information is available at www.Blackstone.com.

Information relating to St. Modwen

- St. Modwen is a UK-based real estate developer and investor and a constituent of the FTSE 250. Established in 1966 and headquartered in Longbridge, Birmingham, St. Modwen operates across three specialist divisions: St. Modwen Logistics, St. Modwen Homes and Strategic Land & Regeneration. The Company is active across England and South Wales with a portfolio totalling £1.37bn as at 30 November 2020.
- St. Modwen Logistics (49% of the portfolio by value as at 30 November 2020) designs, builds, owns and manages industrial and logistics assets in the UK. As one of the UK’s most active developers of speculative and built-to-suit logistics buildings, St. Modwen Logistics’ commercial development activity is focused on sites concentrated around major infrastructure and conurbations. Customers include some of the world’s biggest logistics and e-commerce organisations as well as significant national and regional enterprises.
- St. Modwen Homes (27% of the portfolio by value as at 30 November 2020) delivers high quality family housing primarily to first time buyers in attractive regional markets across the UK. SMH currently delivers around 1,000 units per annum with an affordable private average selling price of c.£277,000, and in 2020 achieved a 96% HBF customer satisfaction score, which is the second highest among large housebuilders, and a net promoter score of 74, ranking consistently above the wider sector.
- Strategic Land & Regeneration (24% of the portfolio by value as at 30 November 2020) focuses on the promotion and master development of land, primarily for residential and logistics uses, as well as delivering transformational regeneration projects. The division is delivering development land to St. Modwen Homes, St. Modwen Logistics, and third-party housebuilders and has over 20,000 strategic residential plots in the pipeline. The majority of the division’s existing portfolio is earmarked to be sold, as it is no longer core to St. Modwen’s strategy.
- Commenting on the Acquisition, Danuta Gray, the Chair of St. Modwen, said:

“Over the last four years, St. Modwen has successfully reshaped its business to focus on logistics and housebuilding. Whilst both sectors benefit from long term structural growth trends, St. Modwen’s financial position is strong and there is a solid strategy in place, the quantum and timing of generating shareholder value is naturally subject to execution risk.

The Board has therefore been able to evaluate today’s recommendation from a position of strength. Mindful of the pace of capital growth in the UK logistics market in particular and the future growth potential in our logistics and housebuilding businesses, initial approaches were rejected. However, following careful consideration we believe this offer is in the best interests of St. Modwen shareholders and significantly accelerates the value that could be realised by St. Modwen if it were to remain independent. Additionally, the

Board is reassured by Blackstone’s views and approach to investing in the business and supporting our people.”

- Commenting on the Acquisition, James Seppala, Head of Blackstone Real Estate Europe, said:

“Our strong conviction in the UK, together with St. Modwen’s high-quality asset base, its team, and its operational capabilities, give us confidence we can further build on the company’s successes. We look forward to working with the talented team at St. Modwen in the years ahead.”

This summary should be read in conjunction with the following announcement and the Appendices. The Conditions to, and certain further terms of, the Acquisition are set out in Appendix 1 to this announcement. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Details of undertakings received by Bidco are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4 to this announcement.

The person responsible for arranging release of this announcement on behalf of St. Modwen is Lisa Minns, General Counsel & Company Secretary.

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Further information

N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Bidco and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Lazard & Co., Limited ("Lazard"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to St. Modwen and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this announcement. Neither Lazard 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 Lazard in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the

Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an 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 decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).

St. Modwen and Bidco shall prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to St. Modwen Shareholders. St. Modwen and Bidco urge St. Modwen Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

This announcement is an advertisement and does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules 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 of, and observe, any applicable requirements of their jurisdictions.

The availability of the Acquisition to St. Modwen Shareholders who are not resident in and citizens of the UK 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 UK 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 St. Modwen Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy 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 Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from any 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 any 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 this announcement and all such documents relating to the Acquisition (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 an Offer (unless otherwise permitted by applicable law and regulation), the 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 Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

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

Notice to US investors in St. Modwen

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (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 the US 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 an Offer, the Offer Document) has 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.

If, in the future, Bidco exercises its right to implement the Acquisition by means of an Offer which is to be made into the United States, such an Offer would be made in compliance with

all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by Bidco and no one else.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of St. Modwen outside of the US, other than pursuant to such an Offer, during the period in which such an Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its St. Modwen Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each St. Modwen Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

St. Modwen is incorporated under the laws of England and Wales and Bidco is incorporated under the laws of Jersey. Some or all of the officers and directors of Bidco and St. Modwen, respectively, are residents of countries other than the United States. In addition, some of the assets of Bidco and St. Modwen are located outside the United States. As a result, it may be difficult for US holders of St. Modwen Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom. US holders of St. Modwen Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the 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.

Forward-Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and St. Modwen 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 Bidco and St. Modwen 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 Bidco and St. Modwen (including their future prospects, developments and strategies), 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 "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "cost-saving", "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. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, St. Modwen's, any member of the Bidco Group's or any member of St. Modwen Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, St. Modwen's, any member of the Bidco Group's or any member of the St. Modwen Group's business.

Although Bidco and St. Modwen believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and St. Modwen 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 and schedule; 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; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and St. Modwen operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco and St. Modwen 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 Bidco nor St. Modwen, 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 these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the St. Modwen Group, there may be additional changes to the St. Modwen Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither Bidco nor St. Modwen is under any obligation, and Bidco and St. Modwen 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 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) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm 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 Takeover 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, save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code 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 of the Takeover Code.

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 of the Takeover Code).

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.

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 St. Modwen's website at www.stmodwen.co.uk/investors and Bidco's website at www.publishdocuments.co.uk 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 any website accessible from hyperlinks is incorporated into or forms part of this announcement.

No profit forecasts, estimates or quantified benefits statements

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

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, St. Modwen Shareholders, persons with information rights and participants in St. Modwen Share Plans may request a hard copy of this announcement by contacting St. Modwen's registrars, Equiniti Limited, between 8.30 a.m. to 5:30 p.m. (London time) Monday to Friday (except UK public holidays) on 0371 384 2050 if calling from the United Kingdom, or +44 371 384 2050 if calling from outside the United Kingdom or by submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. 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 St. Modwen Shareholders, persons with information rights and other relevant persons for the receipt of communications from St. Modwen may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of 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.

General

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining St. Modwen Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase St. Modwen Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

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 or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code, St. Modwen confirms that, as at 19 May 2021, it had in issue 222,626,988 ordinary shares of 10 pence each (excluding shares held in treasury). The ISIN for the ordinary shares is GB0007291015.

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

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

20 May 2021

RECOMMENDED CASH ACQUISITION

of

St. Modwen Properties PLC

by

Brighton Bidco Limited

**(a newly formed company indirectly owned by
investment funds advised by Blackstone)**

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

1. Introduction

The directors of Brighton Bidco Limited (“**Bidco**”) and the directors of St. Modwen Properties PLC (“**St. Modwen**”) are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash offer by Bidco for the entire issued, and to be issued, ordinary share capital of St. Modwen.

It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the 2006 Act (although Bidco reserves the right to effect the Acquisition by way of an Offer, subject to the consent of the Panel and the terms of the Cooperation Agreement). The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement.

2. The Acquisition

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Scheme Document, each St. Modwen Shareholder will be entitled to receive:

for each St. Modwen Share: 542 pence in cash

The Acquisition price per St. Modwen Share represents a premium of approximately:

- 21.1 per cent. to the Closing Price of 448 pence on 6 May 2021 (being the last Business Day before the commencement of the offer period);
- 33.7 per cent. to the volume-weighted average St. Modwen share price of 405 pence over the 90-day period ending on 6 May 2021 (being the last Business Day before the commencement of the offer period);
- 37.2 per cent. to the volume-weighted average St. Modwen share price of 395 pence over the 180-day period ending on 6 May 2021 (being the last Business Day before the commencement of the offer period); and
- 23.8 per cent. to St. Modwen's reported 2020 EPRA Net Tangible Assets Per Share of 438 pence.

The Acquisition values St. Modwen's entire issued, and to be issued, ordinary share capital at approximately £1,237 million.

The St. Modwen Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the Scheme Record Time.

If, on or after the date of this announcement and before the Effective Date, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the St. Modwen Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the St. Modwen Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital, 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 Bidco 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, St. Modwen Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital declared, made or paid.

The Scheme Document will contain a valuation in respect of St. Modwen's property portfolio as at 31 May 2021 in accordance with Rule 29 of the Takeover Code.

3. Recommendation

The St. Modwen Directors, who have been so advised by Lazard, J.P. Morgan Cazenove and Numis as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice, Lazard, J.P. Morgan Cazenove and Numis have taken into account the commercial assessments of the St. Modwen Directors. Lazard and Numis are each providing independent financial advice to the St. Modwen Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the St. Modwen Directors confirm they intend to recommend unanimously that the St. Modwen Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as they have irrevocably undertaken to do

in respect of their own beneficial holdings which are under their control of, in aggregate, 3,042,309 St. Modwen Shares representing approximately 1.37 per cent. of the issued ordinary share capital of St. Modwen on 19 May 2021 (being the last Business Day before the date of this announcement). Further details of these undertakings, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this announcement.

4. Background to and reasons for the recommendation

Over the last four years, St. Modwen has reshaped its business to focus on two sectors with long-term structural growth trends, logistics and housebuilding. Apart from in 2020, which was impacted by Covid-19, St. Modwen has delivered underlying total accounting returns of between 6.0% and 6.3% during this period, at the same time as reducing leverage and recycling capital from legacy assets into its development pipeline. Today, St. Modwen has high quality, scalable platforms and substantial pipelines in both logistics and housebuilding, supported by its strategic land and regeneration capability.

The Board believes that St. Modwen's high quality product, pipeline, development expertise and strong capital base provide a foundation for continued growth, with a targeted improvement in total accounting return to c.9-10% in the medium term, assuming current market conditions persist. Since the start of this year, overall operational performance has been in line with the Board's expectations. The Board remains confident in St. Modwen's strategy and continues to believe that St. Modwen is well positioned to succeed as an independent business but has concluded that the Acquisition presents shareholders with a significant acceleration of this value creation.

St. Modwen Logistics

St. Modwen Logistics consists of a growing and resilient income-producing portfolio focused on modern urban and big box warehouses and a landbank with the potential to deliver c.19m sq ft of new logistics space at an average yield on cost of c.7-8%, of which c.7.6m sq ft (representing 40% of the pipeline by space as at 30 November 2020) is committed or consented. The Company is on track to deliver 1.5m sq ft of new developments during 2021, of which 10% is pre-let, with a further 16% under offer, on average 1.6% ahead of expected ERV. 2020 completions are currently 91% let or under offer, up from 81% since February 2021.

The Board has taken into account the pace of capital growth in the industrial property market, as evidenced by recent MSCI data (+7.2% for the UK excluding the South East in the five-month period between November and April), which it expects to be reflected in the next portfolio revaluation as at 31 May 2021, and the potential for further yield compression. In assessing the value creation opportunity within its landbank, and the timing thereof, the Board recognises that c.60% (c.12m sq ft) of the landbank does not currently have planning consent; specifically, c.30% of the planned development in FY23 remains subject to planning consent, rising to c.85% in FY25.

Delivery of this development potential will require significant additional capital, an acceleration in the pace of delivery from 1.2m sq ft in 2020 to up to c.2m sq ft per year from 2022, and further growth in occupier demand in the Midlands and West of England where St. Modwen's land holdings are concentrated. Based on a recently completed independent external valuation, the Board believes the book value of the land options in the c.12m sq ft controlled pipeline (which was c.£11m as at 30 November 2020) to be an accurate reflection of their current market value.

St. Modwen Homes

St. Modwen Homes (“SMH”) was established in 2012 and has since grown to delivering 1,060 units in 2019 and 948 units in 2020 (despite c.9-10 weeks of lost production due to the national lockdown in the spring) with a high quality, affordable family product and 5,900 plot pipeline in attractive regions.

Despite SMH’s strong growth, the business remains smaller in scale than the majority of its listed peers which is reflected in SMH’s lower operating and financial metrics. The Company is on track to increase completions by c. 25% and operating margin to c.14.5% in 2021, supported by recent positive trends in house prices. With an average sales rate of 0.86 over the last 12 weeks, the Company expects to complete c.450 units during the half year ending on 31 May 2021 (vs. 411 in H1 2019 and 280 in H1 2020).

The Company intends to grow completions to c.1,500 units by 2023 as the pipeline is built out and has also outlined its plan to increase operating margins to c.16-17% by 2023. This margin improvement is expected to be driven by an improvement in the gross margin embedded within the existing landbank of 19.5%, identified operational efficiencies, and assumed additional land acquisitions with a target gross margin of at least 22% to deliver c.19% of the targeted completions in 2023.

Whilst the Board remains confident of the scope for improving both the SMH operating margin and ROCE (which was 11.4% in 2019 and 7.7% in 2020) over time, it recognises the extended period of time required to deliver these improvements, as well as the inherent cyclicity in the housebuilding market.

Strategic Land & Regeneration

Strategic Land & Regeneration (“SL&R”) consists of a mixture of residential land, long-term regeneration sites and non-core retail and other assets. The Company’s strong land repositioning capability enables the long-term value creation in its logistics and housebuilding businesses, but the existing SL&R portfolio also includes several assets which do not support these sectors, or which, due to their size or other characteristics, are too long-dated and do not meet St. Modwen’s return requirements.

Since 2017, the SL&R portfolio has reduced in size from £1.2bn to £332m (as at 30 November 2020), due to a combination of disposals and, in 2020, £121m of write-downs on residential land and retail assets. The Company plans to sell £180-200m of SL&R assets by 2023 (of which £33m has already been sold or contracted for sale). The disposal programme includes a number of large assets with unique characteristics and others which require considerable investment in order to sell, and of the £332m portfolio, c.£100m is expected to be disposed beyond 2023.

Conclusion

The proposed acquisition of St. Modwen by Bidco follows the receipt of multiple proposals from Blackstone negotiated over an approximately 10 week period since St Modwen’s preliminary results announcement in February 2021 at which St. Modwen set out its strategy for the business. The Board believes that the Acquisition is in the best interests of St. Modwen shareholders by significantly accelerating the value that could be realised by St. Modwen independently. In reaching its conclusion, the Board has considered the following in particular:

- the risk-adjusted returns that may be generated by St. Modwen’s strategy as compared with the certainty of execution of the Acquisition, which represents an acceleration of expected value creation;
- that the offer price of 542 pence per St. Modwen share represents a premium of 23.8% to EPRA Net Tangible Assets Per Share of 438 pence as at 30 November 2020;
- that the offer price of 542 pence per St. Modwen share represents premia of 21.1% to the unaffected share price of 448 pence as at 6 May 2021, 37.2% to the volume weighted average share price of 395 pence over the 180-day period ending on 6 May 2021, and 39.0% to the share price of 390 pence as at 22 February 2021 prior to Blackstone’s first proposal;
- that the offer price of 542 pence per St. Modwen share exceeds the highest share price of 530 pence since the global financial crisis;
- that the Acquisition provides St. Modwen shareholders with the opportunity to realise the entirety of their interests in cash; and
- the impact of the Acquisition on all of St. Modwen’s stakeholders, including the importance of St. Modwen’s employees to Blackstone’s future strategy.

5. Background to and reasons for the Acquisition

Blackstone is a global leader in real estate investing with \$196 billion of investor capital under management dedicated to real estate. The Blackstone Real Estate group is highly active in both the logistics and residential segments. Blackstone’s pan-European logistics real estate platform, Mileway, is a leading urban logistics real estate business in Europe and the UK where it owns a 48m square foot urban logistics portfolio. In the UK residential sector, Blackstone’s Sage Housing platform is a registered provider of affordable housing, working with the largest homebuilders to deliver new housing for shared ownership and low-cost rental homes. Over the past three years, Sage Housing has delivered over 3,000 homes, with a pipeline of more than 14,000 under contract.

Bidco believes that while St. Modwen’s core logistics and residential business divisions each operate in attractive markets, realising the full potential of each division will require significant incremental scale and equity capital, which Bidco believes it is in a better position to provide to each business as a private company than St. Modwen can as a public company.

St. Modwen Logistics would be a complementary addition to Mileway’s existing portfolio and development activities. Bidco believes St. Modwen Logistics would be further enhanced by being part of Mileway’s broader pan-European platform. St. Modwen Logistics will require significant incremental capital to realise its full potential.

In order to maximise St. Modwen Homes’ full potential and achieve management’s objective of accelerating growth and operational efficiencies through scale, Bidco believes that St.

Modwen Homes would benefit from the incremental growth and capital investment opportunities that private ownership can bring.

6. Information relating to Bidco and Blackstone

Bidco

Bidco is a limited company registered in Jersey and incorporated on 24 March 2021. Bidco was formed for the purposes of the Acquisition and is an entity owned indirectly by investment funds advised by Blackstone and 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 Bidco are Samir Amichi and Peter Krause. Further details in relation to Bidco will be contained in the Scheme Document.

Blackstone

Blackstone is one of the world's leading investment firms. It seeks to create positive economic impact and long-term value for its investors, the companies it invests in, and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Its \$649 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.

Blackstone Real Estate is a global leader in real estate investing. Blackstone's real estate business was founded in 1991 and has \$196 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single family housing, office, hospitality and retail.

Further information is available at www.Blackstone.com.

7. Information relating to St. Modwen

St. Modwen is a UK-based real estate developer and investor and a constituent of the FTSE 250. Established in 1966 and headquartered in Longbridge, Birmingham, St. Modwen operates across three specialist divisions: St. Modwen Logistics, St. Modwen Homes and Strategic Land & Regeneration. The Company is active across England and South Wales with a portfolio totalling £1.37bn as at 30 November 2020.

St. Modwen Logistics (49% of the portfolio by value as at 30 November 2020) designs, builds, owns and manages industrial and logistics assets in the UK. As one of the UK's most active developers of speculative and built-to-suit logistics buildings, St. Modwen Logistics' commercial development activity is focused on sites concentrated around major infrastructure and conurbations. Customers include some of the world's biggest logistics and e-commerce organisations as well as significant national and regional enterprises.

St. Modwen Homes (27% of the portfolio by value as at 30 November 2020) delivers high quality family housing primarily to first time buyers in attractive regional markets across the UK. SMH currently delivers around 1,000 units per annum with an affordable private average selling price of c.£277,000, and in 2020 achieved a 96% HBF customer satisfaction score,

which is the second highest among large housebuilders, and a net promoter score of 74, ranking consistently above the wider sector.

Strategic Land & Regeneration (24% of the portfolio by value as at 30 November 2020) focuses on the promotion and master development of land, primarily for residential and logistics uses, as well as delivering transformational regeneration projects. The division is delivering development land to St. Modwen Homes, St. Modwen Logistics, and third-party housebuilders and has over 20,000 strategic residential plots in the pipeline. The majority of the division's existing portfolio is earmarked to be sold, as it is no longer core to St. Modwen's strategy.

8. Irrevocable undertakings

As described above, Bidco has received irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer) from all of the St. Modwen Directors who own St. Modwen Shares, in respect of their own beneficial holdings totalling 3,042,309 St. Modwen Shares, representing approximately 1.37 per cent. of issued ordinary share capital of St. Modwen on 19 May 2021 (being the Business Day prior to this announcement). The undertakings will remain binding in the event that a higher competing offer for St. Modwen is made.

Bidco has also received irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer) from members of the Clarke family, in respect of 11,621,472 St. Modwen Shares, representing approximately 5.22 per cent. of issued ordinary share capital of St. Modwen on 19 May 2021 (being the Business Day prior to this announcement).

In total, therefore, Bidco has procured irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings (or in the event that the Acquisition is implemented by an Offer, to accept such Offer), including those from the St. Modwen Directors in respect of, in aggregate, 14,663,781 St. Modwen Shares, representing approximately 6.59 per cent. of existing issued ordinary share capital of St. Modwen on 19 May 2021 (being the Business Day prior to this announcement).

Further details of these irrevocable undertakings, including details on when they cease to be binding, are set out in Appendix 3 to this announcement.

9. Financing of the Acquisition

The cash consideration payable to the St. Modwen Shareholders under the terms of the Acquisition will be financed by equity to be invested by Blackstone Funds. In connection with the financing of Bidco, Blackstone Funds have entered into the Equity Commitment Letter.

Rothschild & Co in its capacity as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to the St. Modwen Shareholders under the terms of the Scheme.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

10. Offer-related arrangements

Confidentiality Agreement

Pursuant to the Confidentiality Agreement, amongst other things, Blackstone gave certain undertakings to: (a) subject to certain exceptions, keep information relating to St. Modwen 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 13 April 2023 and completion of the Acquisition by Bidco.

The Confidentiality Agreement also contains undertakings from Blackstone that for a period of one year after the date of the Confidentiality Agreement it will not, without St. Modwen's prior written consent (i) have any contact with any director, officer, employee, customer, contractor or sub-contractor of, or supplier of, or lender to a member of the St. Modwen Group, or (ii) solicit, engage, employ or offer to employ any director, officer or senior employee of the St. Modwen Group.

Cooperation Agreement

Pursuant to the Cooperation Agreement, Bidco and St. Modwen have, amongst other things, each agreed to: (i) cooperate in relation to obtaining any consents, clearances, permissions, waivers and/or approvals as may be necessary, and the making of all filings as may be necessary, from or under the law, regulations or practices applied by any applicable regulatory authority in connection with the Acquisition; and (ii) cooperate in preparing and implementing appropriate proposals in relation to the St. Modwen Share Plans. In addition, Bidco has agreed to certain provisions if the Scheme should switch to an Offer. The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a competing offer completes, becomes effective or is declared unconditional, or if prior to the Long Stop Date any Condition has been invoked by Bidco, if the St. Modwen Directors withdraw their recommendation of the Acquisition or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and St. Modwen. Pursuant to the terms of the Cooperation Agreement, Bidco undertakes that it will deliver a notice in writing to St. Modwen on the Business Day prior to the Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Scheme Conditions); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

11. Disclosure of interests in St. Modwen securities

Except for the irrevocable undertakings referred to in paragraph 8 above and as disclosed in Appendix 3 to this announcement, as at close of business on 19 May 2021 (being the last practicable date prior to the date of this announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition (i) had any interest in or right to subscribe for or had borrowed or lent any St. Modwen Shares or securities convertible or exchangeable into St. Modwen Shares, or (ii) had any short positions in respect of relevant securities of St. Modwen (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant securities of St. Modwen (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed

shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

'Interests in securities' for these purposes arise, 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.

12. Directors, management, employees, pensions and locations

Bidco's strategic plans for St. Modwen

Bidco recognises the high quality of the portfolio of logistics assets that St. Modwen has developed over time. As set out in paragraph 5 (*Background to and reasons for the Acquisition*), Bidco believes that St. Modwen Logistics would be a complementary addition to Mileway, Blackstone's leading pan-European last mile logistics real estate platform, and would be further enhanced by being part of Mileway's platform. Following completion of the Acquisition, Bidco intends that St. Modwen Logistics would be integrated within the Mileway platform.

With regard to the St. Modwen Homes business, Bidco recognises that St. Modwen Homes is an award-winning house builder of high-quality new homes across key markets in the United Kingdom. Bidco believes that in order to maximise St. Modwen Homes' full potential and achieve management's objective of accelerating growth and operational efficiencies through greater scale, St. Modwen Homes would benefit from private ownership and the incremental growth opportunities that this can bring. Bidco values St. Modwen Homes' strong customer focussed approach and expects customer experience to be at the core of its ongoing strategy under Bidco ownership.

In relation to St. Modwen's Strategic Land & Regeneration division, Bidco is aware of the programme which St. Modwen management has previously announced in respect of disposal of non-core assets and surplus land. As part of its evaluation of the St. Modwen Group referred to below, Bidco will be carrying out an assessment of this programme. While no decisions have yet been made by Bidco in relation to specific actions that may be taken following such review, Bidco intends to support St. Modwen management in seeing this programme through to completion to the extent it has not been completed prior to the Effective Date.

Prior to this Announcement, consistent with market practice, Bidco has been granted access to St. Modwen's senior management for purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Bidco has not yet had access to sufficiently detailed operational information to formulate a detailed strategy for St. Modwen.

Following the Acquisition becoming Effective, Bidco intends to work with St. Modwen's management to undertake a detailed evaluation of the St. Modwen Group. Bidco expects that this evaluation will be completed within approximately six to nine months from the Effective Date. The evaluation will include:

- engaging with the key stakeholders of each business;

- further evaluating St. Modwen’s logistics portfolio (including both standing assets and land bank) with a view to implementing its integration into Mileway;
- assessing St. Modwen’s programme for the disposal of non-core assets and surplus land; and
- assessing potential investment opportunities and strategic options that will support St. Modwen Homes’ growth ambitions and overall strategy.

Employees and management

Bidco attaches great importance to the skill and experience of St. Modwen's management and employees and recognises the important contribution that the management team and employees of St. Modwen have made to the success of the business.

Following completion of the Acquisition, Bidco intends that the employees of St. Modwen that are predominantly assigned to St. Modwen Logistics will transfer across to Mileway, such that they would become employees of Mileway. Bidco confirms that its intention is for any individuals impacted to be treated in a manner consistent with Blackstone’s high standards, culture and practices. Any transfer of employees to Mileway will be carried out in accordance with applicable law (including, informing and consulting obligations).

Other than a small and non-material reduction in headcount (subject to any informing and consulting obligations) within the central corporate and support functions (including listed company-related functions) following St. Modwen ceasing to be a listed company, Bidco does not intend to make any reductions to the St. Modwen Group’s headcount. Any headcount reductions will be carried out in accordance with applicable law.

Other than the transfer of certain employees of St. Modwen Logistics to Mileway, Bidco does not intend to make any changes to the conditions of employment or the balance of skills and functions of the employees and management of the St. Modwen Group.

It is intended that, with effect from the Effective Date, each of the non-executive members of the St. Modwen Board shall resign from his or her office as a director of St. Modwen.

Existing rights and pensions

Bidco confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including pension rights, of all St. Modwen management and employees will be fully safeguarded in accordance with applicable law.

St. Modwen participates in a UK occupational pension scheme which has both a defined benefits section and a defined contribution section. The defined benefits section of the pension scheme is well-funded and as at 30 November 2020 was in surplus on an IAS 19 basis. The defined benefits section is closed to new members and future accrual of benefits. Bidco 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, fixed assets and research and development

As set out above, Bidco intends that St. Modwen Logistics will, following completion of the Acquisition, be integrated into the Mileway platform.

Subject to the outcome of its strategic review to be undertaken following completion of the Acquisition, Bidco has no plans to undertake any change in the locations of St. Modwen's places of business. Whilst certain head office functions of St. Modwen Logistics will be integrated within the broader Mileway UK platform, Bidco has no plans to change the location of St. Modwen's headquarters from Birmingham.

No changes are envisaged with respect to the deployment of St. Modwen's fixed asset base (other than in relation to the non-core disposal programme referred to above) and, to Bidco's knowledge, St. Modwen has no research and development function.

Management incentive arrangements

Following the Acquisition becoming Effective, Bidco intends to review the management, governance and incentive structure of St. Modwen. Bidco has not entered into, and has not had material discussions on the terms of any form of incentivisation arrangements with members of St. Modwen's management, but may have discussions and enter into such discussions for certain members of the St. Modwen management team following the Effective Date.

Trading Facilities

St. Modwen Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. As set out in paragraph 15, applications will be made for the cancellation of the listing of St. Modwen Shares on the Official List and the cancellation of trading of St. Modwen Shares on the London Stock Exchange.

None of the statements in this paragraph 12 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

13. St. Modwen Share Plans

Participants in the St. Modwen Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the St. Modwen Share Plans and an appropriate proposal will be made to such participants which reflects their options and awards under the St. Modwen Share Plans in due course. Details of the impact of the Scheme on each of the St. Modwen Share Plans and the proposals will be set out in the Scheme Document.

14. Scheme process

The Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to 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 Bidco and St. Modwen may, with the consent of the Panel, agree and, if required, the Court may approve):

- 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 the Scheme Shares held by those Scheme Shareholders;

- the Special Resolutions are passed by the requisite majority of St. Modwen Shareholders at the St. Modwen General Meeting;
- following the Court Meeting and St. Modwen General Meeting, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Bidco and St. Modwen); and
- following such sanction, an office copy of the Court Order is delivered to the Registrar of Companies.

The Conditions in paragraph 2 of Appendix 1 to this announcement provide that the Scheme will lapse if:

- the Court Meeting and the St. Modwen General Meeting are not held by the 22nd day after the expected date of the Court Meeting and the St. Modwen General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and St. Modwen);
- the Sanction Hearing to approve the Scheme is not held by the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and St. Modwen); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date (or such later date as may be agreed between Bidco and St. Modwen and the Panel and the Court may allow).

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition or, with the agreement of St. Modwen, specified a new date by which that Condition must be satisfied.

Once the necessary approvals from St. Modwen Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction of the Conditions, the Scheme is expected to become Effective during July 2021. The Conditions include the anti-trust Condition set out in paragraph 3(a) of Appendix 1 to this announcement. This Condition is expected to be satisfied in time to allow for the Scheme to become effective during July 2021.

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 Court Meeting or the St. Modwen General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of St. Modwen Shares will cease to be valid and entitlements to St. Modwen Shares held within the CREST system will be cancelled. The consideration payable under the Scheme will be despatched by Bidco to Scheme Shareholders no later than 14 days after the Effective Date.

Any St. Modwen Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Special Resolutions to be proposed at the St. Modwen General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any St. Modwen Shares issued after the Scheme Record Time (other than to Bidco and/or their nominees) to be automatically transferred to Bidco 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 Bidco and their nominees) holding shares in the capital of St. Modwen after the Effective Date.

Bidco reserves the right to elect to implement the Acquisition by way of an Offer (as defined in section 974 of the 2006 Act) as an alternative to the Scheme (subject to the Panel's consent and the terms of the Cooperation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient St. Modwen Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the 2006 Act to acquire compulsorily any outstanding St. Modwen Shares to which such offer relates.

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the St. Modwen General Meeting and the Sanction Hearing, together with notices of the Court Meeting and the St. Modwen General Meeting, will be set out in the Scheme Document, which will be published within 28 days of this announcement (or such later time as St. Modwen, Bidco and the Panel agree). An updated valuation in respect of land options in St. Modwen's controlled pipeline will be made available on St. Modwen's and Bidco's websites at www.stmodwen.co.uk/investors and www.publishdocuments.co.uk by the time the Scheme Document is published.

15. Delisting, and cancellation of trading and re-registration

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in St. Modwen Shares on the London Stock Exchange's market for listed securities and the listing of the St. Modwen Shares from the Official List on or shortly after the Effective Date.

It is expected that the last day of dealings in St. Modwen Shares on the Main Market of the London Stock Exchange is expected to be the date of the Sanction Hearing and no transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that St. Modwen be re-registered as a private limited company as part of the Scheme and for this to take effect as soon as practicable on or following the Effective Date.

16. Documents

Copies of the following documents will be available promptly on St. Modwen's and Bidco's websites, subject to certain restrictions relating to persons resident in Restricted Jurisdictions,

at www.stmodwen.co.uk/investors and www.publishdocuments.co.uk and in any event by no later than noon on the Business Day following this announcement:

- this announcement;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the irrevocable undertakings referred to in paragraph 8 above;
- the consents from financial advisers to being named in this announcement; and
- the Equity Commitment Letter.

Neither the content of the websites referred to in this announcement, nor any website accessible from hyperlinks, are incorporated into or form part of this announcement.

17. **General**

The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this announcement, and to be set out in the Scheme Document. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2 to this announcement. Details of undertakings received by Bidco are set out in Appendix 3 to this announcement. Certain definitions and terms used in this announcement are set out in Appendix 4 to this announcement.

The formal Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and St. Modwen General Meeting, together with the associated forms of proxy, will be posted to St. Modwen Shareholders within 28 days of this announcement (or on such later date as St. Modwen, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

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Kirkland & Ellis International LLP is acting as legal adviser to Bidco.

Slaughter and May is acting as legal adviser to St. Modwen.

Further information

N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Bidco and for no one else in connection with the subject matter of this announcement and will not be

responsible to anyone other than Bidco for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

Lazard & Co., Limited ("Lazard"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to St. Modwen and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Lazard nor for providing advice in relation to the matters set out in this announcement. Neither Lazard 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 Lazard in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to any matter referred to herein.

Numis Securities Limited ("Numis"), which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for St. Modwen and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than St. Modwen for providing the protections afforded to clients of Numis, nor for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely pursuant to the terms of the Scheme Document (or, if the Acquisition is implemented by way of an 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 decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document).

St. Modwen and Bidco shall prepare the Scheme Document (or, if the Acquisition is implemented by way of an Offer, the Offer Document) to be distributed to St. Modwen Shareholders. St. Modwen and Bidco urge St. Modwen Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

This announcement is an advertisement and does not constitute a prospectus or prospectus equivalent document.

Overseas Shareholders

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules 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 of, and observe, any applicable requirements of their jurisdictions.

The availability of the Acquisition to St. Modwen Shareholders who are not resident in and citizens of the UK 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 UK 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 St. Modwen Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy 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 Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from any 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 any 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 this announcement and all such documents relating to the Acquisition (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 an Offer (unless otherwise permitted by applicable law and regulation), the 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 Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

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

Notice to US investors in St. Modwen

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (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 the US 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 an Offer, the Offer Document) has 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.

If, in the future, Bidco exercises its right to implement the Acquisition by means of an Offer which is to be made into the United States, such an Offer would be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such an Offer would be made in the United States by Bidco and no one else.

In the event that the Acquisition is implemented by way of an Offer, in accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of St. Modwen outside of the US, other than pursuant to such an Offer, during the period in which such an Offer would remain open for acceptances. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its St. Modwen Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each St. Modwen Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

St. Modwen is incorporated under the laws of England and Wales and Bidco is incorporated under the laws of Jersey. Some or all of the officers and directors of Bidco and St. Modwen, respectively, are residents of countries other than the United States. In addition, some of the assets of Bidco and St. Modwen are located outside the United States. As a result, it may be difficult for US holders of St. Modwen Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom. US holders of St. Modwen Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the 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.

Forward-Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Bidco and St. Modwen 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 Bidco and St. Modwen 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 Bidco and St. Modwen (including their future prospects, developments and strategies), 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 "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "cost-saving", "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. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, St. Modwen's, any member of the Bidco Group's or any member of St. Modwen Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, St. Modwen's, any member of the Bidco Group's or any member of the St. Modwen Group's business.

Although Bidco and St. Modwen believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and St. Modwen 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 and schedule; 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; changes in the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and St. Modwen operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco and St. Modwen 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 Bidco nor St. Modwen, 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 these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward-looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the St. Modwen Group, there may be additional changes to the St. Modwen Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

Other than in accordance with their legal or regulatory obligations, neither Bidco nor St. Modwen is under any obligation, and Bidco and St. Modwen 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 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) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm 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 Takeover 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, save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code 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 of the Takeover Code.

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 of the Takeover Code).

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.

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 St. Modwen's website at www.stmodwen.co.uk/investors and Bidco's website at www.publishdocuments.co.uk 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 any website accessible from hyperlinks is incorporated into or forms part of this announcement.

No profit forecasts, estimates or quantified benefits statements

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

Requesting hard copy documents

In accordance with Rule 30.3 of the Takeover Code, St. Modwen Shareholders, persons with information rights and participants in St. Modwen Share Plans may request a hard copy of this announcement by contacting St. Modwen's registrars, Equiniti Limited, between 8.30 a.m. to 5:30 p.m. (London time) Monday to Friday (except UK public holidays) on 0371 384 2050 if calling from the United Kingdom, or +44 371 384 2050 if calling from outside the United Kingdom or by submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Equiniti Limited cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. 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 St. Modwen Shareholders, persons with information rights and other relevant persons for the receipt of communications from St. Modwen may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of 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.

General

If the Acquisition is effected by way of an Offer, and such an Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the 2006 Act so as to acquire compulsorily the remaining St. Modwen Shares in respect of which the Offer has not been accepted.

Investors should be aware that Bidco may purchase St. Modwen Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.

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 or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code, St. Modwen confirms that, as at 19 May 2021, it had in issue 222,626,988 ordinary shares of 10 pence each (excluding shares held in treasury). The ISIN for the ordinary shares is GB0007291015.

APPENDIX 1
CONDITIONS AND FURTHER TERMS OF THE TRANSACTION

Part A: Conditions to the Scheme and 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 11.59 p.m. on the Long Stop Date, or such later date (if any) as Bidco and St. Modwen may, with the consent of the Panel, agree and (if required) the Court may allow.

Conditions of the Scheme

2. The Scheme will be subject to the following Conditions:
 - (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 St. Modwen (or the relevant class or classes thereof) at the Voting Record Time, present and voting, 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 being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and St. Modwen with the consent of the Panel (and that the Court may approve if required));
 - (b) (i) the Special Resolutions being duly passed at the St. Modwen General Meeting (or any adjournment thereof) and (ii) such St. Modwen General Meeting being held on or before the 22nd day after the expected date of the St. Modwen General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and St. Modwen with the consent of the Panel (and that the Court may approve if required)); and
 - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco and St. Modwen)) and the delivery of the office copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and St. Modwen with the consent of the Panel (and that the Court may approve)).

General Conditions

3. In addition, subject as stated in Part B below, Bidco and St. Modwen 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:

Anti-trust

- (a) the CMA:

- (i) confirming in writing that it does not intend to refer the Acquisition or any matters arising therefrom for a Phase 2 CMA Reference (including as a result of the acceptance of undertakings in lieu of a reference); or
- (ii) as at the date on which all other Conditions (with the exception of sanction of the Scheme by the Court pursuant to paragraph 2(c) above) are satisfied or waived, having responded to a briefing paper in writing that it has no further questions in relation to the Acquisition (and having not otherwise opened an inquiry, or implied that it is still investigating whether to open an inquiry);

Other Third Party clearances

- (b) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body 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, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might:
 - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider St. Modwen Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider St. Modwen Group by any member of the Wider Bidco Group or require amendment of the Scheme;
 - (ii) require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider St. Modwen Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
 - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in St. Modwen (or any member

of the Wider St. Modwen Group) or on the ability of any member of the Wider St. Modwen Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider St. Modwen Group to an extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;

- (iv) other than pursuant to the implementation of the Scheme or, if applicable, sections 974 to 991 of the 2006 Act, require any member of the Wider Bidco Group or the Wider St. Modwen Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider St. Modwen Group or any asset owned by any third party which is material in the context of the Wider St. Modwen Group or the Wider Bidco Group, in either case taken as a whole;
- (v) require, prevent or delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider St. Modwen Group;
- (vi) result in any member of the Wider St. Modwen Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
- (vii) impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider St. Modwen Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider St. Modwen Group in a manner which is adverse and material to the Wider Bidco Group and/or the Wider St. Modwen Group, in either case, taken as a whole or in the context of the Acquisition; or
- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider St. Modwen Group or any member of the Wider Bidco Group in each case in a manner which is adverse to and material in the context of the Wider St. Modwen Group taken as a whole or of the financing of the Acquisition;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any St. Modwen Shares or otherwise intervene having expired, lapsed, or been terminated;

- (c) all notifications, filings or applications which are deemed by Bidco to be necessary or reasonably considered to be appropriate having been made in connection with the Acquisition and all necessary waiting and other time

periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco to be necessary or reasonably considered to be appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, St. Modwen by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider St. Modwen Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider St. Modwen Group, any member of the Bidco Group or the ability of Bidco to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

- (d) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider St. Modwen Group by any member of the Wider Bidco Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider St. Modwen Group by any member of the Wider Bidco Group;

Confirmation of absence of adverse circumstances

- (e) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider St. Modwen Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in St. Modwen or because of a change in the control or management of any member of the Wider St. Modwen Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider St. Modwen Group taken as a whole or to the financing of the Acquisition:

- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider St. Modwen Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) the rights, liabilities, obligations, interests or business of any member of the Wider St. Modwen Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider St. Modwen Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any member of the Wider St. Modwen Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the St. Modwen Group taken as a whole or in the context of the Acquisition;
- (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider St. Modwen Group being or falling to be disposed of or charged 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 St. Modwen Group otherwise than in the ordinary course of business;
- (v) 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 or assets of any member of the Wider St. Modwen Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider St. Modwen Group being prejudiced or adversely affected; or
- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider St. Modwen Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider St. Modwen Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

No material transactions, claims or changes in the conduct of the business of the St. Modwen Group

- (f) except as Disclosed, no member of the Wider St. Modwen Group having since 30 November 2020:
- (i) save as between St. Modwen and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of St. Modwen Shares on the exercise of options or vesting of awards granted in the ordinary course under the St. Modwen Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of St. Modwen Shares out of treasury;
 - (ii) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to St. Modwen or one of its wholly-owned subsidiaries;
 - (iii) save as between St. Modwen and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, 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, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider St. Modwen Group taken as a whole;
 - (iv) save as between St. Modwen and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider St. Modwen Group taken as a whole;
 - (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between St. Modwen and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
 - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction,

arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider St. Modwen Group to an extent which is or is reasonably likely to be material to the Wider St. Modwen Group taken as a whole;

- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider St. Modwen Group which are material in the context of the Wider St. Modwen Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider St. Modwen Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider St. Modwen Group which, taken as a whole, are material in the context of the Wider St. Modwen Group taken as a whole;
- (x) (excluding the trustee of any pension scheme(s) established by a member of the Wider St. Modwen Group unless that trustee is St. Modwen itself) (I) made, agreed or consented to or procured any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider St. Modwen Group or their dependants and established by a member of the Wider St. Modwen Group (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) other than in connection with the actuarial valuation of the St. Modwen Pension Scheme as at 5 April 2020, the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) other than in connection with the actuarial valuation of the St. Modwen Pension Scheme as at 5 April 2020, the basis or rate of employer contribution to any Relevant Pension Plan, in each case to the extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (II) entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the

winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;

- (xi) other than to replace a vacancy on the board of directors of a corporate trustee, changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of St. Modwen) is material in the context of the Wider St. Modwen Group taken as a whole;
- (xiv) other than with respect to claims between St. Modwen and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
- (xv) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme) which is material in the context of the Acquisition;
- (xvi) (other than in respect of a member of the Wider St. Modwen Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any 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 is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;

- (xvii) 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 which is material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider St. Modwen Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider St. Modwen Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of St. Modwen Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

- (g) since 30 November 2020, and except as Disclosed, there having been:
 - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider St. Modwen Group to an extent which is material to the Wider St. Modwen Group taken as a whole or to the financing of the Acquisition;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider St. Modwen Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider St. Modwen Group or to which any member of the Wider St. Modwen Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might be expected to have a material adverse effect on the Wider St. Modwen Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference

- to, any Third Party against or in respect of any member of the Wider St. Modwen Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider St. Modwen Group which, in any such case, might be expected to have a material adverse effect on the Wider St. Modwen Group taken as a whole;
- (iii) no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider St. Modwen Group to an extent which is material to the Wider St. Modwen Group taken as a whole
 - (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider St. Modwen Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider St. Modwen Group taken as a whole; and
 - (v) no member of the Wider St. Modwen Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider St. Modwen Group taken as a whole.
- (h) since 30 November 2020, and except as Disclosed, Bidco not having discovered:
- (i) that any financial, business or other information concerning the Wider St. Modwen Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to this announcement by or on behalf of any member of the Wider St. Modwen Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider St. Modwen Group taken as a whole or in the context of the Acquisition;
 - (ii) that any member of the Wider St. Modwen Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider St. Modwen Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed to Bidco at any time prior to this announcement by or on behalf of any member of the Wider St. Modwen Group which is material in the context of the Wider St. Modwen Group taken as a whole;

Environmental liabilities

- (i) except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, any past or present member of the Wider St. Modwen Group, in a manner or to an extent which is material in the context of the Wider St. Modwen Group, (i) has committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party giving rise to a material liability; and/or (ii) has incurred any material liability (whether actual or contingent) to any Third Party; and/or (iii) is likely to incur any material liability (whether actual or contingent), or is required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider St. Modwen Group taken as a whole;

Intellectual Property

- (j) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider St. Modwen Group which would have a material adverse effect on the Wider St. Modwen Group taken as a whole or is otherwise material in the context of the Acquisition, including:
 - (i) any member of the Wider St. Modwen Group losing its title to any intellectual property material to the Wider St. Modwen Group taken as a whole, or any intellectual property owned by the Wider St. Modwen Group and material to the Wider St. Modwen Group taken as a whole being revoked, cancelled or declared invalid;
 - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider St. Modwen Group to, or the validity or effectiveness of, any intellectual property of the Wider St. Modwen Group that is material to the Wider St. Modwen Group taken as a whole; or
 - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider St. Modwen Group that is material to the Wider St. Modwen Group taken as a whole being terminated or varied;

Anti-corruption and sanctions

- (k) except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider St. Modwen Group taken as a whole):
 - (i) any past or present member of the Wider St. Modwen Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK

Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;

- (ii) any member of the Wider St. Modwen Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
- (iii) any past or present member of the Wider St. Modwen Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the St. Modwen Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;

No criminal property

- (l) except as Disclosed, Bidco not having discovered that any asset of any member of the Wider St. Modwen Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Further terms of the Acquisition

1. Subject to the requirements of the Panel in accordance with the Takeover Code, Bidco 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, St. Modwen General Meeting and the Sanction Hearing. If any such deadline is not met, Bidco shall make an announcement by 7.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with St. Modwen to extend the deadline in relation to the relevant Condition; and
 - (b) in whole or in part, all or any of the Conditions listed in Part A above, except for Conditions 2(a)(i), 2(b)(i) and 2(c)(i) (*Conditions of the Scheme*) which cannot be waived.
2. Conditions 3(a) to (l) (inclusive) must each be fulfilled, determined by Bidco to be or to remain satisfied or (if capable of waiver) be waived by Bidco by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing, failing which the Acquisition will lapse. Bidco shall be under no obligation to waive or treat as

satisfied any of the Conditions that it is entitled (with the consent of the Panel) 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.

3. If Bidco is required by the Panel to make an offer for St. Modwen Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. The Conditions contained in paragraphs 1, 2 and 3(a) above and, if applicable, any acceptance condition if the Acquisition is implemented by means of a takeover offer, are not subject to this provision of the Takeover Code.
5. Bidco reserves the right to elect to implement the Acquisition by way of a takeover offer (as defined in section 974 of the 2006 Act) as an alternative to the Scheme (subject to the Panel's consent and the terms of the Cooperation Agreement). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. (or such other percentage as Bidco may, subject to the rules of the Takeover Code and the terms of the Cooperation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient St. Modwen Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the 2006 Act to acquire compulsorily any outstanding St. Modwen Shares to which such offer relates.
6. The Acquisition will lapse if (a) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a European Union dimension within the scope of Council Regulation (EC) 139/2004, the European Commission initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 or (b) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a Phase 2 CMA Reference, in either case before 1.00 p.m. on or before the later of the date of the Court Meeting and the date of the St. Modwen General Meeting. In such event, St. Modwen will not be bound by the terms of the Scheme.
7. The Acquisition and the Scheme will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions set out above. The Acquisition and the Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

9. St. Modwen Shares which will be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights 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 (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
10. If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of capital is declared, paid or made or becomes payable by St. Modwen in respect of the St. Modwen Shares, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke the Condition set out in paragraph 3(f)(ii) of Part A of this Appendix 1) to reduce the consideration payable under the terms of the Acquisition for the St. Modwen Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital. In such circumstances, St. Modwen Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital declared, made or paid.

If and to the extent that any such dividend, distribution or other return of capital is paid or made in respect of the St. Modwen Shares prior to the Effective Date, and Bidco exercises its rights under this paragraph 10 to reduce the consideration payable under the terms of the Acquisition for the St. Modwen Shares, any reference in this announcement to the consideration payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of capital has been declared or announced but not paid or made or is not payable in respect of the St. Modwen Shares prior to the Effective Date or by reference to a record date prior to the Effective Date or is (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, distribution or other return of capital and to retain it; or (ii) cancelled before payment, the consideration payable under the terms of the Acquisition for the St. Modwen Shares shall not be subject to change in accordance with this paragraph 10.

Any exercise by Bidco of its rights referred to in this paragraph 10 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 Scheme or the Acquisition.

11. 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 jurisdiction where to do so would violate the laws of that jurisdiction.
12. The Acquisition will be subject, inter alia, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and the Cooperation Agreement and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
13. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. 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.

APPENDIX 2

SOURCES AND BASES OF INFORMATION

Unless otherwise stated, the following constitute the sources and bases of information referred to in this Announcement:

1. financial information relating to St. Modwen has been extracted or derived (without adjustment) from the audited consolidated financial statements for St. Modwen for the financial year ended 30 November 2020;
2. the fully diluted share capital of St. Modwen, being 228,228,257 St. Modwen Shares, is calculated as at 19 May 2021 (being the last practicable date prior to the date of this announcement) on the basis of:
 - (a) 222,626,988 St. Modwen Shares in issue; and
 - (b) 5,965,783 St. Modwen Shares which may be issued on or after the date of this announcement to satisfy the exercise of options and vesting of awards under the St. Modwen Share Plans; less
 - (c) 364,514 St. Modwen Shares held by St. Modwen's employee benefit trust which can be used to satisfy the exercise of options and vesting of awards granted under the St. Modwen Share Plans;
3. all closing prices for St. Modwen Shares are closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange on the relevant date(s);
4. all volume-weighted average St. Modwen Share prices are derived from data provided by Bloomberg for the relevant time periods; and
5. the highest share price per St. Modwen Share since the global financial crisis is based on the Closing Price of 530 pence on 14 February 2020.

APPENDIX 3
DETAILS OF IRREVOCABLE UNDERTAKINGS

1. Directors

The following St. Modwen Directors have given irrevocable undertakings to vote in favour of the Resolutions relating to the Acquisition at the Meetings in respect of their own beneficial holdings of St. Modwen Shares which are under their control:

Name	Total Number of St. Modwen Shares	Percentage of existing issued share capital
Danuta Gray	18,861	0.008
Sarwjit Sambhi	38,744	0.017
Rob Hudson	210,253	0.094
Ian Alan Bull	42,500	0.019
Jamie Hopkins	12,564	0.006
Jenefer Greenwood	10,359	0.005
Sarah Whitney	17,371	0.008
Simon Clarke	2,691,657	1.209

The irrevocable undertakings referred to in the table immediately above cease to be binding on the earlier of the following occurrences (i) the Scheme Document is not sent to St. Modwen Shareholders within 28 days (or such later period as the Panel may agree) after the date of this announcement; (ii) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time; (iii) the Scheme lapses or is withdrawn in accordance with its terms unless, by such time, Bidco publicly announces its intention to proceed with the Acquisition or to implement the Acquisition by way of an Offer; (iv) the Scheme has not become effective by 23.59 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and St. Modwen, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn)); or (v) the date on which any competing offer for the entire issued and to be issued share capital of St. Modwen is declared wholly unconditional or becomes effective.

2. Members of the Clarke family

Members of the Clarke family have given irrevocable undertakings to vote in favour of the resolutions relating to the Acquisition at the Meetings in respect of their respective beneficial holdings of St. Modwen Shares:

Name	Total Number of St. Modwen Shares	Percentage of existing issued share capital
Jane Louise Gerard-Pearse	3,795,658	1.705
Sally Ann Hayward	3,774,657	1.696
Mary Elizabeth MacGregor	3,816,657	1.714
Angus William Hayward	33,500	0.015
Eleanor Louise Hayward	33,500	0.015
Georgina Rose Hayward	33,500	0.015
Matthew William Clarke	33,500	0.015
Emily Bess Gerard-Pearse	33,500	0.015
Annabel Iona Gerard-Pearse	33,500	0.015
Fergus Duncan MacGregor	33,500	0.015

The irrevocable undertakings referred to in the table immediately above cease to be binding on the earlier of the following occurrences (i) the Scheme Document is not sent to St. Modwen Shareholders within 28 days (or such later period as the Panel may agree) after the date of this announcement; (ii) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced at the same time; (iii) the Scheme lapses or is withdrawn in accordance with its terms unless, by such time, Bidco publicly announces its intention to proceed with the Acquisition or to implement the Acquisition by way of an Offer; (iv) the Scheme has not become effective by 23.59 p.m. on the Long Stop Date (or such other time and date as agreed between Bidco and St. Modwen, with the approval of the Court and/or the Panel, if required (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn)); or (v) the date on which any competing offer for the entire issued and to be issued share capital of St. Modwen is declared wholly unconditional or becomes effective.

APPENDIX 4 DEFINITIONS

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

“2006 Act”	the Companies Act 2006, as amended from time to time
“2020 St. Modwen Annual Report”	the annual report and audited accounts of the St. Modwen Group for the year ended 30 November 2020
“Acquisition”	the proposed acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of St. Modwen not already owned or controlled by the Bidco Group, to be implemented by means of the Scheme or, should Bidco so elect, by means of an Offer
“Articles”	the articles of association of St. Modwen from time to time
“associated undertaking”	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
“Authorisations”	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party
“Bidco”	Brighton Bidco Limited
“Bidco Board”	the directors of Bidco
“Bidco Group”	Bidco and its subsidiary undertakings and where the context permits, each of them
“Blackstone”	The Blackstone Group Inc.
“Blackstone Funds”	(i) Blackstone Real Estate Partners VI L.P.; and (ii) Blackstone Real Estate Partners IX L.P

“Business Day”	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
“Closing Price”	the closing middle market quotations of a share derived from the Daily Official List of the London Stock Exchange
“CMA”	the Competition and Markets Authority or its successor from time to time
“Conditions”	the conditions of the Acquisition set out in Appendix 1 to this announcement
“Confidentiality Agreement”	the confidentiality agreement between The Blackstone Group International Partners and St. Modwen, dated 13 April 2021
“Cooperation Agreement”	the cooperation agreement between Bidco and St. Modwen, dated 20 May 2021
“Court”	means the High Court of Justice in England and Wales
“Court Meeting”	the meeting of St. Modwen Shareholders to be convened at the direction of the Court pursuant to Part 26 of the 2006 Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof
“Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the 2006 Act
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in CREST)
“Daily Official List”	the daily official list of the London Stock Exchange
“Dealing Disclosure”	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code
“Disclosed”	the information disclosed by or on behalf of St. Modwen: (i) in the 2020 St. Modwen Annual Report; (ii) in this announcement; (iii) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; (iv) fairly disclosed in writing (including via the virtual data room operated by or on behalf of St. Modwen in

	respect of the Acquisition) or orally in meetings and calls by St. Modwen management prior to the date of this announcement to Bidco or Bidco's advisers (in their capacity as such);
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
“Effective”	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Offer, the Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code
“Effective Date”	the date on which the Acquisition becomes Effective
“Equity Commitment Letter”	means the equity commitment letter entered into between Bidco, on the one hand, and Blackstone Funds, on the other hand, dated 20 May 2021
“Euroclear”	Euroclear UK & Ireland Limited
“FCA”	the Financial Conduct Authority or its successor from time to time
“FCA Handbook”	the FCA's Handbook of rules and guidance as amended from time to time
“J.P. Morgan Cazenove”	J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove
“Lazard”	Lazard & Co., Limited
“Listing Rules”	the listing rules made under FSMA by the FCA and contained in the FCA’s publication of the same name, as amended from time to time
“London Stock Exchange”	the London Stock Exchange plc or its successor
“Long Stop Date”	22 November 2021 or such later date as may be agreed between Bidco and St. Modwen and, if required, the Panel and the Court may allow
“Market Abuse Regulation”	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by

	virtue of the European Union (Withdrawal) Act 2018
“Meetings”	the Court Meeting and the St. Modwen General Meeting
“Numis”	Numis Securities Limited
“Offer”	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the 2006 Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of St. Modwen, other than St. Modwen Shares owned or controlled by the Bidco Group and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
“Official List”	the Official List of the FCA
“Opening Position Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition
“Overseas Shareholders”	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“Panel”	the Panel on Takeovers and Mergers
“Phase 2 CMA Reference”	a reference of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
“PRA”	the Prudential Regulation Authority or its successor from time to time
“Registrar of Companies”	the Registrar of Companies in England and Wales
“Regulations”	the Uncertificated Securities Regulations 2001
“Regulatory Information Service”	a regulatory information service as defined in the FCA Handbook
“relevant securities”	as the context requires, St. Modwen Shares, other St. Modwen share capital and any

	securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
“Resolutions”	the Special Resolutions and the resolution to be proposed at the Court Meeting to approve the Scheme
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to St. Modwen Shareholders in that jurisdiction
“Rothschild & Co”	N.M. Rothschild & Sons Limited
“Sanction Hearing”	the Court hearing to sanction the Scheme
“Scheme”	the proposed scheme of arrangement under Part 26 of the 2006 Act between St. Modwen and the holders of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by St. Modwen and Bidco
“Scheme Document”	the document to be sent to St. Modwen Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the Meetings and proxy forms in respect of the Meetings
“Scheme Record Time”	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the date of the Sanction Hearing
“Scheme Shareholders”	holders of Scheme Shares
“Scheme Shares”	all St. Modwen Shares: (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time and which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, bound by the Scheme and which remain in issue at the Scheme Record Time

“Special Resolutions”	the special resolution(s) to be proposed at the St. Modwen General Meeting including, amongst other things, in connection with implementation of the Scheme and certain amendments to be made to the articles of association of St. Modwen
“St. Modwen”	St. Modwen Properties PLC
“St. Modwen Board” or “St. Modwen Directors”	the directors of St. Modwen
“St. Modwen General Meeting”	the general meeting of St. Modwen Shareholders to be convened to consider and if thought fit pass, inter alia, the Special Resolutions in relation to the Scheme including any adjournments thereof
“St. Modwen Group”	St. Modwen and its subsidiary undertakings and where the context permits, each of them
“St. Modwen Share Plans”	the St. Modwen 2007 Executive Share Option Scheme (including the 2012 Approved Addendum), the St. Modwen 2017 Employee Share Option Plan, the St. Modwen 2017 Performance Share Plan and the St. Modwen Saving Related Share Option Scheme
“St. Modwen Share(s)”	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 pence each in the capital of St. Modwen and any further shares which are unconditionally allotted or issued before the Scheme becomes Effective but excluding in both cases any such shares held or which become held in treasury
“St. Modwen Shareholder(s)”	holders of St. Modwen Shares
“subsidiary”, “subsidiary undertaking” and “undertaking”	shall be construed in accordance with the 2006 Act
“Takeover Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the

Regulations may be transferred by means of CREST

“Voting Record Time”

the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined

“Wider Bidco Group”

Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent

“Wider St. Modwen Group”

St. Modwen and associated undertakings and any other body corporate, partnership, joint venture or person in which St. Modwen and such undertakings (aggregating their interests) have an interest of more than 20 per cent. of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the St. Modwen Group)

All references to “£”, “pounds sterling”, “GBP”, “pence” and “p” are to the lawful currency of the United Kingdom, and references to “\$”, “dollar” and “USD” are to the lawful currency of the United States of America.

All times referred to are London time unless otherwise stated.

References to the singular include the plural and vice versa.