

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT.

This Document contains a proposal which, if implemented, will result in the cancellation of the listing of McKay Shares on the Official List and of trading of McKay Shares on the London Stock Exchange's Main Market for listed securities.

If you are in any doubt as to the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

If you sell or have sold or otherwise transferred all of your McKay Shares, please send this Document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted in or into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of McKay Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred McKay Shares in certificated form, notwithstanding receipt of this Document from the transferor, you should contact Equiniti through the Shareholder Helpline to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Acquisition or the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Recommended Acquisition of
MCKAY SECURITIES PLC
by
WORKSPACE GROUP PLC

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

This Document (including all information incorporated into this Document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy. Your attention is drawn to Part I (*Letter from the Chair of McKay*) of this Document, which contains the unanimous recommendation of the McKay Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Rothschild & Co explaining the Scheme appears in Part II (*Explanatory Statement*) of this Document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting, both of which will be held at Park Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England on 27 April 2022, are set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*), respectively, of this Document. The Court Meeting will start at 11.30 a.m. on that date and the General Meeting at 11.45 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.

The action to be taken by McKay Shareholders and Scheme Shareholders is set out on pages 10 to 13 (*Action to be Taken*) and at paragraph 21 of Part II (*Explanatory Statement*) of this Document.

McKay Shareholders are the registered holders from time to time of McKay Shares, being ordinary shares of 20 pence each in the capital of McKay. Scheme Shareholders are the registered holders from time to time of

Scheme Shares, being McKay Shares which are in issue at the Scheme Record Time but excluding: (i) any McKay Shares which are registered in the name of or beneficially owned by Workspace and/or any member of the Workspace Group (and/or any nominee of the foregoing), and (ii) any McKay Shares held in treasury, in each case, immediately prior to the Scheme Record Time.

McKay Shareholders are asked to complete and return the enclosed BLUE and YELLOW Forms of Proxy (or appoint a proxy electronically or online as referred to in this Document) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by McKay's Registrars, Equiniti, not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting).

In the case of the Court Meeting, if the BLUE Form of Proxy for the Court Meeting is not lodged by 11.30 a.m. on 25 April 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting.

In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 11.45 a.m. on 25 April 2022 (by post or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility), it will be invalid. McKay Shareholders who hold McKay Shares in CREST may also appoint a proxy using CREST or online by following the instructions set out in the Forms of Proxy and on pages 10 to 13 (*Action to be Taken*) of this Document.

COVID-19 Restrictions

Whilst COVID-19 restrictions have been lifted as at the date of this Document and it is currently anticipated that Scheme Shareholders and McKay Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the Court Meeting and General Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, Scheme Shareholders and McKay Shareholders are encouraged to appoint "the Chair of the meeting" as their proxy for the Court Meeting and the General Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and McKay Shareholders before the Meetings, including through McKay's website at <http://www.mckaysecurities.plc.uk> and by announcement through a Regulatory Information Service.

Court Meeting and General Meeting

Further details regarding attending the Court Meeting and General Meeting and the appointment of a proxy for each Meeting, are set out on pages 10 to 13 (*Action to be Taken*) of this Document.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service, as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Shareholder Helpline

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically or online, please contact the Company's Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be

monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Certain terms used in this Document are defined in Part IX (*Definitions*). References to times in this Document are to London, United Kingdom time unless otherwise stated.

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

Stifel, which is authorised and regulated by the FCA in the United Kingdom, is acting as corporate broker exclusively for McKay and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than McKay for providing the protections afforded to clients of Stifel, nor for providing advice in relation to any matter referred to in this Document.

J.P. Morgan Cazenove, which is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting as financial adviser exclusively for Workspace and no one else in connection with the matters set out in this Document and will not regard any other person as its client in relation to the matters set out in this Document and will not be responsible to anyone other than Workspace for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the contents of this Document or any other matter referred to herein.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by McKay, the McKay Directors, Workspace, the Workspace Directors or by Rothschild & Co, Stifel or J.P. Morgan Cazenove or any other person involved in the Acquisition. Neither the delivery of this Document nor holding the Meetings, the Court Sanction Hearing, or filing the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the McKay Group or the Workspace Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

IMPORTANT NOTICE

The release, publication or distribution of this Document in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of 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. Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Acquisition or the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of McKay or Workspace except where otherwise stated.

This Document is not a prospectus or prospectus-equivalent document.

Overseas Shareholders

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

The availability of the Acquisition to McKay 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 McKay 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.

Unless otherwise determined by Workspace 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 a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this Document and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it 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 (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

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

Additional Information for US investors

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. US McKay Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the US proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules.

Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Workspace were to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Takeover Offer and determines to extend the offer into the United States, such Takeover Offer would be made in compliance with all applicable United States laws and regulations. Such a Takeover Offer would be made in the United States by Workspace and no one else.

Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Acquisition or the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document. Any representation to the contrary is a criminal offence in the US.

In accordance with the Takeover Code and normal UK practice, and pursuant to Rule 14e-5(b) of the US Exchange Act (were the Acquisition to be implemented by way of a Takeover Offer), (a) Workspace 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 McKay outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn; and (b) Stifel and its affiliates will continue to act as exempt principal traders in McKay securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com. Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com. Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash and shares by a US McKay Shareholder as consideration for the transfer of its McKay Shares pursuant to the Acquisition will likely be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US McKay Shareholder is urged to consult their independent professional tax 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.

McKay and Workspace are each organised under the laws of England. Some or all of the officers and directors of McKay and Workspace are residents of countries other than the United States. It may not be possible to sue McKay or Workspace or their respective directors or officers in a non-US court for violations of US securities laws. It may be difficult to compel McKay, Workspace and/or their respective affiliates, directors and officers to subject themselves to the jurisdiction and judgment of a US court.

Information on New Workspace Shares

The New Workspace Shares have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US

Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. It is expected that the New Workspace Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Workspace will advise the Court that its sanctioning of the Scheme will be relied on by Workspace for purposes of a Section 3(a)(10) exemption following a hearing on the fairness of the Scheme to McKay Shareholders.

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

Applications will be made by Workspace to the FCA for the New Workspace Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Workspace Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. On the basis of the Expected Timetable of Principal Events (as set out at pages 14 to 15 below), it is expected that Admission will become effective and unconditional dealing in the New Workspace Shares on the London Stock Exchange's Main Market for listed securities will commence from 8.00 a.m. on 9 May 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Workspace nor McKay, 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 Document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA), neither Workspace nor McKay is under any obligation, and Workspace and McKay 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.

NO PROFIT FORECASTS, PROFIT ESTIMATES OR QUANTIFIED FINANCIAL BENEFITS STATEMENTS

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

ROUNDING

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

ELECTRONIC COMMUNICATIONS

Please be aware that addresses, electronic addresses and certain other information provided by McKay Shareholders, persons with information rights and other relevant persons for the receipt of communications from McKay may be provided to Workspace, members of the Workspace Group and/or their respective advisers 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.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. 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 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. on the business day following the date of the relevant dealing.

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

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

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are

required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

PUBLICATION ON WEBSITE AND AVAILABILITY OF THIS DOCUMENT

A copy of this Document shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on McKay and Workspace's websites at www.mckaysecurities.plc.uk and www.workspace.co.uk/investors/investor-centre/recommended-offer-for-mckay-securities-plc respectively by no later than 12.00 noon on the Business Day following the date of this Document. For the avoidance of doubt, the content of these websites is not incorporated into and do not form part of this Document.

In accordance with Rule 30.3 of the Takeover Code, McKay Shareholders, persons with information rights and participants in the McKay Share Plans may request a hard copy of this Document or information incorporated into this Document by reference to another source, free of charge, by contacting McKay's Registrars, Equiniti, either in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom or by calling +44 (0)371 384 2050, stating their name and the address to which the hard copy should be sent. Please use the country code when calling from outside the UK. Calls outside the UK will be charged at the applicable international rate. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document 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 sent in hard copy form, again by contacting the Shareholder Helpline using the foregoing details.

This Document is dated 29 March 2022.

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ACTION TO BE TAKEN

For the reasons set out in this Document, the McKay Directors, who have been so advised by Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the McKay Directors, Rothschild & Co has taken into account the commercial assessments of the McKay Directors. Rothschild & Co is providing independent financial advice to the McKay Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, in order to implement the Acquisition, the McKay Directors unanimously recommend that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as those McKay Directors who hold McKay Shares have irrevocably undertaken to do in respect of their own legal and/or beneficial holdings of McKay Shares (or those McKay Shares over which they have control), and that you take the action described below.

These pages should be read in conjunction with the rest of this Document, and in particular, paragraph 21 of Part II (*Explanatory Statement*) of this Document and the notices of the Court Meeting and the General Meeting at the end of this Document.

COVID-19 restrictions

Whilst COVID-19 restrictions have been lifted as at the date of this Document and it is currently anticipated that Scheme Shareholders and McKay Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the Court Meeting and General Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, Scheme Shareholders and McKay Shareholders are encouraged to appoint “the Chair of the meeting” as their proxy for the Court Meeting and the General Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and McKay Shareholders before the Meetings, including through McKay’s website at www.mckaysecurities.plc.uk and by announcement through a Regulatory Information Service.

1. Documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting to be held on 27 April 2022;
- a YELLOW Form of Proxy for use in respect of the General Meeting to be held on 27 April 2022; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the YELLOW Form of Proxy.

If you have not received all of these documents, please contact the Company’s Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

2. Voting at the Court Meeting and the General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY BY POST (OR TRANSMIT A PROXY APPOINTMENT AND VOTING INSTRUCTION ONLINE VIA EQUINITI’S ONLINE FACILITY OR THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE) AS SOON AS POSSIBLE.

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at Park Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England at 11.30 a.m. on 27 April 2022. Implementation of the Scheme will also require approval of the Special Resolution relating to the

Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 11.45 a.m. on 27 April 2022 (or as soon thereafter as the Court Meeting concludes or is adjourned).

McKay Shareholders and Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST) set out below.

McKay Shareholders are entitled to appoint a proxy in respect of some or all of their McKay Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. McKay Shareholders who wish to appoint more than one proxy in respect of their holding of McKay Shares should contact Equiniti for further Forms of Proxy or photocopy the Forms of Proxy as required.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending and voting at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Scheme Shareholders and McKay Shareholders are required to submit or amend proxy voting instructions in respect of the relevant Meeting not later than 48 hours before the relevant Meeting (excluding any part of such 48 hour period falling on a day that is not a working day) (or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting). In the case of the Court Meeting only, Scheme Shareholders who have not cast or amended their proxy voting instructions by this time may complete the BLUE Form of Proxy and: (i) scan and email it to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) present it in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(a) Sending Forms of Proxy by post

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrars, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting	11.30 a.m. on 25 April 2022
YELLOW Forms of Proxy for the General Meeting	11.45 a.m. on 25 April 2022

or, if in either case the Meeting is adjourned, so that the relevant Form of Proxy is received not later than 48 hours (excluding any part of such 48 hour period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

What if I miss the deadline mentioned above?

- If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

(b) Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: www.sharevote.co.uk and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out in paragraph 2(a) above) or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

What if I miss the deadline mentioned above?

- In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the electronic proxy appointment is not received by this time, it will be invalid.

(c) ***Electronic appointment of proxies through CREST***

If you hold McKay Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. Please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out in paragraph 2(a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

What if I miss the deadline mentioned above?

- In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

McKay may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

3. McKay Share Plans

Participants in the McKay Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the McKay Share Plans. A summary of the effect of the Scheme on outstanding options and awards under the McKay Share Plans is set out in paragraph 9 of Part II (*Explanatory Statement*) of this Document.

4. Shareholder Helpline

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically or online, please contact the Company's Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on McKay's and Workspace's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to McKay Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Time and/or date⁽¹⁾
Publication of this Document	29 March 2022
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE form)	11.30 a.m. on 25 April 2022 ⁽²⁾
General Meeting (YELLOW form)	11.45 a.m. on 25 April 2022 ⁽³⁾
Voting Record Time	6.30 p.m. on 25 April 2022 ⁽⁴⁾
Court Meeting	11.30 a.m. on 27 April 2022
General Meeting	11.45 a.m. on 27 April 2022⁽⁵⁾
<i>The following dates and times associated with the Scheme are subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. McKay will give adequate notice of any changes to these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on McKay's website at www.mckaysecurities.plc.uk. See also note (1).</i>	
Court Sanction Hearing	4 May 2022
Last day for dealings in, and for the registration of transfer of, McKay Shares	5 May 2022
Scheme Record Time	6.00 p.m. on 5 May 2022
Disablement of CREST in respect of McKay Shares	6.00 p.m. on 5 May 2022
Suspension of dealings in McKay Shares	by 7.30 a.m. on 6 May 2022
Effective Date of the Scheme	6 May 2022⁽⁶⁾
Cancellation of listing of McKay Shares	by 7.30 a.m. on 9 May 2022
New Workspace Shares to be issued	by 8.00 a.m. on 9 May 2022
Admission of New Workspace Shares to the Official List with a premium listing and commencement of dealings in New Workspace Shares on the London Stock Exchange	by 8.00 a.m. on 9 May 2022
Crediting of New Workspace Shares to CREST accounts	as soon as possible after 8.00 a.m. on 9 May 2022
Latest date for CREST accounts to be credited with New Workspace Shares (and, if applicable, for share certificates in respect of New Workspace Shares to be issued)	20 May 2022
Latest date for despatch of cheques and crediting of share accounts and processing electronic transfers for cash consideration due under the Scheme	20 May 2022
Long Stop Date	2 October 2022 ⁽⁷⁾

(1) The dates and times given are indicative only and are based on current expectations and are subject to change.

References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to McKay Shareholders by announcement through a Regulatory Information Service.

Participants in the McKay Share Plans will be contacted separately to inform them of the effect of the Scheme on their rights under the McKay Share Plans, including details of any dates and times relevant to them.

- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, 48 hours prior to the time fixed for any adjourned Court Meeting (excluding any part of such 48 hour period falling on a day that is not a working day). If the BLUE Form of Proxy for the Court Meeting is not lodged by 11.30 a.m. on 25 April 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (3) In order to be valid, the YELLOW Forms of Proxy for the General Meeting must be lodged not later than 11.45 a.m. on 25 April 2022 or, if the General Meeting is adjourned, 48 hours prior to the time fixed for the adjourned General Meeting (excluding any part of such 48 hour period falling on a day that is not a working day).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the day which is two Business Days prior to the date of the adjourned Meeting.
- (5) To commence at 11.45 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.
- (6) Workspace expects that, subject to the satisfaction (or, where applicable, waiver) of the Conditions in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, the Scheme will become Effective on 6 May 2022.
- (7) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as may be agreed by McKay and Workspace (with the Panel's consent and as the Court may approve (if such consent and/or approval is required)) or if the Panel requires an extension to the Long Stop Date pending final determination of an issue under section 3(g) of Appendix 7 of the Takeover Code.

PART I

LETTER FROM THE CHAIR OF MCKAY



(Incorporated in England and Wales with registered number 00421479)

McKay Securities Plc
20 Greyfriars Road
Reading
Berkshire, RG1 1NL
United Kingdom

Directors:

Richard Grainger (*Chair*)
Simon Perkins (*Chief Executive Officer*)
Giles Salmon (*Chief Financial Officer*)
Thomas Elliott (*Property Director and Head of Sustainability*)
Jonathan Austen (*Senior Independent Non-Executive Director*)
Helen Sachdev (*Independent Non-Executive Director*)
Jeremy Bates (*Independent Non-Executive Director*)
Nicholas Shepherd (*Independent Non-Executive Director*)

29 March 2022

To the holders of McKay Shares and, for information only, to holders of awards and options under the McKay Share Plans and persons with information rights.

Dear Shareholder,

RECOMMENDED OFFER FOR MCKAY SECURITIES PLC BY WORKSPACE GROUP PLC

1. Introduction

On 2 March 2022, the boards of directors of McKay and Workspace announced that they had reached agreement on the terms and conditions of a recommended cash and share offer to be made by Workspace for the entire issued, and to be issued, ordinary share capital of McKay. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

I am writing to you today, on behalf of the McKay Directors, to set out the background to the Acquisition and the reasons why the McKay Directors consider the terms of the Acquisition to be fair and reasonable. The McKay Directors are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, as those McKay Directors who hold McKay Shares have irrevocably undertaken to do in respect of their own legal and/or beneficial holdings which are under their control of 298,280 McKay Shares in aggregate, representing approximately 0.3 per cent. of McKay's issued share capital as at the Latest Practicable Date.

I also draw your attention to the letter from Rothschild & Co set out in Part II (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part VIII (*Additional Information on McKay and Workspace*) of this Document. Further information relating to the irrevocable undertakings given by those McKay Directors and McKay Shareholders who hold McKay Shares, including the circumstances in which they cease to be binding, is set out at paragraph 7 of this letter, and in paragraph 6 of Part VIII (*Additional Information on McKay and Workspace*) of this Document.

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and the required majority of McKay Shareholders will need to vote in favour of the Special Resolution to be proposed at the General Meeting (as set out in paragraph 11 of Part II (*Explanatory Statement*) of this Document). The Court Meeting and the General Meeting are to be held at Park

Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England on 27 April 2022 at 11.30 a.m. and 11.45 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned), respectively.

Whilst COVID-19 restrictions have been lifted as at the date of this Document and it is currently anticipated that Scheme Shareholders and McKay Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the Court Meeting and General Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, Scheme Shareholders and McKay Shareholders are encouraged to appoint “the Chair of the meeting” as their proxy for the Court Meeting and the General Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and McKay Shareholders before the Meetings, including through McKay’s website at www.mckaysecurities.plc.uk and by announcement through a Regulatory Information Service.

Details of the actions you should take are set out in paragraph 21 of Part II (*Explanatory Statement*) of this Document. The recommendation of the McKay Directors is set out in paragraph 14 of this letter.

2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share:

209 pence in cash

and

0.115 New Workspace Shares

On the basis of the Closing Price per Workspace Share of 769 pence on 1 March 2022, being the last Business Day prior to the date of the commencement of the Offer Period, the Acquisition valued each McKay Share at 297 pence and the entire issued and to be issued share capital of McKay at approximately £272 million on a fully diluted basis.

On the basis of the Closing Price per Workspace Share of 691 pence on the Latest Practicable Date (being 28 March 2022), the Acquisition values each McKay Share at 288 pence and the entire issued and to be issued share capital of McKay at approximately £264 million on a fully diluted basis.

On the basis of the 3-month VWAP of 818 pence per Workspace Share on 1 March 2022, being the last Business Day prior to the date of the commencement of the Offer Period, the Acquisition valued each McKay Share at 303 pence and the entire issued and to be issued share capital of McKay at approximately £277 million on a fully diluted basis.

On the basis of the 3-month VWAP of 746 pence per Workspace Share on the Latest Practicable Date (being 28 March 2022), the Acquisition values each McKay Share at 295 pence and the entire issued and to be issued share capital of McKay at approximately £270 million on a fully diluted basis.

The Acquisition represents, based on the 3-month VWAP of 818 pence per Workspace Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period):

- a premium of approximately 36.2 per cent. to the Closing Price of 223 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period);
- a premium of approximately 34.5 per cent. to the 3-month VWAP of 225 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period); and
- a discount of approximately 7.0 per cent. to McKay’s estimated Net Tangible Assets, adjusted for prepayment costs in relation to the Aviva Term Loan, of 326 pence per McKay Share as at 31 January 2022.

Immediately following completion of the Acquisition, existing Workspace Shareholders will hold approximately 95 per cent. of the Combined Group and McKay Shareholders will hold approximately 5 per cent. of the Combined Group.

Further information about the Acquisition is provided in Part II (*Explanatory Statement*) of this Document.

Property valuations supported by valuation reports for each of Workspace and McKay as at 31 January 2022 pursuant to the requirements of Rule 29 of the Takeover Code are contained in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) and Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*), respectively, of this Document. Part VIII (*Additional Information on McKay and Workspace*) of this Document contains a schedule of adjustments made to each of Workspace's and McKay's investment property valuation in order to calculate Workspace's and McKay's estimated Net Tangible Assets as at 31 January 2022 respectively.

3. Dividends

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by McKay in respect of a McKay Share on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, Workspace will have the right to reduce the value of the Consideration payable for each McKay Share by up to the amount per McKay Share of such dividend, distribution or return of value except where the McKay Share is or will be acquired pursuant to the Scheme on a basis which entitles Workspace to receive the dividend, distribution or return of value and to retain it. If any such dividend or distribution or return of value is paid or made after the date of the Rule 2.7 Announcement and Workspace exercises its rights described above, any reference in this Document to the Consideration payable under the Scheme shall be deemed to be a reference to the Consideration as so reduced.

4. Background to and reasons for the recommendation

McKay is the only UK REIT specialising entirely in the South East and London office, industrial and logistics markets. As at 31 January 2022, McKay's property portfolio comprised 34 properties valued at £490.4 million, 64.2 per cent. of which comprised South East and London offices, 31.6 per cent. South East industrial/logistics assets and developments and 4.2 per cent. other assets.

In January 2014, McKay placed equity at a price of 189 pence per share, raising gross proceeds of £86.7 million to increase the scale and diversification of its property portfolio, including for acquisitions, refurbishments and development projects.

McKay's strategy since its 2014 capital raising has been to build upon its long established expertise in its core London and South East markets, including its reputation with occupiers, to deliver attractive income and capital returns from its property portfolio of quality assets within established and resilient markets, with conservative levels of gearing on a risk-adjusted basis. In particular, McKay's property strategy includes: (i) the rolling refurbishment and repositioning of selected assets to enhance and realise reversionary rental value; (ii) growing the 'McKay+' offering of flexible, semi-fitted office space to reduce office voids and increase rental tone; (iii) undertaking significant development projects, for example the speculative development and leasing to Amazon of 135 Theale Logistics Park; (iv) capital re-cycling including selective disposals; and (v) selective value-add acquisitions (for example Evergreen Studios, Richmond).

Capital investment in the property portfolio has been supported by capital re-cycling and selective disposals, which have maintained a strong balance sheet position and prudent LTV of 35.1 per cent. as at 31 January 2022. Successful recent disposals have included, for example, the sale of 30 Lombard Street in 2020 for £68.5 million in net sale proceeds, above its 31 March 2020 book value and at a net initial yield of 4.16 per cent. on a topped-up basis, and the sale of Great Brighams Mead announced on 2 February 2022, having achieved a residential planning consent, for £19.0 million, 21.0 per cent. above its 30 September 2021 book value.

McKay has delivered robust returns on its property portfolio since its 2014 capital raising, generating an average annualised total accounting return of 7.8 per cent. over the approximately 8 year period from 31 March 2014 to 31 January 2022.

Notwithstanding McKay's successful delivery against its property strategy, McKay's share price has traded at a persistent discount to EPRA Net Tangible Assets. McKay's trading discount has averaged 20.9 per cent. over the last 8 years, 25.8 per cent. over the last 5 years and 28.6 per cent. over the last 3 years, even when adjusting for the period of maximum COVID-19 related equity market disruption from 16 March 2020 to 2 November 2020.

The McKay Directors believe the following factors contribute to the persistent trading discount:

- the small scale of McKay relative to the listed real estate sector;
- McKay's relatively high overhead cost proportion compared to net rental income, particularly following recent disposals;
- the relatively low levels of liquidity in McKay Shares and its concentrated shareholder register; and
- the relatively low distributable income yield with an average dividend yield of 3.8 per cent. over the last 5 years and an average dividend yield versus EPRA Net Tangible Assets of 2.8 per cent. over the same time period.

During the summer of 2021, McKay appointed Rothschild & Co to undertake a review of McKay's strategy in relation to the positioning of its business generally and options to narrow the trading discount. In assessing the offer from Workspace, the McKay Directors have had regard to the alternative options identified as part of the strategic review, including opportunities to invest and scale the business over the medium term, as well as the possibility of returning capital to McKay Shareholders, as discussed further below.

The offer from Workspace follows the receipt of indicative offers for McKay from two parties, including Workspace, which were negotiated in late 2021 and early 2022. Workspace's current offer represents a material increase relative to its initial indicative proposal.

Whilst the McKay Directors remain confident in McKay's property strategy, the resilience of its assets and the outlook in its core London and South East markets, the McKay Directors also believe that the structural factors impacting on McKay's share price are likely to persist, and that the share price is likely to remain depressed relative to its fundamental value. As such, following careful consideration, the McKay Directors are unanimously recommending the Acquisition to McKay Shareholders. The McKay Directors considered the following in arriving at their recommendation:

- on the basis of the 3-month VWAP of 818 pence per Workspace Share on 1 March 2022, being the last Business Day prior to the date of the commencement of the Offer Period, the Acquisition price of 209 pence in cash and 0.115 in New Workspace Shares per McKay Share represents:
 - a premium of approximately 36.2 per cent. to the Closing Price of 223 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period);
 - a premium of approximately 34.5 per cent. to the 3-month VWAP of 225 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period); and
 - a discount of approximately 7.0 per cent. to McKay's estimated Net Tangible Assets, adjusted for prepayment costs in relation to the Aviva Term Loan, of 326 pence per McKay Share as at 31 January 2022, which compares favourably with McKay's 5-year average trading discount. The McKay Directors believe that, notwithstanding its confidence in McKay's property strategy and returns that may be generated from McKay's property portfolio, the trading discount is likely to persist;
- 70 per cent. of total consideration for the Acquisition will be payable in cash, which provides McKay Shareholders with the opportunity to realise a significant proportion of their otherwise illiquid shareholdings in cash;
- 30 per cent. of total consideration for the Acquisition will be payable in New Workspace Shares, which provides McKay Shareholders with on-going participation in the success of the Combined Group. Immediately following completion of the Acquisition, McKay Shareholders will hold approximately 5 per cent. of the Combined Group and will benefit from a more liquid shareholding in a large and well capitalised group;
- the McKay Directors believe the Combined Group will be more resilient, with stronger income and capital value growth prospects, and the Acquisition is expected to unlock corporate and operational synergies to the benefit of all shareholders of the Combined Group; and

- the McKay Directors believe that the certainty of the Acquisition offers an attractive risk adjusted outcome for McKay Shareholders relative to McKay's long term prospects and alternative strategies as an independent company. In particular, the McKay Directors believe that a managed capital return strategy over time has certain risks, including meaningfully reduced scale and liquidity, which itself has contributed historically to the trading discount.

The McKay Directors have also taken into account Workspace's intentions for the McKay business, as well as Workspace's intentions for McKay's management, employees, pension scheme and other stakeholders. In particular, the McKay Directors note Workspace's recognition of the importance of the skills and experience of McKay's existing management and employees and welcome Workspace's intention to support the McKay management team and (save for any rationalisation of employees identified as part of the evaluation of McKay's operations and further matters described in paragraph 8 below) Workspace's intention not to make any change to the continued employment of McKay's existing employees and management. The McKay Directors also note Workspace's confirmation that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pensions obligations, of the management and employees of McKay will be fully safeguarded in accordance with applicable law. Finally, the McKay Directors welcome the agreement reached between Workspace and the Pension Trustees in respect of the McKay DB Scheme.

Accordingly, following careful consideration of the above factors and their fiduciary duties, the McKay Directors unanimously recommend that McKay Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting.

5. Background to and reasons for the Acquisition

As one of London's leading providers of flexible office space operating for over 30 years, Workspace has pioneered a distinctive offer, letting space on flexible terms to a wide range of small and medium-sized enterprise customers. Workspace owns its properties, typically large, character buildings in well-connected locations across London, and allows customers to fit out their own office space to reflect their own identity and culture while also providing significant areas of communal space and an attractive range of support facilities.

Workspace's sustainable model of employment-led regeneration, extensive pipeline of refurbishment and redevelopment projects and selective acquisitions, alongside its successful operational platform, have delivered an attractive combination of dividend and capital growth over the long term.

The COVID-19 pandemic has highlighted the attraction of flexible office space, as well as the importance for businesses of choosing the right office environment to attract and retain talent. Importantly, Workspace's flexible lease terms allow customers to expand and contract quickly in line with their business needs.

Against this backdrop, the Acquisition represents an attractive opportunity for Workspace to accelerate its existing growth strategy and create value for shareholders. The Acquisition will grow Workspace's office market share across London and selectively extend its reach into well-connected commercial locations in the surrounding South-East, while also adding an attractive portfolio of light industrial properties. Workspace has a long track record of managing and maximising value from office and light industrial assets.

The Workspace Board believes the Acquisition will create significant value through increased economies of scale, the application of Workspace's proven operating model and flexible lease offer and, where appropriate, the recycling of assets for reinvestment. As it has done successfully and continues to do with its existing portfolio, Workspace will apply the most appropriate business plan to each McKay asset in order to deliver the best returns.

The Workspace Board also believes there is a good cultural fit between the two companies and recognises the value of the 'McKay Way' customer service commitment, the 'McKay+' offer and McKay's wider portfolio of refurbishment and redevelopment opportunities. Taking this cultural fit and portfolio opportunity alongside Workspace's strong balance sheet and its strategic focus on customer-led growth, operational excellence and sustainability puts the Combined Group in a strong position to create further value for shareholders.

The Workspace Board believes the Acquisition will support Workspace's ambition to deliver total returns that outperform the market over the long-term. Workspace will continue to:

- take advantage of the economies of scale available from its operating platform;

- maintain an intensive approach to asset management;
- execute its extensive refurbishment and redevelopment pipeline;
- make acquisitions with attractive existing or potential income profiles; and
- maintain a firm discipline on recycling assets where appropriate.

The Workspace Board believes there is a strong strategic, operational and financial rationale for the Acquisition, providing a highly attractive investment case. In particular:

- Workspace will be a larger and more resilient company with enhanced income and capital growth prospects and gross property assets of £2.9 billion, comprising 84 per cent. London office, 10 per cent. light industrial, 5 per cent. South-East office and 1 per cent. other;
- the Acquisition will, by applying Workspace's proven operational model and flexible lease offer, increase Workspace's ability to capture the strong demand in London and selectively extend its reach into the South-East;
- the Acquisition will provide the opportunity to unlock corporate and operational synergies;
- the Acquisition is expected to be earnings accretive from year two and the Workspace Board believes it will enhance earnings and dividend growth over the medium term; and
- Workspace will continue to operate with a conservative level of leverage. While the Acquisition will initially take the Combined Group's LTV to 32 per cent. on a pro forma basis, the Workspace Board is committed to maintaining LTV below 30 per cent. in the medium term.

6. Unsolicited interest from Slate

On 11 March 2022, McKay received a request from Slate Asset Management L.P. ("**Slate**") under Rule 21.3 of the Takeover Code for access to due diligence information in order to allow Slate to consider making a possible all-cash offer for the entire issued, and to be issued, share capital of McKay.

The Board of McKay is complying with its obligations under Rule 21.3 of the Takeover Code. As of 28 March 2022, Slate has not provided the Board of McKay with a written indicative proposal in relation to a possible offer, but has indicated verbally that it is considering making such a proposal. If any such proposal is provided by Slate, the Board of McKay will carefully consider its terms, in conjunction with its advisers. There can be no certainty either that any firm offer will be made by Slate nor as to the terms of any firm offer, if made.

On 29 March 2022, the Panel announced that, pursuant to Rule 2.6(d) and Section 4 of Appendix 7 of the Takeover Code, unless the Panel consents otherwise, Slate must, by 5.00 p.m. on 20 April 2022 (being the seventh day prior to the date of the Meetings) either announce a firm intention to make an offer for McKay under Rule 2.7 of the Takeover Code or announce that it does not intend to make an offer for McKay. This deadline will cease to apply if, before that time, a third party other than Slate has announced a firm intention to make an offer for McKay under Rule 2.7 of the Takeover Code.

McKay Shareholders will be kept informed of relevant developments in respect of Slate's interest and further announcements will be made when appropriate.

As set out in paragraph 1 of this Part I (*Letter from the Chair of McKay*), the McKay Directors continue to unanimously recommend that McKay Shareholders vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, each in connection with the cash and share offer by Workspace Group PLC as announced on 2 March 2022.

7. Irrevocable undertakings

As noted above, each of the McKay Directors who holds McKay Shares has irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed to implement the Scheme at the General Meeting in respect of their own legal and/or beneficial holdings which are under their control of 298,280 McKay Shares in aggregate, representing approximately 0.3 per cent. of McKay's issued share capital as at the Latest Practicable Date.

In addition to the irrevocable undertakings referred to above: (i) Workspace has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting from McKay Shareholders in respect of 19,639,879 McKay Shares, representing approximately 21.8 per cent. of McKay's issued share capital as at the Latest Practicable Date; and (ii) Aberforth Partners LLP has given to Workspace a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting in respect of 13,402,943 McKay Shares representing approximately 14.9 per cent. of McKay's issued share capital as at the Latest Practicable Date.

Accordingly, Workspace has received irrevocable undertakings and a letter of intent in respect of a total of 33,341,102 McKay Shares representing, in aggregate, approximately 37.0 per cent. of McKay's issued share capital as at the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 6 of Part VIII (*Additional Information on McKay and Workspace*) of this Document. Copies of the irrevocable undertakings are available on McKay's website at www.mckaysecurities.plc.uk and will remain on display until the end of the Offer Period.

8. Intentions regarding business, management, employees, pension schemes, research and development and locations

Workspace's strategic plans for McKay

Workspace recognises the high quality of, and opportunity within, the portfolio of assets that McKay owns and manages. As set out in paragraph 5 above, Workspace believes the Acquisition of McKay represents a highly attractive opportunity for Workspace to accelerate its existing growth strategy and create value for shareholders.

Workspace will apply the most appropriate business plan to deliver the best returns for each of the McKay properties. Taking into account, amongst other factors, the location of the property, the suitability of the buildings and anticipated demand for a flexible lease offering, Workspace will:

- adapt the McKay properties to Workspace's business centre model;
- adopt Workspace's proven operating model and flexible lease offer;
- use Workspace's extensive experience of active asset management to optimise the leasing strategy for the McKay properties, complementing its flexible model with a focus on the duration and terms of new leases and ensuring a customer mix that is consistent with Workspace's strategy for each property; and/or
- take advantage of attractive opportunities to recycle capital into other assets, which may result in the disposal of certain assets, including light industrial properties.

Board, management and employees

Workspace and McKay recognise the importance of the skills and experience of the existing management and employees of McKay. Workspace intends to support the McKay management team and save for: (i) the expectation that Simon Perkins (Chief Executive Officer), Giles Salmon (Chief Financial Officer) and Thomas Elliott (Property Director and Head of Sustainability) will leave their current roles following a period of handover; and (ii) any rationalisation of employees identified as part of the evaluation of McKay's operations described further below, Workspace has no intention to make any change to the continued employment of the 19¹ employees and management of McKay, including any material changes to the terms and conditions of employment or in the balance of skills and functions of the management and employees of the McKay organisation as a result of the Acquisition.

The Chair and Non-Executive Directors of McKay will step down from the Combined Group upon completion of the Acquisition. It is intended that, following completion of the Acquisition and a period of handover, Simon Perkins, Giles Salmon and Thomas Elliott will each leave their respective roles as Chief Executive Officer, Chief Financial Officer, and Property Director and Head of Sustainability of McKay.

¹ As at the Latest Practicable Date, McKay has 19 employees; however, this will become 18 employees following the retirement of one employee as of 1 April 2022.

Workspace intends to undertake an evaluation of McKay and its operations within six months following completion of the Acquisition and has agreed not to issue any notice of termination by reason of redundancy or invite voluntary redundancies during such six month period. The evaluation will include an assessment of any overlap of roles currently undertaken by McKay and Workspace, including in respect of certain corporate functions which exist in relation to McKay's status as a premium-listed publicly traded company which will no longer be required on a standalone basis or will be reduced in scope, which may result in a rationalisation of employee roles. Workspace has not yet developed proposals as to how any such headcount reductions could be implemented.

Conditions of employment

Workspace confirms that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of McKay will be fully safeguarded in accordance with applicable law. In addition, Workspace has agreed that for 12 months following completion of the Acquisition, if any McKay employee is made redundant they will be entitled to redundancy payments on no less favourable terms than under the applicable McKay redundancy practices.

Incentivisation arrangements

Following completion of the Acquisition, managers (including the three Executive Directors) and employees of McKay will be eligible to participate in Workspace's current annual bonus arrangements and Workspace's Long Term Incentive Plan. For the financial year in which completion of the Acquisition occurs, the bonus opportunities and Long Term Incentive Plan grant levels for such managers and employees will be those that would have applied had McKay operated its usual arrangements.

As required by, and solely for the purposes of, Rule 16.2 of the Takeover Code, Rothschild & Co has (in its capacity as independent adviser to the McKay Directors for the purposes of Rule 3 of the Takeover Code) reviewed the terms of the arrangements described in the foregoing paragraph and has confirmed that, in its opinion, that those arrangements are fair and reasonable as far as McKay's Shareholders are concerned. In providing this advice to the McKay Directors, Rothschild & Co has taken into account the commercial assessments of the McKay Directors.

Pensions

McKay operates and participates in a defined benefit pension scheme in the UK, the McKay Securities Plc Pension and Life Assurance Scheme (the "**McKay DB Scheme**"). The McKay DB Scheme is closed to new members and future accrual. It has six members, all of whom are pensioners. The last full actuarial valuation of the McKay DB Scheme was undertaken as at March 2020, and revealed a funding level of 78 per cent. on a technical provisions basis (a shortfall of £1.38 million).

Workspace has engaged in constructive discussions with the Pension Trustees. Workspace has agreed that, pursuant to the Pension Trustee Letter summarised at paragraph 13 of Part II (*Explanatory Statement*), the employer will to continue to make contributions in line with the current schedule of contributions and recovery plan and shall also procure that additional contributions are made equal to 50 per cent. of the current annual contributions payable (an increase of £120,000 per annum). These increased contributions will be payable until the agreement of the next triennial valuation as at 31 March 2023. Workspace has also agreed to provide an evergreen parent company guarantee in respect of all liabilities of McKay to the Pension Trustees from time to time, up to the amount of the McKay DB Scheme's deficit on an insurance company buy-out basis. Workspace does not intend to re-open the McKay DB Scheme to new members or future accrual.

In addition, Workspace does not intend to make any change to the benefits provided by McKay's defined contribution pension schemes and intends for the employer to continue to make contributions in line with the current arrangements.

Headquarters, locations, research and development and fixed assets

Following completion of the Acquisition, the headquarters of McKay will be at Workspace's offices in London. As part of the evaluation of McKay's operations referred to above, Workspace will review the continuing business need to retain McKay's Reading office and the appropriate size for the office if it is to be retained. The existing head office functions of McKay will also be considered as part of this review and may be retained at McKay's Reading office or moved to Workspace's London office depending on the outcome of the review.

McKay has no research and development function and Workspace has no plans in this regard.

Other than as set out above under the heading Workspace’s strategic plans for McKay, Workspace has no other plans to make changes to the fixed assets of McKay.

Trading facilities

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

Post-offer undertakings

No statement in this paragraph 8 constitutes a “post-offer undertaking” for the purposes of Rule 19.5 of the Takeover Code.

9. McKay Share Plans

Details of the arrangements proposed to be implemented in relation to the McKay Share Plans in connection with the Acquisition are set out in paragraph 9 of Part II (*Explanatory Statement*) of this Document.

10. Valuations of McKay’s and Workspace’s properties

McKay’s portfolio of investment properties and assets held for sale was independently valued by Knight Frank as at 31 January 2022 at £490.4 million, and such valuation is set out in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) of this Document, in accordance with the requirements of Rule 29 of the Takeover Code. For the purposes of Rule 29.5 of the Takeover Code, the McKay Directors confirm that Knight Frank has confirmed to them that an updated valuation of McKay’s assets as at the date of this Document would not be materially different to the valuation contained in Knight Frank’s valuation report as set out in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*).

Workspace’s portfolio of investment properties and assets held for sale was independently valued by CBRE as at 31 January 2022 at £2,402 million, and such valuation is set out in Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*) of this Document, in accordance with the requirements of Rule 29 of the Takeover Code. For the purposes of Rule 29.5 of the Takeover Code, the Workspace Directors confirm that CBRE has confirmed to them that an updated valuation of Workspace’s assets as at the date of this Document would not be materially different to the valuation contained in CBRE’s valuation report as set out in Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*).

In the event that either Workspace’s or McKay’s property portfolio was to be sold at the valuations contained in the valuation reports set out in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) and Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*) (as applicable) of this Document, any gains realised on such disposals may be subject to taxation in the UK. Generally, capital gains arising from disposals by a UK REIT of assets used in its property rental business and shares in UK property rich companies should be exempt from UK corporation tax; however, there are specific rules which can result in assets within the property rental business being subject to tax on disposal (for example when a property is materially developed and sold within three years of completion of that development or where a property has been used partly for the purposes of property rental business and partly for other purposes).

11. Action to be taken by McKay Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by McKay Shareholders and Scheme Shareholders in respect of the Acquisition and the Scheme are set out in paragraph 21 of Part II (*Explanatory Statement*) of this Document.

Details relating to the cancellation of listing of the McKay Shares are included in paragraph 14 of Part II (*Explanatory Statement*) of this Document. Details relating to the issuance, listings and dealings in the New Workspace Shares are included in paragraph 15 of Part II (*Explanatory Statement*) of this Document. Details relating to the settlement of the cash and share consideration offered by Workspace are included in paragraphs 16 and 17 of Part II (*Explanatory Statement*) of this Document.

12. Overseas Shareholders

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contains important information relevant to such holders.

13. United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of McKay Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

14. Recommendation

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

The McKay Directors consider that the terms of the Acquisition are in the best interests of McKay Shareholders as a whole. Accordingly, the McKay Directors unanimously recommend that McKay Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, as the McKay Directors who hold McKay Shares have irrevocably undertaken to do in respect of their own legal and/or beneficial holdings which are under their control of 298,280 McKay Shares in aggregate, representing approximately 0.3 per cent. of McKay's issued share capital as at the Latest Practicable Date.

15. Further information

Your attention is drawn to further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part IV (*The Scheme of Arrangement*) and Part VIII (*Additional Information on McKay and Workspace*) of this Document which provides further details concerning the Scheme.

You are advised to read the whole of this Document and the accompanying Forms of Proxy and not just rely on the summary information contained in this letter or the Explanatory Statement.

Yours faithfully,



Richard Grainger

Chair

McKay Securities Plc

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)



New Court
St Swithin's Lane
London
EC4N 8AL

29 March 2022

To the holders of McKay Shares and, for information only, to holders of awards and options under the McKay Share Plans and persons with information rights.

Dear Shareholder,

RECOMMENDED ACQUISITION OF MCKAY SECURITIES PLC BY WORKSPACE GROUP PLC

1. Introduction

On 2 March 2022, the boards of directors of McKay and Workspace announced that they had reached agreement on the terms and conditions of a recommended offer to be made by Workspace for the entire issued, and to be issued, ordinary share capital of McKay. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting and McKay Shareholders at the General Meeting as well as the sanction of the Court.

Your attention is drawn to the letter set out in Part I (*Letter from the Chair of McKay*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things, (i) the McKay Directors' unanimous recommendation that McKay Shareholders vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting, and (ii) information on the background to, and reasons for, giving the above recommendation.

The McKay Directors have been advised by Rothschild & Co in connection with the financial terms of the Acquisition. We have been authorised by the McKay Directors to write to you to explain the terms of the Acquisition and to provide you with other relevant information.

This Part II (*Explanatory Statement*) contains a summary of the terms of the Scheme, while the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. For overseas holders of McKay Shares, your attention is drawn to Part VII (*Additional Information for Overseas Shareholders*), which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Workspace's reasons for the Acquisition, information concerning the business of Workspace, the financial effects of the Acquisition on Workspace and/or intentions or expectations of or concerning Workspace reflect the views of the Workspace Directors.

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the McKay Directors, information concerning the business of the McKay Group and/or intentions or expectations of or concerning the McKay Group prior to completion of the Acquisition reflect the views of the McKay Directors.

2. Summary of the terms of the Acquisition and the Scheme

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders at the Scheme Record Time will be entitled to receive:

for each Scheme Share: 209 pence in cash
and
0.115 New Workspace Shares

On the basis of the Closing Price per Workspace Share of 769 pence on 1 March 2022, being the last Business Day prior to the date of the commencement of the Offer Period, the Acquisition valued each McKay Share at 297 pence and the entire issued and to be issued share capital of McKay at approximately £272 million on a fully diluted basis.

On the basis of the Closing Price per Workspace Share of 691 pence on the Latest Practicable Date (being 28 March 2022), the Acquisition values each McKay Share at 288 pence and the entire issued and to be issued share capital of McKay at approximately £264 million on a fully diluted basis.

On the basis of the 3-month VWAP of 818 pence per Workspace Share on 1 March 2022, being the last Business Day prior to the date of the commencement of the Offer Period, the Acquisition valued each McKay Share at 303 pence and the entire issued and to be issued share capital of McKay at approximately £277 million on a fully diluted basis.

On the basis of the 3-month VWAP of 746 pence per Workspace Share on the Latest Practicable Date (being 28 March 2022), the Acquisition values each McKay Share at 295 pence and the entire issued and to be issued share capital of McKay at approximately £270 million on a fully diluted basis.

The Acquisition represents, based on the 3-month VWAP of 818 pence per Workspace Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period):

- a premium of approximately 36.2 per cent. to the Closing Price of 223 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period);
- a premium of approximately 34.5 per cent. to the 3-month VWAP of 225 pence per McKay Share on 1 March 2022 (being the last Business Day prior to the date of the commencement of the Offer Period); and
- a discount of approximately 7.0 per cent. to McKay's estimated Net Tangible Assets, adjusted for prepayment costs in relation to the Aviva Term Loan, of 326 pence per McKay Share as at 31 January 2022.

Immediately following completion of the Acquisition, existing Workspace Shareholders will hold approximately 95 per cent. of the Combined Group and McKay Shareholders will hold approximately 5 per cent. of the Combined Group.

3. Dividends

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by McKay in respect of a McKay Share on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, Workspace will have the right to reduce the value of the Consideration payable for each McKay Share by up to the amount per McKay Share of such dividend, distribution or return of value except where the McKay Share is or will be acquired pursuant to the Scheme on a basis which entitles Workspace to receive the dividend, distribution or return of value and to retain it. If any such dividend or distribution or return of value is paid or made after the date of the Rule 2.7 Announcement and Workspace exercises its rights described above, any reference in this Document to the Consideration payable under the Scheme shall be deemed to be a reference to the Consideration as so reduced.

4. Background to and reasons for the recommendation

Information relating to the background to and reasons for the McKay Directors' recommendation of the Acquisition is set out in paragraph 4 of Part I (*Letter from the Chair of McKay*) of this Document.

Workspace has received irrevocable undertakings in support for the Acquisition from the McKay Directors who hold McKay Shares in respect of their own beneficial holdings which are under their control, totalling, in aggregate, 298,280 McKay Shares representing approximately 0.33 per cent. of the issued ordinary share capital of McKay on the Latest Practicable Date.

Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 6 of Part VIII (*Additional Information on McKay and Workspace*) of this Document. Copies of the irrevocable undertakings are available on McKay's website at www.mckaysecurities.plc.uk and will remain on display until the end of the Offer Period.

5. Information relating to McKay

McKay is a commercial property investment company with REIT status specialising in the development, refurbishment and management of office, industrial and logistics property in the South East and London.

McKay's strategy is to invest in well located, quality commercial real estate assets with income and capital growth potential over the longer term, realisable through active portfolio management, refurbishment and development. McKay has a long track record of delivering shareholder value through the development, refurbishment and management of commercial property. Its operational business model involves the active management of assets in-house, rather than using third party managing agents, enabling it to build strong relationships and work in partnership with its occupiers and local supply chains. Environmental, social and governance considerations continue to play an integral part in McKay's strategy and operating practices, based on its 2019 Sustainability Framework and 2021 Net Zero Carbon Pathway.

McKay's portfolio, as at 31 January 2022, comprises 34 properties located in established areas, valued at £490.4 million. Its property portfolio is weighted to the M4 corridor, where McKay has deep expertise, with a focus on growing satellite towns benefitting from strong connectivity to London and robust demand amongst leading occupiers.

The largest segment of McKay's property portfolio comprises South East and London offices (64.2 per cent. by value as at 31 January 2022). South East industrial/logistics and developments comprise a further 31.6 per cent. and 4.2 per cent. respectively (each as at 31 January 2022).

6. Information relating to Workspace

Workspace is a FTSE 250 REIT and one of London's leading providers of flexible office space. Workspace owns and manages approximately four million square feet of business space across 59 properties in dynamic London locations. Workspace is home to thousands of London's brightest businesses, including fast-growing and established brands across a wide range of sectors.

Workspace delivers capital and income growth thanks to its distinctive flexible operating model, expertise in urban regeneration, active asset management and a focus on customer experience. It drives rental growth on its like-for-like portfolio, executes an ongoing programme of refurbishments and redevelopments to sustainably enhance and expand assets in line with customers' changing requirements, as well as growing its footprint through selective acquisitions.

As at 31 January 2022, the estimated rolled-forward Net Tangible Assets was 969 pence per Workspace Share, up by 4.4 per cent. since 30 September 2021. Based on the valuation by CBRE, Workspace's total property valuation increased by £131 million in the four months to 31 January 2022 to £2,402 million, reflecting an increase in the underlying valuation of 3.2 per cent., predominantly driven by yield shift. Net debt was £573 million as at 31 January 2022, with LTV of 24 per cent.

Workspace expects to publish a fourth quarter business update for the period ending 31 March 2022 on 20 April 2022. A copy of this update will be available on Workspace's website at <https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations>.

7. Financial effects of the Acquisition on Workspace

Following the Scheme becoming Effective, the earnings, assets and liabilities of the McKay Group would be consolidated into the earnings, assets and liabilities of the Workspace Group. The earnings, assets and liabilities of the Workspace Group would thereby be increased. In addition, the liabilities of the Workspace Group would also be increased to reflect the debt incurred in order to fund the Acquisition.

8. Financing of the Acquisition

Workspace as borrower and certain of its subsidiaries, namely Workspace 12 Limited, Workspace 13 Limited, Workspace 14 Limited, Workspace Management Limited, Workspace Salisbury Limited and Workspace 17 (Jersey) Limited as guarantors (which subsidiaries, together with Workspace, are the “**Obligors**”), have entered into a Facility Agreement dated 2 March 2022 (the “**Workspace Facility Agreement**”). In the terms of the Workspace Facility Agreement, Banco Santander, S.A., London Branch, HSBC UK Bank PLC and National Westminster Bank plc have agreed to make available to Workspace a sterling term loan facility in an aggregate amount equal to £200,000,000.

J.P. Morgan Cazenove, in its capacity as financial adviser to Workspace, is satisfied that sufficient cash resources are available to Workspace to satisfy in full the cash consideration payable to McKay Shareholders under terms of the Acquisition.

Further information on the financing of the Acquisition is included at paragraph 13 of Part VIII (*Additional Information on McKay and Workspace*) of this Document.

9. McKay Share Plans and other incentive arrangements

The McKay Group operates the McKay Share Plans to reward and retain its employees.

Participants in the McKay Share Plans will be contacted separately regarding the effect of the Scheme on their rights under the McKay Share Plans and with the details of the arrangements applicable to them. A summary of the effect of the Scheme on outstanding options and awards is set out below. In the event of any conflict between the summary set out below and the rules of the relevant McKay Share Plan, the McKay Directors’ remuneration policy (where applicable) and/or the communications to participants in the McKay Share Plans regarding the effect of the Scheme on their rights under the McKay Share Plans and the details of the arrangements applicable to them (the “**McKay Share Plan Notices**”), the rules of the relevant McKay Share Plan, the McKay Directors’ remuneration policy (where applicable) or the terms of the McKay Share Plan Notices (as the case may be) will prevail.

The Scheme will apply to any McKay Shares which are unconditionally allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the McKay Share Plans before the Scheme Record Time. Any McKay Shares allotted, issued or transferred to satisfy the vesting of awards or exercise of options under the McKay Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the General Meeting, be transferred to Workspace for the provision by Workspace of the same consideration as Scheme Shareholders will be entitled to receive under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association is contained in the Notice of General Meeting at Part XI (*Notice of General Meeting*) of this Document.

PSP

Awards and options granted under the PSP which would not otherwise vest prior to the Court Sanction Date will vest early and be automatically exercised on the Court Sanction Date. The McKay Remuneration Committee will, on or shortly before the Court Sanction Date and at its sole discretion, determine the extent to which any PSP awards and options vest, taking into account the extent to which applicable performance targets (if any) have been satisfied and subject to such pro-rating for time as it may consider appropriate.

DBSP

Awards and options granted under the DBSP which would not otherwise vest prior to the Court Sanction Date will vest in full and be automatically exercised on the Court Sanction Date.

10. The McKay Directors and the effect of the Scheme on their interests

Details of the interests of the McKay Directors in the issued ordinary share capital of McKay, and Awards in respect of such share capital, are set out in Part VIII (*Additional Information on McKay and Workspace*) of this Document. Scheme Shares held by the McKay Directors at the Scheme Record Time will be subject to the Scheme.

The McKay Directors have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting (and, if the Acquisition is subsequently structured as

a Takeover Offer, to accept any Takeover Offer made by Workspace in accordance with the terms of the irrevocable undertakings) in respect of those McKay Shares that they hold and in respect of which they control the voting rights. These irrevocable undertakings also extend to any shares acquired by the McKay Directors as a result of the vesting of awards or the exercise of options under the McKay Share Plans. Further details of these irrevocable undertakings, including the circumstances in which they cease to be binding, are set out in paragraph 6 of in Part VIII (*Additional Information on McKay and Workspace*) of this Document.

Particulars of the service agreements (including termination provisions) and letters of appointment of the McKay Directors are set out in paragraph 8 of Part VIII (*Additional Information on McKay and Workspace*) of this Document.

The Chair and Non-Executive Directors of McKay will step down from the Combined Group upon completion of the Acquisition. It is intended that, following completion of the Acquisition and a period of handover, Simon Perkins, Giles Salmon and Thomas Elliott will each leave their respective roles as Chief Executive Officer, Chief Financial Officer, and Property Director and Head of Sustainability of McKay.

In common with the other participants in the McKay Share Plans, the McKay Directors who hold Awards will be able to receive McKay Shares under such Awards, to the extent that such Awards vest.

Save as set out above, the effect of the Scheme on the interests of McKay Directors does not differ from its effect on the like interests of any other McKay Shareholder.

11. Description of the Scheme and the Meetings

The Scheme

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between McKay and the Scheme Shareholders who are on the register of members of McKay at the Scheme Record Time, under Part 26 of the Companies Act. This procedure requires approval by Scheme Shareholders at the Court Meeting and McKay Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Workspace to become the holder of the entire issued and to be issued share capital of McKay. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time to Workspace, in consideration for which Workspace will pay consideration in the form of cash and New Workspace Shares to Scheme Shareholders (at the Scheme Record Time) on the basis set out in paragraph 2 of this Part II (*Explanatory Statement*). Any McKay Shares held by or on behalf of the Workspace Group are excluded from the Scheme.

The Court Meeting and the General Meeting

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and McKay Shareholders at the separate General Meeting, both of which will be held on 27 April 2022 at Park Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England. The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of McKay Shareholders to enable the McKay Directors to implement the Scheme and to amend the Articles of Association as described below.

Notices of both the Court Meeting and the General Meeting are set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) respectively of this Document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of McKay at the Voting Record Time.

Whilst COVID-19 restrictions have been lifted as at the date of this Document and it is currently anticipated that Scheme Shareholders and McKay Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the Court Meeting and General Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, Scheme Shareholders and McKay Shareholders are encouraged to appoint “the Chair of the meeting” as their proxy for the Court Meeting and the General Meeting, respectively. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Meetings, that proxy may not be permitted to attend the relevant Meeting. Any changes to the arrangements for the Court Meeting and the General Meeting will be communicated to Scheme Shareholders and McKay Shareholders before the Meetings, including through

McKay's website at www.mckaysecurities.plc.uk and by announcement through a Regulatory Information Service.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.

Any McKay Shares which Workspace may acquire prior to the Court Meeting or the General Meeting (and any McKay Shares which any member of the Workspace Group (or its nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Workspace Group (or its nominees) is entitled to vote at the Court Meeting in respect of the McKay Shares held or acquired by it. Each such member of the Wider Workspace Group will undertake to be bound by the Scheme.

Court Meeting

The Court Meeting has been convened with the permission of the Court for 11.30 a.m. on 27 April 2022 for Scheme Shareholders on the register of members of McKay as at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number of those Scheme Shareholders present and voting (and entitled to vote) in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares voted by such Scheme Shareholders.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service, as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

If the BLUE Form of Proxy for the Court Meeting is not lodged by 11.30 a.m. on 25 April 2022, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof). In the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by 11.45 a.m. on 25 April 2022 (by post or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility), it will be invalid.

General Meeting

In addition, the General Meeting has been convened for the same date (to be held as soon thereafter as the Court Meeting concludes or is adjourned) to consider and, if thought fit, pass the Special Resolution to:

- (A) authorise the McKay Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) amend the Articles of Association in the manner described below.

Voting at the General Meeting will be by poll and each McKay Shareholder present in person or by proxy will be entitled to one vote for each McKay Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 per cent. of the votes cast on such resolution (in person or by proxy).

McKay will announce the details of the votes at each Meeting as required under the Takeover Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8.00 a.m. on the Business Day following the Meetings.

Court Sanction Hearing

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held, following the Meetings, on 4 May 2022 (being a date which is no more than 21 days after the satisfaction (or, if applicable, waiver) of the Conditions (other than Conditions 2(d), 2(e), 2(f) and 3(a)) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document and, in any event, prior to the Long Stop Date).

The Scheme shall lapse if:

- (A) the Court Meeting and the General Meeting are not held on or before 19 May 2022 (or such later date (if any) as Workspace and McKay may agree (with the consent of the Panel) and the Court may approve, if such approval is required);
- (B) the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such hearing (or such later date (if any) as Workspace and McKay may agree (with the consent of the Panel) and the Court may approve, if such approval is required); or
- (C) the Scheme does not become Effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Sanction Hearing as set out above may be waived by Workspace, and the deadline for the Scheme to become Effective may be extended by agreement between Workspace and McKay (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)).

Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur on 6 May 2022, being two Business Days after the date of the Court Sanction Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

McKay and/or Workspace will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.

If the Scheme does not become Effective by the Long Stop Date or such later date, if any, as may be agreed in writing by Workspace and McKay (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)), the Scheme will never become Effective.

Amendments to the Articles of Association

It is proposed, in the Special Resolution, to amend McKay's Articles of Association to ensure that any McKay Shares issued or transferred out of treasury under the McKay Share Plans or otherwise between the time at which the Special Resolution is passed and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend McKay's Articles of Association so that any McKay Shares issued or transferred out of treasury to any person other than Workspace or its nominee(s) at or after the Scheme Record Time will be automatically transferred to Workspace (and, where applicable, for consideration to be paid to the transferee or the original recipient of the McKay Shares so transferred or issued) on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Workspace or its nominee(s)) holding McKay Shares after the Scheme becomes Effective.

The Special Resolution is set out in the notice of General Meeting in Part XI (*Notice of General Meeting*) of this Document and seeks the approval of McKay Shareholders for such amendments.

Entitlement to vote at the Meetings

Each McKay Shareholder who is entered in McKay's register of members at the Voting Record Time (expected to be 6.30 p.m. on 25 April 2022) will be entitled to attend and vote (in person or by proxy) on all resolutions to be put to the General Meeting and Court Meeting respectively. If either Meeting is adjourned, only those McKay Shareholders on the register of members at 6.30 p.m. on the day which is two Business Days before the adjourned Meeting will be entitled to attend (in person or by proxy). Each eligible McKay Shareholder is entitled

to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a McKay Shareholder.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending and voting at the Court Meeting or the General Meeting if you are entitled to and wish to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (in person or by proxy), please contact the Company's Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Further information on the actions to be taken is set out in paragraph 21 of this Part II (*Explanatory Statement*).

Modifications to the Scheme

The Scheme contains a provision for McKay and Workspace jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

12. Conditions to the Acquisition

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including (among others):

- (A) approval of the Scheme by a majority in number of the Scheme Shareholders (or relevant class or classes thereof) present and voting (and entitled to vote) at the Court Meeting and any separate class meeting which may be required by the Court, or at any adjournment of such meetings, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders (or relevant class or classes thereof);
- (B) approval of the Special Resolution necessary to implement the Scheme by McKay Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (or at any adjournment thereof), whether in person or by proxy;
- (C) the sanction of the Scheme by the Court (with or without modifications, but subject to any modifications being on terms acceptable to McKay and Workspace);
- (D) a copy of the Court Order being delivered for registration to the Registrar of Companies; and
- (E)
 - (i) the FCA having acknowledged to Workspace or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Workspace Shares to the Official List with a premium listing has been approved and (after satisfaction of the listing conditions (as defined below)) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and
 - (ii) the London Stock Exchange having acknowledged to Workspace or its agent (and such acknowledgement not having been withdrawn) that the New Workspace Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities.

Other matters relevant to the Conditions

The Scheme will require approval by Scheme Shareholders at the Court Meeting and McKay Shareholders at the General Meeting and the sanction of the Court at the Court Sanction Hearing. The Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 11 of this Part II

(*Explanatory Statement*). All McKay Shareholders are entitled to attend the Court Sanction Hearing in person or by proxy to support or oppose the sanctioning of the Scheme.

The Scheme can become Effective only if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. This is expected to occur on 6 May 2022. Unless the Scheme becomes Effective by the Long Stop Date or such later date, if any, as may be agreed in writing by Workspace and McKay (with the Panel's consent and as the Court may approve (if such approval(s) are required)) the Scheme will not become Effective and the Acquisition will not proceed.

If any of Conditions 2(c) and/or 2(e) set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document are not satisfied by the relevant deadline specified therein, Workspace shall make an announcement through a Regulatory Information Service by 8.00 a.m. (London time) on the Business Day following the deadline so specified confirming whether, subject to paragraph 3 of Part 2 (*Waiver and invocation of Conditions*) of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Workspace has invoked the relevant Condition, (where applicable) waived the relevant deadline or, with the agreement of McKay (with the Panel's consent and as the Court may approve (if such consent(s) or approval(s) is/are required)), specified a new date by which that Condition must be satisfied.

Implementation by Takeover Offer

Workspace has reserved the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Cooperation Agreement. In such event, such Takeover Offer will (unless otherwise determined by Workspace and subject to the consent of the Panel) be implemented on the same terms and conditions as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Acquisition, which may include (without limitation and subject to the consent of the Panel and subject and without prejudice to the terms of the Cooperation Agreement for so long as it is continuing) an acceptance condition that is set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Workspace may decide) of the voting rights attaching to McKay Shares, including, for this purpose, any such voting rights attaching to McKay Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Workspace intends to: (i) make a request to the FCA to cancel the listing of the McKay Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel trading in McKay Shares on its Main Market for listed securities; and (iii) exercise its rights, if available, to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining McKay Shares in respect of which the Takeover Offer has not been accepted.

13. Offer-related arrangements

Cooperation Agreement

McKay and Workspace have entered into a Cooperation Agreement dated 2 March 2022, pursuant to which McKay and Workspace have agreed: (i) to cooperate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made in relation to regulatory clearances and authorisations (if any) that are required in connection with the Acquisition; (ii) to provide each other with reasonable information, assistance and access for the preparation of certain parts of the key shareholder documentation; and (iii) to certain provisions if the Scheme should switch to a Takeover Offer.

The Cooperation Agreement records the intention of Workspace and McKay to implement the Acquisition by way of the Scheme, subject to Workspace's right to switch to a Takeover Offer in certain circumstances.

The Cooperation Agreement may be terminated with immediate effect in the following circumstances, among others:

- (A) if McKay and Workspace so agree in writing;
- (B) upon notice by Workspace to McKay if: (i) a competing proposal is publicly recommended by the McKay Directors; (ii) a competing proposal completes, becomes effective or becomes, or is, declared,

unconditional in all respects; or (iii) the McKay Directors cease to recommend the Acquisition to McKay Shareholders (in certain circumstances as described therein); and

- (C) upon notice by McKay to Workspace or by Workspace to McKay if: (i) prior to the Long Stop Date, a Condition has been invoked by Workspace where permitted by the Panel; (ii) a third party announces a firm intention to make an offer or revised offer which completes, becomes effective or is declared or becomes unconditional in all respects; (iii) the Acquisition is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with consent of the Panel (except in certain circumstances prescribed therein); (iv) the Scheme is not approved by the requisite majority of holders of Scheme Shares at the Court Meeting or by McKay Shareholders at the General Meeting, or the Court definitively refuses to sanction the Scheme; or (v) unless otherwise agreed by Workspace and McKay in writing or required by the Panel, if the Effective Date has not occurred by the Long Stop Date.

The Cooperation Agreement also contains provisions that will apply in respect of McKay employees and the McKay Share Plans.

McKay Confidentiality Agreement

On 30 November 2021, McKay and Workspace entered into a confidentiality agreement pursuant to which Workspace undertook, among other things, to keep certain information relating to McKay and the Acquisition confidential and not to disclose it to third parties (other than permitted parties) unless required by law or regulation, among other exceptions. These confidentiality obligations will remain in force until the earlier of: (i) 24 months from the date of the McKay Confidentiality Agreement; and (ii) the date of completion of the Acquisition, subject to certain exceptions.

Workspace Confidentiality Agreement

On 9 February 2022, McKay and Workspace entered into a confidentiality agreement pursuant to which McKay undertook, among other things, to keep certain information relating to Workspace confidential and not to disclose it to third parties (other than permitted parties) unless required by law or regulation, among other exceptions. These confidentiality obligations will remain in force until the earlier of: (i) 24 months from the date of the Workspace Confidentiality Agreement; and (ii) the date of completion of the Acquisition, subject to certain exceptions.

Pension Trustee Confidentiality Agreement

On 14 February 2022, Workspace, and certain of the Pension Trustees, entered into a confidentiality agreement pursuant to which such Pension Trustees undertook, among other things, to keep certain information relating to Workspace confidential and not to disclose it to third parties (other than permitted parties) unless required by law or regulation, among other exceptions. These confidentiality obligations will remain in force until the date which is five years after the date of the Pension Trustee Confidentiality Agreement (unless terminated by Workspace prior to that date).

Pension Trustee Letter

On 25 February 2022, Workspace entered into an agreement with the Pension Trustees and McKay pursuant to which Workspace has agreed that the employer under the McKay DB Scheme will continue to make contributions in line with the current schedule of contributions and recovery plan and shall also procure that additional contributions are made equal to 50 per cent. of the current annual contributions payable (an increase of £120,000 per annum). These increased contributions will be payable until the agreement of the next triennial valuation as at 31 March 2023. Workspace has also agreed to provide an evergreen parent company guarantee in respect of all liabilities of McKay to the Pension Trustees from time to time, up to the amount of the McKay DB Scheme's deficit on an insurance company buy-out basis.

14. Cancellation of listing of McKay Shares

The last day of dealings in, and registration of transfers of, McKay Shares on the London Stock Exchange is expected to be 5 May 2022 (being the Business Day immediately after the Court Sanction Hearing) and no transfers shall be registered after 6.00 p.m. on that date, following which McKay Shares will be suspended from the Official List and from the London Stock Exchange's Main Market for listed securities from 7.30 a.m. on the next Business Day thereafter (expected to be 9 May 2022).

It is intended that, prior to the Effective Date, applications will be made to the London Stock Exchange for McKay Shares to cease to be admitted to trading on its Main Market for listed securities, and to the FCA for the listing of McKay Shares on the Official List to be cancelled, in each case to take effect on or shortly following the Effective Date.

On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled, and share certificates in respect of Scheme Shares held in certificated form will cease to be valid documents of title and should be destroyed or, at the request of McKay, delivered up to McKay, or to any person appointed by McKay to receive the same.

It is also proposed that, following the Effective Date and after its shares are delisted, McKay shall be re-registered as a private limited company.

15. Listing and dealings in New Workspace Shares

The New Workspace Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the issued ordinary shares in Workspace, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Effective Date.

Applications will be made by Workspace to the FCA for the New Workspace Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Workspace Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. On the basis of the Expected Timetable of Principal Events (as set out at pages 14 to 15 above), it is expected that Admission will become effective and unconditional dealing in the New Workspace Shares on the London Stock Exchange's Main Market for listed securities will commence from 8.00 a.m. on 9 May 2022.

16. Settlement of cash consideration

Subject to the Acquisition becoming Effective (and except as provided in the paragraph below in relation to McKay Shares issued under the McKay Share Plans as described therein and in Part VII (*Additional Information for Overseas Shareholders*) of this Document in relation to certain overseas McKay Shareholders), settlement of the cash component of the Consideration to which any McKay Shareholder on the register of members as at the Scheme Record Time is entitled under the Scheme will be effected in the following manner:

McKay Shares held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds McKay Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled under the terms of the Scheme will be transferred to such person through CREST by Workspace instructing or procuring the instruction of Euroclear to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated McKay Shares in respect of the cash consideration due to them not later than the 14th day following the Effective Date (expected to be 20 May 2022).

As from the Effective Date, each holding of McKay Shares credited to any stock account in CREST will be disabled and all McKay Shares will be removed from CREST in due course.

Subject to the terms of the Scheme, Workspace reserves the right to pay all, or any part of, the cash component of the Consideration referred to above to all or any Scheme Shareholder(s) who hold McKay Shares in uncertificated form in the manner referred to in the section titled 'McKay Shares held in certificated form' if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this paragraph 16.

McKay Shares held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds McKay Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (A) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (B) by such other method as may be approved by the Panel.

All such cash payments will be made in sterling and drawn on a United Kingdom clearing bank. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned and the encashment of any such cheque shall be a complete discharge of Workspace's obligation under the Scheme to pay the monies represented thereby. Workspace shall despatch or procure the despatch of cheques within 14 days of the Effective Date (expected to

be 20 May 2022) to the person entitled thereto at the address as appearing in the register of members of McKay at the Scheme Record Time or in accordance with any special standing instructions regarding communications (except that, in the case of joint holders, Workspace reserves the right to make such cheques payable to the joint holder whose name stands first in the register of members of the Company in respect of such holding at the Scheme Record Time or to make such cheques payable to all joint holders). None of McKay, Workspace, any nominee(s) of McKay or Workspace, or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person or persons entitled thereto.

If any Scheme Shareholders have not encashed their cheques within six months of the Effective Date, Workspace and McKay shall procure that the cash consideration due to such Scheme Shareholders under the Scheme shall be held by the Receiving Agent in a designated UK bank account for a period of at least 12 years from the Effective Date solely for the purpose of satisfying payment obligations under the Scheme, and such Scheme Shareholders may claim the Consideration due to them by written notice to the Company or the Receiving Agent in a form and with such evidence which the Company determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.

McKay Share Plans

In the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, the cash component of the Consideration due under the Scheme in respect of those Scheme Shares will be settled by such aggregated cash component being paid by Workspace to McKay within 14 days of the Effective Date (expected to be 20 May 2022) for McKay (or the relevant McKay Group employer) to pay such cash component to the relevant McKay Shareholders through payroll, subject to the deduction of the applicable exercise price (if any), income taxes and social security contributions.

General

All documents and remittances sent to McKay Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of McKay, delivered up to McKay, or to any person appointed by McKay to receive the same.

In accordance with the Scheme, as from the Effective Date, McKay shall procure that each holding of Scheme Shares credited to any stock account in CREST shall be disabled. With effect from, or as soon as practicable after, the Effective Date, McKay shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form. Following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, McKay shall procure (if necessary) that such entitlements to Scheme Shares are dematerialised.

Subject to the completion of the relevant forms of transfer or other instruments or instructions of transfer as may be required in accordance with the Scheme and the payment of any UK stamp duty thereon, McKay shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Workspace and/or its nominee(s).

Under the terms of the Scheme, all mandates relating to the payment of dividends and other instructions given to McKay by Scheme Shareholders in force at the Scheme Record Time relating to holdings of Scheme Shares will, unless and until amended or revoked, be deemed, as from the Effective Date, to be effective mandates or instructions in respect of the corresponding New Workspace Shares to which that Scheme Shareholder is entitled.

Except with the consent of the Panel, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Workspace might otherwise be, or claim to be, entitled against such McKay Shareholder.

Dividends

Please refer to paragraph 3 of this Part II (*Explanatory Statement*) for further information on dividends.

17. Settlement of the New Workspace Shares

Subject to the Acquisition becoming Effective (and except as provided in Part VII (*Additional Information for Overseas Shareholders*) of this Document in relation to certain overseas McKay Shareholders), settlement of the New Workspace Shares to which any McKay Shareholder on the register of members as at the Scheme Record Time is entitled under the Scheme will be effected in the following manner:

McKay Shares held in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds McKay Shares in uncertificated form, the New Workspace Shares to which such Scheme Shareholder is entitled will be issued to such person in uncertificated form through CREST. Workspace shall instruct Euroclear, or procure that Euroclear is instructed, to credit the appropriate CREST account through which the Scheme Shareholder holds such uncertificated McKay Shares with such person's entitlement to New Workspace Shares at the commencement of dealings in New Workspace Shares and no later than 14 days after the Effective Date (expected to be 20 May 2022).

As from the Effective Date, each holding of McKay Shares credited to any stock account in CREST will be disabled and all McKay Shares will be removed from CREST in due course.

Subject to the terms of the Scheme, Workspace reserves the right to issue the New Workspace Shares referred to above to all or any Scheme Shareholder(s) who hold McKay Shares in uncertificated form in the manner referred to in the section titled 'McKay Shares held in certificated form' if, for any reason, it wishes to do so.

McKay Shares held in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds McKay Shares in certificated form, the New Workspace Shares to which such Scheme Shareholder is entitled will be issued in certificated form.

Definitive certificates for New Workspace Shares will be despatched by first class post to the address appearing in McKay's register of members at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Definitive certificates will be despatched not later than the 14th day following the Effective Date (expected to be 20 May 2022).

McKay Share Plans

In the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, Workspace will issue, or procure the issue of, the New Workspace Shares due under the Scheme in respect of those Scheme Shares in certificated form.

Definitive certificates for New Workspace Shares will be despatched by first class post to the Company Secretary of McKay at McKay's registered office for onward transmission to such Scheme Shareholders. Definitive certificates will be despatched to the Company Secretary of McKay not later than the 14th day following the Effective Date (expected to be 20 May 2022).

Fractional entitlements

Fractions of New Workspace Shares will not be allotted or issued to Scheme Shareholders. Entitlements will be rounded down to the nearest whole number of New Workspace Shares and all fractions of New Workspace Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed by Workspace *pro rata* to Scheme Shareholders (or, in the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time only, to McKay on an aggregated basis for onward distribution *pro rata* to the relevant Scheme Shareholders) who would otherwise have been entitled to such fractions. Given the exchange ratio, Scheme Shareholders who hold fewer than nine Scheme Shares at the Scheme Record Time will not receive any Workspace Shares and will only receive cash.

General

All documents and remittances sent to McKay Shareholders will be sent at the risk of the person(s) entitled thereto.

On the Effective Date, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of McKay, delivered up to McKay, or to any person appointed by McKay to receive the same.

In relation to New Workspace Shares issued in certificated form, temporary documents of title will not be issued pending the despatch by post of definitive certificates for such New Workspace Shares as referred to in the section titled 'McKay Shares held in certificated form' above. Pending the issue of definitive certificates for such New Workspace Shares, former McKay Shareholders wishing to register transfers of such New Workspace Shares may certify their share transfer forms against the register of members of Workspace by contacting the Workspace registrar, Computershare Investor Services PLC. On the registration of any such transfers, the transferee will receive a Workspace share certificate.

Under the terms of the Scheme, all mandates relating to the payment of dividends and other instructions given to McKay by Scheme Shareholders in force at the Scheme Record Time relating to holdings of Scheme Shares will, unless and until amended or revoked, be deemed, as from the Effective Date, to be an effective mandate or instruction in respect of the corresponding New Workspace Shares to which that Scheme Shareholder is entitled.

Except with the consent of the Panel, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Workspace might otherwise be, or claim to be, entitled against such McKay Shareholder.

Dividends

Please refer to paragraph 3 of this Part II (*Explanatory Statement*) for further information on dividends.

18. United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document, which contain a summary of limited aspects of the UK tax treatment of the Scheme. These summaries relate only to the position of certain categories of McKay Shareholders (as explained further in Part VI (*United Kingdom Taxation*) and Part VII (*Additional Information for Overseas Shareholders*) of this Document), do not constitute tax advice and do not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your particular circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

19. Overseas holders

Overseas Shareholders should refer to Part VII (*Additional Information for Overseas Shareholders*) of this Document which contains important information relevant to such Overseas Shareholders.

20. Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. Further information regarding McKay and Workspace is set out in Part VIII (*Additional Information on McKay and Workspace*) of this Document. Documents published and available for inspection are listed in paragraph 19 of Part VIII (*Additional Information on McKay and Workspace*) of this Document.

21. Action to be taken

Sending Forms of Proxy by post

McKay Shareholders will receive a BLUE Form of Proxy for the Court Meeting and a YELLOW Form of Proxy for the General Meeting. Whether or not you intend to attend these Meetings, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them to Equiniti, the Company's Registrars, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting	11.30 a.m. on 25 April 2022
YELLOW Forms of Proxy for the General Meeting	11.45 a.m. on 25 April 2022

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hour period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

What if I miss the deadline mentioned above?

- (A) If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, in each case, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (B) However, if the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: www.sharevote.co.uk and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof.

What if I miss the deadline mentioned above?

- (A) In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (B) In the case of the General Meeting only, if the electronic proxy appointment is not received by this time, it will be invalid.

Electronic appointment of proxies through CREST

If you hold McKay Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. Please also refer to the accompanying notes to the notices of the Meetings set out in Part X (*Notice of Court Meeting*) and Part XI (*Notice of General Meeting*) of this Document. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the CREST Proxy Instruction must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

What if I miss the deadline mentioned above?

- (A) In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (B) In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or

sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

McKay may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Attendance at the Meetings

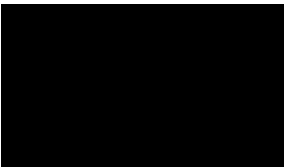
It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings (in person or by proxy), you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online via Equiniti's online facility or through the CREST electronic proxy appointment service, as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online, through CREST or via Equiniti's online facility) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Shareholder Helpline

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically or online, please contact the Company's Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours truly,



Alex Midgen
For and on behalf of
Rothschild & Co

PART III

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

Part 1: Conditions of 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, on or before the Long Stop Date.

Scheme Conditions

2. The Scheme will be conditional upon:
 - (a) its approval by a majority in number of the Scheme Shareholders (or relevant class or classes thereof) present and voting (and entitled to vote) at the Court Meeting and any separate class meeting which may be required by the Court, or at any adjournment of such meetings, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders (or relevant class or classes thereof);
 - (b) the Special Resolution being duly passed by the requisite majority or majorities of the McKay Shareholders at the General Meeting, or at any adjournment thereof;
 - (c) the Court Meeting and the General Meeting being held on or before the 22nd day after the expected date of such meetings as set out in this Document (or such later date (if any) as Workspace and McKay may agree (with the consent of the Panel) and the Court may approve, if such approval is required);
 - (d) the sanction of the Scheme by the Court (with or without modifications, but subject to any modifications being on terms acceptable to McKay and Workspace);
 - (e) the Court Sanction Hearing being held on or before the 22nd day after the expected date of the Court Sanction Hearing as set out in this Document (or such later date (if any) as Workspace and McKay may agree (with the consent of the Panel) and the Court may approve, if such approval is required); and
 - (f) a copy of the Court Order being delivered for registration to the Registrar of Companies.

General Conditions

3. Subject as stated in Part 2 below and to the requirements of the Panel, the Acquisition is also conditional on the following Conditions having been satisfied or, where applicable, waived and accordingly the necessary actions to make the Scheme Effective will not be taken unless such Conditions have been so satisfied or waived:

Admission of New Workspace Shares

- (a)
 - (i) the FCA having acknowledged to Workspace or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Workspace Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("**listing conditions**")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied; and
 - (ii) the London Stock Exchange having acknowledged to Workspace or its agent (and such acknowledgement not having been withdrawn) that the New Workspace Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities;

Official authorisations, regulatory clearances and third party clearances

- (b) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") of any termination right, right of pre-emption, first refusal or similar right (which is material in the context

of the Wider McKay Group taken as a whole) arising as a result of or in connection with the Acquisition including, without limitation, its implementation and financing or the proposed direct or indirect Acquisition of any shares or other securities in, or control or management of, McKay by Workspace or any member of the Wider Workspace Group;

- (c) (i) all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider Workspace Group of any shares or other securities in, or control of, McKay and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary by Workspace or any member of the Wider Workspace Group for or in respect of the Acquisition (including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, McKay or any member of the Wider McKay Group by any member of the Wider Workspace Group), in each case, having been obtained from all appropriate Third Parties or persons with whom any member of the Wider McKay Group has entered into contractual arrangements and in each case, where the consequence of a failure to make such filing or application, comply with such statutory or regulatory obligation or obtain such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals would be unlawful in any jurisdiction, and (ii) all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider McKay Group which is material in the context of the Workspace Group or the McKay Group as a whole or of the financing of the Acquisition remaining in full force and effect and all filings necessary for such purpose having been made and there being no written notice of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional;
- (d) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would reasonably be expected to:
- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Workspace Group or any member of the Wider McKay Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Workspace Group or the Wider McKay Group in either case taken as a whole;
 - (ii) require, prevent or delay the divestiture by any member of the Wider Workspace Group of any shares or other securities in McKay;
 - (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Workspace Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider McKay Group or the Wider Workspace Group or to exercise voting or management control over any such member;
 - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Workspace Group or of any member of the Wider McKay Group to an extent which is material in the context of the Wider Workspace Group or the Wider McKay Group in either case taken as a whole;
 - (v) make the Acquisition or its implementation or the Acquisition or proposed Acquisition by Workspace or any member of the Wider Workspace Group of any shares or other securities in, or control of McKay void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;
 - (vi) except pursuant to the implementation of the Acquisition and/or, if applicable, sections 974 to 991 of the Companies Act, require any member of the Wider Workspace Group or the Wider McKay

Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider McKay Group or the Wider Workspace Group owned by any third party;

- (vii) impose any limitation on the ability of any member of the Wider McKay Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider McKay Group taken as a whole or in the context of the Acquisition; or
- (viii) result in any member of the Wider McKay Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any McKay Shares having expired, lapsed or been terminated, in each case, where the consequence of a failure to wait for the expiry, lapse or termination of such waiting or time period would be unlawful in any jurisdiction;

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

- (e) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider McKay Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition or the proposed acquisition of any shares or other securities (or equivalent) in McKay or because of a change in the control or management of McKay or otherwise, could result in any of the following to an extent which is material and adverse in the context of the Wider McKay Group, or the Wider Workspace Group, in either case taken as a whole, or in the context of the Acquisition:
 - (i) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
 - (iv) other than liens arising in the ordinary course of business the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
 - (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected or any adverse action being taken or any onerous obligation or liability arising thereunder;
 - (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
 - (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider McKay Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

Certain events occurring since Last Accounts Date

- (f) save as Disclosed, no member of the Wider McKay Group having, since the Last Accounts Date:
- (i) save as between McKay and wholly-owned subsidiaries of McKay or for McKay Shares issued under or pursuant to the exercise of options and vesting of awards granted under the McKay Share Plans, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between McKay and wholly-owned subsidiaries of McKay or for the grant of options and awards and other rights under the McKay Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the McKay Group, prior to completion of the Acquisition, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
 - (iv) save for intra-McKay Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole;
 - (v) save for intra-McKay Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole;
 - (vi) issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-McKay Group transactions), save in the ordinary course of business, incurred or increased any material indebtedness or become subject to any material contingent liability;
 - (vii) 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 to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole (excluding, for the avoidance of doubt, any such actions taken in connection with McKay's share buyback programme announced on 8 March 2021, as extended);
 - (viii) save for intra-McKay Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
 - (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole;
 - (x) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or

had any such person appointed, in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole;

- (xi) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider McKay Group or the Wider Workspace Group other than of a nature and extent which is normal in the context of the business concerned;
- (xii) waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider McKay Group taken as a whole;
- (xiii) made any material alteration to its memorandum or articles of association or other incorporation documents (in each case, other than in connection with the Scheme or where any such alteration does not introduce unusual or onerous provisions which are material in the context of the Acquisition);
- (xiv) 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;
- (xv) entered into any contract, commitment, arrangement or agreement 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 any intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition;
- (xvi) (except in relation to changes made or agreed as a result of, or arising from, applicable law or changes to applicable law and/or pursuant to the terms of the Pension Trustee Letter) made or agreed or consented to any change to:
 - a) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider McKay Group for its directors, employees or their dependents, including the McKay DB Scheme;
 - b) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

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

- (xvii) except pursuant to the terms of the Cooperation Agreement proposed, agreed to provide or modified the terms of any of the McKay Share Plans or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider McKay Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider McKay Group, save as agreed by the Panel (if required) and by Workspace;
- (xviii) on or after the date of the Rule 2.7 Announcement, and other than with the consent of Workspace and (if required) the Panel, taken (or agreed or proposed to take) any action which requires, or would require the approval of McKay Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (xix) except pursuant to the terms of the Cooperation Agreement, entered into, or varied in a material way the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any members of the Wider McKay Group; or
- (xx) waived or compromised any claim which is material in the context of the Wider McKay Group taken as a whole, otherwise than in the ordinary course.

No adverse change, litigation or regulatory enquiry

(g) save as Disclosed, since the Last Accounts Date:

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

No discovery of certain matters

(h) save as Disclosed, Workspace not having discovered:

- (i) that any financial, business or other information concerning the Wider McKay Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider McKay Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of the Rule 2.7 Announcement by disclosure either publicly or otherwise to Workspace or its professional advisers, in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole;
- (ii) that any member of the Wider McKay Group or partnership, company or other entity in which any member of the Wider McKay Group has a significant economic interest and which is not a subsidiary undertaking of McKay, is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts for McKay for the financial year ended 31 March 2021, in each case, to the extent which is material in the context of the Wider McKay Group taken as a whole; or
- (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider McKay Group and which is material in the context of the Wider McKay Group taken as a whole;

- (i) save as Disclosed, Workspace not having discovered that:
- (i) any past or present member of the Wider McKay Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider McKay Group and which is material in the context of the Wider McKay Group taken as a whole;
 - (ii) there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider McKay Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider McKay Group (or on its behalf) or by any person for which a member of the Wider McKay Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider McKay Group taken as a whole or the Acquisition;
 - (iii) circumstances exist (whether as a result of the making of the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Workspace Group or any present or past member of the Wider McKay Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider McKay Group (or on its behalf) or by any person for which a member of the Wider McKay Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider McKay Group taken as a whole or the Acquisition; or
 - (iv) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider McKay Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider McKay Group and which is material in the context of the Wider McKay Group taken as a whole or the Acquisition; and

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

- (j) save as Disclosed, Workspace not having discovered that:
- (i) (A) any past or present member, director, officer or employee of the Wider McKay Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks or (B) any person that performs or has performed services for or on behalf of the Wider McKay Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
 - (ii) any asset of any member of the Wider McKay Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition)

- or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider McKay Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of the Wider McKay Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
 - b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; or
 - (iv) any past or present member, director, officer or employee of the Wider McKay Group, or any other person for whom any such person may be liable or responsible:
 - a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
 - (v) any member of the Wider McKay Group is or has been engaged in any transaction which would cause Workspace to be in breach of any law or regulation upon its Acquisition of McKay, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any other relevant government authority.

Part 2: Waiver and invocation of Conditions

1. The Acquisition will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), to the further terms set out in this Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), and to the full terms and conditions set out in this Document.
2. Subject to the requirements of the Panel, Workspace reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part 1 of Appendix 1 above, except for the Conditions set out at paragraphs 1, 2(a), 2(b), 2(d), 2(f) and 3(a), which cannot be waived. The deadlines in the Conditions set out at paragraphs 2(c) and 2(e) may also be extended to such later date as may be agreed in writing by Workspace and McKay (with the Panel's consent and approval of the Court, if required). If any of the Conditions set out at paragraphs 2(c) and 2(e) are not satisfied by the relevant deadline specified in the relevant Condition, Workspace shall make an announcement by 8.00 a.m. on the Business Day following

such deadline confirming whether, subject to paragraph 3 below, it has invoked the relevant Condition, waived the relevant deadline or agreed with McKay to extend the relevant deadline.

3. Workspace shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions set out in paragraphs 3 (b) to (j) (inclusive) by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Takeover Code, Workspace may only invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Workspace in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Workspace.
6. The Conditions set out in paragraphs 1, 2(a), 2(b), 2(c), 2(d), 2(e), 2(f) and 3(a) (and, if applicable, any offer acceptance condition adopted on the basis specified in paragraph 1 of Part 3 below if the Acquisition is implemented by way of a Takeover Offer) are not subject to Rule 13.5(a) of the Takeover Code.
7. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

Conditions 3 (b) to (j) (inclusive) must be fulfilled, be determined by Workspace to be or remain satisfied or (if capable of waiver) be waived by Workspace by 11.59 p.m. on the date immediately preceding the Court Sanction Hearing, failing which the Scheme shall lapse.

Part 3: Certain further terms of the Acquisition

1. Workspace reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent and the terms of the Cooperation Agreement. In such event, such Takeover Offer will (unless otherwise determined by Workspace and subject to the consent of the Panel) be implemented on the same terms and conditions as those which would apply to the Scheme subject to appropriate amendments to reflect the change in method of effecting the Acquisition, which may include (without limitation and subject to the consent of the Panel and subject and without prejudice to the terms of the Cooperation Agreement for so long as it is continuing) an acceptance condition that is set at 90 per cent. (or such lesser percentage, being more than 50 per cent., as Workspace may decide) of the voting rights attaching to McKay Shares, including, for this purpose, any such voting rights attaching to McKay Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.
2. If Workspace is required by the Panel to make an offer for McKay Shares under the provisions of Rule 9 of the Takeover Code, Workspace may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
3. The Scheme and the Acquisition and any dispute or claim arising out of, or in connection with, them (whether contractual or non-contractual in nature) will be governed by English law and will be subject to the jurisdiction of the Courts of England. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA and the Listing Rules.
4. The McKay Shares will be acquired under the Acquisition fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights attaching thereto, including the right to receive and retain all dividends and other distributions and returns of value declared, paid or made after the Effective Date. If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable by McKay in respect of a McKay Share on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, Workspace will have the right to reduce the value of the Consideration payable for each McKay Share by up to the amount per McKay Share of such dividend, distribution or return of value except where the McKay Share is or will be acquired pursuant to the

Scheme on a basis which entitles Workspace to receive the dividend, distribution or return of value and to retain it. If any such dividend or distribution or return of value is paid or made after the date of the Rule 2.7 Announcement and Workspace exercises its rights described above, any reference in the Rule 2.7 Announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Workspace 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.

5. The availability of the New Workspace Shares to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.
6. The New Workspace Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the issued ordinary shares in Workspace, including the right to receive in full all dividends and other distributions, if any, declared, made or paid after on or after the Effective Date.
7. Fractions of New Workspace Shares will not be allotted or issued to accepting McKay Shareholders. Fractional entitlements to New Workspace Shares will be aggregated and sold in the market and the net proceeds of sale distributed *pro rata* to the McKay Shareholders entitled thereto.

PART IV

THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2022-000399

IN THE MATTER OF MCKAY SECURITIES PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006
SCHEME OF ARRANGEMENT

(under Part 26 of the Companies Act 2006)

between

MCKAY SECURITIES PLC

and

THE HOLDERS OF THE SCHEME SHARES

(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“Acquisition”	the proposed acquisition by Workspace of the entire issued, and to be issued, share capital of McKay (other than McKay Shares already held by or on behalf of Workspace, if any) to be effected by means of the Scheme, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Business Day”	a day (other than a Saturday, Sunday or a public or bank holiday in England) on which banks are open for general business in London;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the Acquisition and to the implementation of this Scheme set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“Consideration”	the consideration payable to Scheme Shareholders pursuant to Clause 2 of this Scheme, comprising 209 pence in cash and 0.115 New Workspace Shares per Scheme Share (as the same may be reduced subject to, and in accordance with, Clause 2 of this Scheme);
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment, postponement or reconvening thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;

“Court Order”	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
“Court Sanction Date”	the date on which the Scheme is sanctioned by the Court;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), including as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) in respect of which Euroclear is the Operator (as defined in said Regulations);
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));
“DBSP”	the McKay Deferred Bonus Share Plan 2017, as amended from time to time;
“Document”	the circular to McKay Shareholders published by the Company on 29 March 2022 in connection with this Scheme;
“Effective Date”	the date on which this Scheme becomes effective in accordance with its terms;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	any McKay Shares which are: <ul style="list-style-type: none"> (i) registered in the name of or beneficially owned by Workspace and/or any member of the Workspace Group (and/or any nominee of the foregoing); or (ii) held in treasury, in each case, immediately prior to the Scheme Record Time;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Latest Practicable Date”	close of business on 28 March 2022, being the latest practicable date before publication of this Document;
“McKay” or “Company”	McKay Securities Plc, a company incorporated in England and Wales with registered number 00421479 and with its registered office at 20 Greyfriars Road, Reading, Berkshire RG1 1NL, United Kingdom;
“McKay Group”	McKay and its subsidiary undertakings;
“McKay Share Plans”	each of the PSP and DBSP (or both, as the context requires);
“McKay Shareholders”	holders of McKay Shares from time to time;
“McKay Shares”	ordinary shares of 20 pence each in the capital of McKay;
“New Workspace Shares”	the new ordinary shares of £1 each in the share capital of Workspace, to be allotted and issued pursuant to this Scheme or the Acquisition (as the context requires);
“Panel”	the Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;

“PSP”	the McKay Performance Share Plan 2017, as amended from time to time;
“Registrars” or “Equiniti”	Equiniti Limited;
“Rule 2.7 Announcement”	the announcement made by Workspace on 2 March 2022 of its firm intention to make an offer for McKay;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by McKay and Workspace;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately preceding the Effective Date (or such other date and/or time as Workspace and McKay may agree);
“Scheme Shareholders”	holders of Scheme Shares and a “Scheme Shareholder” shall mean any one of those Scheme Shareholders;
“Scheme Shares”	the McKay Shares: <ul style="list-style-type: none"> (i) in issue at the date of publication of this Scheme; (ii) (if any) issued after the date of publication of this Scheme and prior to the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by this Scheme, <p>in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p>
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers, as amended from time to time;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“Voting Record Time”	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting;
“Workspace”	Workspace Group PLC, a company incorporated in England and Wales with company number 02041612 and with its registered office address at Canterbury Court Kennington Park, 1-3 Brixton Road, London SW9 6DE, England;
“Workspace Group”	Workspace and its subsidiaries and subsidiary undertakings from time to time; and
“Workspace Shares”	ordinary shares of £1 each in the capital of Workspace.
(B)	In this Scheme: (i) all references to times of day are to London time; (ii) all references to “£” , “GBP” , “Pounds Sterling” , “pence” and “p” are to the lawful currency of the United Kingdom; and (iii) all references to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.

- (C) As at the Latest Practicable Date, the issued share capital of the Company was £18,017,862.60 divided into 90,089,313 ordinary shares of 20 pence each, all of which are credited as fully paid up. As at the Latest Practicable Date no shares were held in treasury.
- (D) As at the Latest Practicable Date, 1,328,950 McKay Shares may be issued on or after the date of this Document to satisfy the exercise of options or vesting of awards pursuant to the McKay Share Plans.
- (E) Workspace was incorporated on 29 July 1986 under the laws of England and Wales with registered number 02041612. As at the Latest Practicable Date, the issued share capital of Workspace was £181,125,259 divided into 181,125,259 ordinary shares of £1 each, all of which are credited as fully paid up. As at the Latest Practicable Date no shares were held in treasury.
- (F) As at the Latest Practicable Date, none of: (i) Workspace nor any member of the Workspace Group; nor (ii) as far as Workspace is aware, any person acting in concert (within the meaning of the Takeover Code) with Workspace, is the registered holder of, or has any beneficial shareholding in, McKay Shares.
- (G) Workspace has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions (other than Conditions 2(d), 2(f) and 3(a) set out in this Document), to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Workspace and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Workspace shall acquire all the Scheme Shares fully paid up, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever, and together with all rights or interests of any nature at the Effective Date or thereafter attached thereto, including voting rights and the right to receive and retain all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, authorised, declared, made or paid in respect of the Scheme Shares by reference to a record date falling on or after the Effective Date.
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Workspace and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer, or by means of CREST, and to give effect to such transfer(s) any person may be appointed by Workspace as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instruction to transfer or procure the transfer by means of CREST, such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be as effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- (C) With effect from the Effective Date and pending the transfer of the Scheme Shares pursuant to sub-clause 1(A) and sub-clause 1(B) of this Scheme and the updating of the register of members of the Company to reflect such transfer, each Scheme Shareholder irrevocably:
 - (i) appoints Workspace (and/or its nominee(s)) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of the Company or of any class of its shareholders) attaching to its Scheme Shares;
 - (ii) appoints Workspace (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and to do such things, as may in the opinion of Workspace and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of McKay as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme

Shares appointing any person nominated by Workspace and/or any one or more of its directors or agents to attend any general and separate class meetings of McKay (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and

- (iii) authorises McKay and/or its agents to send to Workspace (and/or its nominee(s)) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of McKay in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Workspace.

2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Workspace pursuant to Clause 1 of this Scheme, Workspace shall, subject as hereinafter provided (and in particular subject to Clause 6 and Clause 7), pay or procure that there shall be paid (in respect of the cash component of the Consideration), and allot and issue or procure the allotment and issuance (in respect of the share component of the Consideration), in each case, to or for the account of each Scheme Shareholder (as appearing on the register of members of McKay at the Scheme Record Time):

for each Scheme Share: 209 pence in cash;
and
0.115 New Workspace Shares.

- (B) If any dividend, distribution and/or other return of capital is announced, declared, made or paid in respect of a Scheme Share on or after the date of the Rule 2.7 Announcement and prior to the Effective Date, Workspace shall be entitled to reduce the amount of Consideration payable in respect of each Scheme Share by the amount of all or part of any such dividend, distribution or return of capital (calculated, for the avoidance of doubt, on a per Scheme Share basis).
- (C) Subject always to sub-clause 2(D) of this Scheme, if Workspace exercises the right referred to in sub-clause 2(B) of this Scheme to reduce the Consideration payable for each Scheme Share by all or part of the amount of dividend and/or other distribution and/or other return of capital that has not been paid but is payable by reference to a record date prior to the Effective Date:
 - (i) holders of McKay Shares appearing on the register of members at the relevant record time as determined by the directors of the Company will be entitled to receive and retain that dividend (and/or other distribution and/or other return of capital) in respect of the McKay Shares they held at such record time;
 - (ii) any reference in this Scheme and the Document to the Consideration payable under the Scheme shall be deemed to be a reference to the Consideration as so reduced; and
 - (iii) the exercise of such rights shall not be regarded as constituting any revision or modification of the terms of this Scheme.
- (D) To the extent that any such dividend, distribution and/or other return of capital is announced, declared, made or is payable and it is: (i) transferred pursuant to the Acquisition on a basis which entitles Workspace (and/or its nominee(s)) to receive the dividend and/or distribution and/or other return of capital and to retain it; or (ii) cancelled, the Consideration payable under the terms of this Scheme will not be subject to change in accordance with Clause 2 of this Scheme.

3. Certificates in respect of Scheme Shares and cancellation of CREST entitlements

With effect from, or as soon as reasonably practicable after, the Effective Date:

- (A) Scheme Shareholders shall, in accordance with this Scheme, cease to have any rights with respect to the Scheme Shares, except the right to receive the Consideration determined as set out in Clauses 2, 4 and 5 of this Scheme;

- (B) all certificates representing Scheme Shares shall cease to be valid as documents of title to the shares represented thereby and every holder of Scheme Shares shall be bound at the request of McKay to deliver the same to McKay (or any person appointed by McKay to receive such certificates), or, as McKay may direct, to destroy the same;
- (C) McKay shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (D) following cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Equiniti (in its capacity as McKay's duly appointed Registrars) shall (if necessary) be authorised to rematerialise entitlements to such Scheme Shares; and
- (E) on or as soon as reasonably practicable after the Effective Date, and subject to the completion of such forms of transfer or other instruments or instructions of transfer as may be required in accordance with Clause 1 of this Scheme and the payment of any UK stamp duty thereon, McKay shall make or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Workspace pursuant to Clause 1 of this Scheme.

4. Allotment and issue of New Workspace Shares

- (A) The New Workspace Shares to be issued pursuant to Clause 2 of this Scheme will be issued credited as fully paid and shall rank *pari passu* in all respects with all other Workspace Shares in issue at the time the New Workspace Shares are issued pursuant to the Acquisition, including the right to receive and retain in full all dividends and other distributions, if any, announced, declared, made or paid by reference to a record date falling on or after the Effective Date.
- (B) Immediately after the Scheme becomes effective, Workspace shall make all such allotments of and shall issue such New Workspace Shares as are required to be issued to give effect to this Scheme to the persons respectively entitled thereto, such consideration to be settled as set out in Clause 5 of this Scheme, but subject to Clause 6 and Clause 7 of this Scheme.

5. Settlement of consideration

- (A) Settlement of any cash consideration to which a Scheme Shareholder is entitled shall be effected as follows:
 - (i) subject to sub-clause 5(A)(iii), in the case of Scheme Shares held in certificated form at the Scheme Record Time, Workspace shall despatch, or procure the despatch, to the relevant Scheme Shareholder (or to those persons as the Scheme Shareholder may direct) of cheques for the sums payable to the Scheme Shareholder in accordance with Clause 2 of this Scheme;
 - (ii) in the case of Scheme Shares held in uncertificated form at the Scheme Record Time, Workspace shall instruct, or procure the instruction of, Euroclear to create an assured payment obligation in favour of the Scheme Shareholder's payment bank in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Workspace reserves the right to make payment of the said Consideration by cheque as aforesaid in sub-clause 5(A)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 5(A)(ii); and
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, the sums payable in respect of those Scheme Shares shall be settled by Workspace procuring that the cash component of the Consideration due in respect of such Scheme Shares is paid to McKay within the specified time period, for McKay (or the relevant McKay Group employer) to pay the cash component of the Consideration to the relevant Scheme Shareholders through payroll, subject to the deduction of the applicable exercise price (if any), income taxes and social security contributions.

Payments shall be made, and cheques shall be despatched, as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date. For the avoidance of doubt, the payment of the cash component of the Consideration by McKay through payroll to the relevant Scheme Shareholders pursuant to sub-clause 5(A)(iii) shall be effected reasonably promptly (but is not required to be effected within 14 days of the Effective Date).

- (B) Subject to Clause 6 and Clause 7, settlement of the New Workspace Shares to which a Scheme Shareholder is entitled shall be effected as follows:
- (i) subject to sub-clause 5(B)(iii), in respect of a holding of Scheme Shares in certificated form at the Scheme Record Time, the New Workspace Shares to which the Scheme Shareholder is entitled shall be issued in certificated form and a share certificate (representing definitive title) for those New Workspace Shares shall be issued and despatched to such Scheme Shareholders;
 - (ii) in respect of a holding of the Scheme Shares in uncertificated form at the Scheme Record Time, the New Workspace Shares to which the Scheme Shareholder is entitled shall be issued in uncertificated form. Workspace shall instruct, or procure the instruction of, Euroclear to credit the appropriate stock account in CREST of the Scheme Shareholder with such Scheme Shareholder's entitlement to New Workspace Shares. Workspace reserves the right to settle all or any part of the said Consideration referred to in this sub-clause 5(B)(ii) for all or any Scheme Shareholders in the manner referred to in sub-clause 5(B)(i) of this Scheme if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this sub-clause 5(B)(ii); and
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, the New Workspace Shares to which the Scheme Shareholder is entitled shall be issued in certificated form and a share certificate for those New Workspace Shares (representing definitive title) shall be issued and despatched to the Company Secretary of McKay within the specified time period (for onward distribution to such Scheme Shareholders).

Settlement shall take place, by means of issuance of New Workspace Shares, crediting of CREST accounts and/or issuance of share certificates, as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date. For the avoidance of doubt, the onward distribution of share certificates by the Company Secretary of McKay to the relevant Scheme Shareholders in respect of their New Workspace Shares pursuant to sub-clause 5(B)(iii) shall be effected reasonably promptly (but is not required to be effected within 14 days of the Effective Date).

- (C) With effect from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (D) Prior to the issue of new share certificates in respect of New Workspace Shares to Scheme Shareholders pursuant to sub-clause 5(B)(i) and sub-clause 5(B)(iii), transfers of the New Workspace Shares issued to them pursuant to this Scheme shall be certified against the register of members of Workspace.
- (E) All deliveries of notices, documents of title, cheques, certificates or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective registered addresses as appearing in the register of members of McKay at the Scheme Record Time or, in the case of joint holders, at the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time.
- (F) All cheques shall be in Pounds Sterling and drawn on a United Kingdom clearing bank and (subject to sub-clause 5(A)(iii)) shall be made payable to the Scheme Shareholder concerned (or, in the case of Scheme Shareholders holding jointly, to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding of Scheme Shares at the Scheme Record Time). The encashment of any such cheque or the creation of any assured payment obligation through CREST or otherwise, each in connection with this Scheme, shall be a complete discharge of Workspace's obligations (and those of Workspace's respective agents or nominees) under this Scheme to pay the monies represented thereby.
- (G) If any Scheme Shareholders have not encashed the cheques within six months of the Effective Date, Workspace and the Company shall procure that the cash consideration due to such Scheme Shareholders under this Scheme shall be held on trust for such Scheme Shareholders for a period of 12 years from the Effective Date, and such Scheme Shareholders may claim the Consideration due to them (plus any interest accrued thereon, but net of any expenses and taxes) by written notice to the Company in a form which the Company determines evidences their entitlement to such Consideration at any time during the period of 12 years from the Effective Date, and Workspace undertakes that neither it nor its nominee(s) will seek, require or accept repayment of the monies so held on trust for the purposes detailed above prior to the

first Business Day after the twelfth anniversary of the Effective Date or otherwise with the permission of the Court.

- (H) None of McKay, Workspace or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques or statements of entitlement sent in accordance with this Clause 5, which shall be sent at the risk of the person or persons entitled thereto.
- (I) The preceding sub-clauses of this Clause 5 shall take effect subject to any prohibition or condition imposed by law.

6. Overseas Shareholders

- (A) The provisions of Clause 5 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom, Workspace reasonably believes or is advised that the allotment and/or issue of New Workspace Shares pursuant to Clause 5 of this Scheme would or might infringe the laws of such jurisdiction or would require Workspace to observe any governmental or other consent or any registration, filing or other formality, with which Workspace is unable to comply or which Workspace regards as unduly onerous to comply with, Workspace may, in its sole discretion, either:
 - (i) determine that the New Workspace Shares shall not be allotted and/or issued to such holder under Clause 5 of this Scheme but shall instead be allotted and issued to a nominee appointed by Workspace as trustee for such holder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New Workspace Shares so allotted and issued at the best price which can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) by sending a cheque or creating an assured payment obligation in accordance with the provisions of sub-clauses 6(B) or 6(C) of this Scheme (as applicable). In the absence of bad faith or wilful default, none of McKay, Workspace or the nominee shall have any liability for any loss or damage arising as a result of the timing or terms of such sale; or
 - (ii) determine that the New Workspace Shares shall be sold, in which event the New Workspace Shares shall be allotted and/or issued to such holder and Workspace shall appoint a person to act pursuant to this sub-clause 6(A)(ii) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Workspace has made such determination shall as soon as practicable following the Effective Date be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions, including any amounts in respect of value added tax payable thereon) shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of sub-clauses 6(B) or 6(C) of this Scheme (as applicable). To give effect to any such sale, the person so appointed shall be authorised on behalf of such holder to execute and deliver a form of transfer and to give such instructions and to do all other things which he may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of McKay, Workspace or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.
- (B) In the case of Scheme Shares to be sold in accordance with sub-clause 6(A) of this Scheme which are in uncertificated form at the Scheme Record Time, Workspace shall on behalf of the nominee or person appointed pursuant to sub-clause 6(A) of this Scheme make any cash payment pursuant to sub-clause 6(A) of this Scheme by instructing Euroclear, or procuring that Euroclear is instructed, to create an assured payment obligation in favour of the payment bank of the Scheme Shareholders of such Scheme Shares in accordance with the CREST assured payment arrangements (as set out in the CREST Manual) provided that Workspace may (if, for reasons outside its control, it is not able to effect settlement in accordance with this sub-clause 6(B)) determine that all or part of such consideration shall be paid by cheque in Pounds Sterling drawn on a UK clearing bank, in which case sub-clause 6(C) of this Scheme shall apply, to the extent appropriate.
- (C) In the case of Scheme Shares to be sold in accordance with sub-clause 6(A) of this Scheme which are in certificated form at the Scheme Record Time, Workspace shall on behalf of the nominee or person appointed pursuant to sub-clause 6(A) of this Scheme make any cash payment pursuant to sub-clause 6(A) of this Scheme by despatching, or procuring the despatch, to the Scheme Shareholder, or as the Scheme

Shareholder may direct, cheques in Pounds Sterling drawn on a UK clearing bank by post no later than 14 days after the Effective Date.

7. Fractional entitlements

- (A) Fractions of New Workspace Shares will not be allotted or issued to Scheme Shareholders. Entitlements will be rounded down to the nearest whole number of New Workspace Shares and all fractions of New Workspace Shares will be aggregated and sold in the market as soon as practicable after the Effective Date. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed by Workspace *pro rata* to Scheme Shareholders (or, in the case of Scheme Shares issued or transferred pursuant to the McKay Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time only, to McKay on an aggregated basis for onward distribution *pro rata* to the relevant Scheme Shareholders) who would otherwise have been entitled to such fractions. For the avoidance of doubt, the operation of this provision may result in certain Scheme Shareholders (being, in light of the exchange ratio, those Scheme Shareholders who hold fewer than nine Scheme Shares at the Scheme Record Time) receiving their *pro rata* entitlement to the Consideration pursuant to the Scheme entirely in cash.
- (B) Payment of any amounts to which a Scheme Shareholder is entitled under sub-clause 7(A) will be made in accordance with sub-clause 5(A)(i) or sub-clause 5(A)(ii), as appropriate.

8. Mandates

All mandates relating to the payment of dividends and other instructions given to McKay by Scheme Shareholders in force at the Scheme Record Time relating to holdings of Scheme Shares will, unless and until amended or revoked, be deemed, as from the Effective Date, to be an effective mandate or instruction in respect of the corresponding New Workspace Shares to which that Scheme Shareholder is entitled.

9. Operation of this Scheme

- (A) This Scheme shall become effective as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- (B) Unless this Scheme has become effective on or before 2 October 2022, or such later date, if any, as may be agreed in writing by Workspace and McKay (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)), this Scheme shall never become effective.

10. Modification

McKay and Workspace may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code.

11. Governing law

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Takeover Code apply to this Scheme on the basis provided in the Takeover Code.

Dated 29 March 2022

PART V

FINANCIAL AND RATINGS INFORMATION

1. Financial information relating to McKay

The following sets out financial information in respect of McKay as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code:

- the audited accounts of McKay for the financial year ended 31 March 2020 as set out on pages 76 to 112 (both inclusive) of the 2020 McKay Annual Report available from McKay's website at <https://www.mckaysecurities.plc.uk/investor-relations/annual-reports/>;
- the audited accounts of McKay for the financial year ended 31 March 2021 as set out on pages 89 to 125 (both inclusive) of the 2021 McKay Annual Report available from McKay's website at <https://www.mckaysecurities.plc.uk/investor-relations/annual-reports/>; and
- the unaudited interim accounts of McKay for the financial half year ended 30 September 2021 as set out on pages 11 to 20 (both inclusive) of the 2021 McKay Interim Results available from McKay's website at <https://www.mckaysecurities.plc.uk/investor-relations/annual-reports/>.

2. McKay ratings information

There are no current ratings or outlooks publicly accorded to McKay by any ratings agencies.

3. Financial Information relating to Workspace

The following sets out financial information in respect of Workspace as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code:

- the audited accounts of Workspace for the financial year ended 31 March 2020 as set out on pages 176 to 213 (both inclusive) of the 2020 Workspace Annual Report available from Workspace's website at [https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations](https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations;);
- the audited accounts of Workspace for the financial year ended 31 March 2021 as set out on pages 210 to 240 (both inclusive) of the 2021 Workspace Annual Report available from Workspace's website at [https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations](https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations;); and
- the unaudited interim accounts of Workspace for the financial half year ended 30 September 2021 as set out on pages 13 to 31 (both inclusive) of the 2021 Workspace Interim Results available from Workspace's website at <https://www.workspace.co.uk/investors/investor-centre/results-reports-presentations>.

4. Third Quarter Business Update for the period ending 31 December 2021

On 20 January 2022, Workspace announced the following business update for the third quarter ending 31 December 2021:

"HIGHLIGHTS

- *Customer demand has remained strong, with an average in the quarter of 831 enquiries per month (Q3 2020/21: 672) and 117 lettings per month (Q3 2020/21: 109)*
- *Like-for-like occupancy continues to improve, up 1.0% in the quarter to 86.6%*
- *Like-for-like rent per sq. ft. up 1.2% in the quarter to £35.92*
- *Like-for-like rent roll up 2.3% in the quarter, to £89.3m, with total rent roll up £5.1m to £107.2m*
- *Acquisition of The Busworks in Islington for £45m in November 2021*

- Bank facilities refinanced with £200m sustainability-linked revolving credit facility
- Pro forma LTV at 25% at 31 December 2021, based on the September 2021 valuation
- £225m of cash and available facilities provides financial flexibility to continue to invest in the project pipeline and acquisition opportunities

Graham Clemett, Chief Executive Officer, Workspace Group PLC, commented:

“It has been a good quarter, with continued positive momentum in occupancy and pricing. We are seeing strong demand for our space, with good levels of enquiries, viewings and lettings despite the renewed work from home guidance issued by the Government in December. Our performance in the third quarter and early signs of trading in the fourth show that SMEs are looking through the current short-term uncertainty to choose the right space for their business longer-term. They are looking for flexible terms and attractive, sustainable office space in well-connected locations and Workspace is ideally placed to continue to capture this demand.”

Customer Activity

We have seen good levels of demand in the third quarter, with a monthly average of 831 enquiries and a good conversion to viewings and subsequent lettings. This has continued in the fourth quarter, with 487 enquiries and 248 viewings in the first two weeks of January.

	Monthly Average		Monthly Activity		
	Q3 2021/22	Q3 2020/21	31 Dec 2021	30 Nov 2021	31 Oct 2021
Enquiries	831	672	590	948	955
Viewings	513	322	302	642	594
Lettings	117	109	101	116	135

Utilisation of business centres by our customers fell back following the work from home guidance issued by the Government in December but has picked up in the first two weeks of January and is currently running at 43% of pre-Covid levels. This compares to 55% of pre-Covid levels reached in November 2021.

Like-for-like occupancy has continued to improve in the third quarter, up 1.0% to 86.6%, reflecting demand from both new customers and existing customer expansions.

Having seen pricing stabilise during the first half, like-for-like rent per sq. ft. increased by 1.2% in the third quarter to £35.92.

	Quarter Ended		
	31 Dec 21	30 Sep 21	30 Jun 21
Like-for-like occupancy	86.6%	85.6%	82.9%
Like-for-like occupancy change*	1.0%	2.7%	1.0%
Like-for-like rent per sq. ft.	£35.92	£35.50	£35.41
Like-for-like rent per sq. ft. change	1.2%	0.3%	(2.3)%
Like-for-like rent roll	£89.3m	£87.3m	£84.6m
Like-for-like rent roll change	2.3%	3.2%	(1.1)%

*Absolute change

The combined impact of the growth in like-for-like occupancy and rise in rent per sq. ft. in the quarter resulted in a 2.3% increase in like-for-like rent roll, to £89.3m. Total rent roll increased by 5.0% in the third quarter to £107.2m. This included rent of £1.4m from the acquisition of The Busworks, Islington, in November 2021.

Rent Collection

Rent collection remains robust, despite the continued Government restrictions on rent collection measures. The majority of our customers pay monthly and we have, as of 18 January 2022, collected 96% of rent due for the third quarter taking the collection rate for the first three quarters of the year to 97%.

Acquisitions

In November 2021, we acquired The Busworks, in Islington, for £45m. This off-market acquisition was funded from existing facilities. The property provides 104,000 sq. ft. of net lettable space across two conjoined warehouse buildings on 1.6 acres and has significant potential to be sustainably upgraded and repositioned.

Financing

In December 2021, we agreed a new £200m sustainability-linked revolving credit facility (“RCF”) with an enlarged syndicate including two additional banks. The facility has an initial term of three years, with the potential to extend by a further two years and to increase the facility amount to a maximum of £300m, subject to lender consent.

The RCF replaces the Group’s previous revolving credit facility and extends the average maturity of the Group’s debt facilities to 5.2 years. Pricing for the new facility is in line with the previous facility, with a margin of 1.65% over SONIA, but also includes a margin adjustment depending on performance against a number of ESG-related metrics.

Net debt increased by £43m in the quarter to £575m, with cash and undrawn facilities of £225m as at 31 December 2021 and LTV at 25% on a proforma basis, based on the 30 September 2021 property valuation.”

5. Workspace ratings information

The current long term credit rating publicly accorded to Workspace by Standard & Poor’s is BBB.

6. No incorporation of website information

Save as expressly referred to herein, neither the content of McKay or Workspace’s websites, nor the content of any website accessible from hyperlinks on McKay or Workspace’s websites is incorporated into, or forms part of, this Document.

PART VI

UNITED KINGDOM TAXATION

The comments set out below summarise certain limited aspects of the UK tax treatment of certain McKay Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and current published HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect.

The comments are intended as a general guide and do not deal with certain types of McKay Shareholder such as charities, trustees, persons carrying on certain financial activities (including market makers, brokers, dealers in securities, intermediaries and persons connected with depository arrangements or clearance services), persons who have or could be treated for tax purposes as having acquired their McKay Shares by reason of their employment or as carried interest, persons connected with McKay, collective investment schemes, persons subject to UK tax on the remittance basis or insurance companies.

References below to “**UK Holders**” are to McKay Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes in, and only in, the United Kingdom (and to whom split-year treatment does not apply), who hold their McKay Shares as an investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their McKay Shares.

Overseas holders of McKay Shares are referred to Part VII (*Additional Information for Overseas Shareholders*) of this Document, which summarises certain UK tax consequences of the Scheme for such holders.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISOR IMMEDIATELY.

UK taxation of chargeable gains

The tax treatment of each UK Holder under the Scheme for the purposes of the UK taxation of chargeable gains will depend on the individual circumstances of that UK Holder and on the form of consideration received.

A UK Holder’s base cost in their McKay Shares should be apportioned between the two components of the Consideration received by that UK Holder by reference to the respective market values of the New Workspace Shares and cash received by that UK Holder under the Scheme as at the Effective Date.

To the extent that a UK Holder receives New Workspace Shares in exchange for their McKay Shares and that UK Holder does not hold (either alone or together with persons connected with them) more than 5 per cent. of, or of any class of, shares in McKay, that UK Holder will not be treated as having made a disposal of McKay Shares. Instead, the New Workspace Shares should be treated as the same asset as those McKay Shares, and as acquired at the same time and for the same consideration as those shares.

UK Holders who, alone or together with connected persons, hold more than 5 per cent. of, or of any class of, shares in McKay may be eligible for the treatment described in the preceding paragraph only if the transaction is effected for *bona fide* commercial reasons and not for tax avoidance purposes, pursuant to section 137 of the Taxation of Chargeable Gains Act 1992 (“**TCGA**”). Such UK Holders are advised that a clearance has been sought from HMRC under section 138 of the TCGA that section 137 will not apply to prevent the treatment described in the preceding paragraph, and HMRC’s response is awaited.

To the extent a UK Holder receives cash from Workspace in respect of that UK Holder’s McKay Shares, that UK Holder will be treated as making a part disposal of their McKay Shares for the purposes of CGT or UK corporation tax on chargeable gains (as applicable) and therefore may, depending on the UK Holder’s particular circumstances (including the UK Holder’s base cost in their McKay Shares and the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

Individual McKay Shareholders

Subject to available reliefs or allowances, chargeable gains arising on a disposal of McKay Shares by an individual UK Holder will be subject to CGT (at the rate of 10 per cent. for the 2022/2023 tax year) except to the extent that

the gain, when added to that individual UK Holder's other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band (£37,700 for the 2022/2023 tax year), in which case it will be taxed at the rate of 20 per cent..

No indexation allowance will be available to an individual McKay Shareholder in respect of any disposal of McKay Shares. The CGT annual exempt amount may, however, be available to individual UK Holders to offset against chargeable gains realised on the disposal of their McKay Shares.

Corporate McKay Shareholders

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of McKay Shares by a UK Holder within the charge to UK corporation tax will be subject to UK corporation tax on chargeable gains.

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding, or any other, exemption in respect of their McKay Shares), indexation allowance may be available where the McKay Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the McKay Shares up to and including 31 December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their McKay Shares under the Scheme in return for cash.

The substantial shareholding exemption may apply to exempt from UK corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate UK Holder (together with certain associated companies) is regarded for the purposes of this exemption as having held not less than 10 per cent. of the ordinary issued share capital of McKay for a continuous period of at least 12 months beginning not more than six years prior to the date of disposal.

UK stamp duty and SDRT

No UK stamp duty or SDRT should generally be payable by McKay Shareholders on the transfer of their McKay Shares or on the issue of New Workspace Shares, in each case pursuant to the Scheme.

PART VII

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. General

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

The availability of the Acquisition to McKay Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the United Kingdom into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this Document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their McKay 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.

Unless otherwise determined by Workspace 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 a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. Doing so may render invalid any purported vote in respect of the Acquisition.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME.

2. US McKay Shareholders

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. US McKay Shareholders should note that the Scheme relates to the shares of an English company and will be governed by English law. Neither the US proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules.

Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK and may not be comparable to financial information of US companies or companies whose

financial statements are prepared in accordance with generally accepted accounting principles in the US. If Workspace were to elect (with the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Takeover Offer and determines to extend the offer into the United States, such Takeover Offer would be made in compliance with all applicable United States laws and regulations. Such a Takeover Offer would be made in the United States by Workspace and no one else.

Neither this Document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in relation to the Acquisition or the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this Document. Any representation to the contrary is a criminal offence in the US.

In accordance with the Takeover Code and normal UK practice, and pursuant to the US Exchange Act (were the Acquisition to be implemented by way of a Takeover Offer), (a) Workspace 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 McKay outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn; and (b) Stifel and its affiliates will continue to act as exempt principal traders in McKay securities on the London Stock Exchange. If purchases or arrangements to purchase were to be made as contemplated by clause (a) of this paragraph, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices, and any information about such purchases or arrangements to purchase would be disclosed as required in the UK, would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com. Purchases contemplated by clause (b) of this paragraph that are required to be made public in the United Kingdom pursuant to the Takeover Code would be reported to a Regulatory Information Service and would be available on the London Stock Exchange website at www.londonstockexchange.com. Information would also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

The receipt of cash and shares by a US McKay Shareholder as consideration for the transfer of its McKay Shares pursuant to the Acquisition will likely be a taxable transaction for United States federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US McKay Shareholder is urged to consult their independent professional tax 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.

McKay and Workspace are each organised under the laws of England. Some or all of the officers and directors of McKay and Workspace are residents of countries other than the United States. It may not be possible to sue McKay or Workspace or their respective directors or officers in a non-US court for violations of US securities laws. It may be difficult to compel McKay, Workspace and/or their respective affiliates, directors and officers to subject themselves to the jurisdiction and judgment of a US court.

3. UK taxation of certain Overseas Shareholders

Non-UK Holders should not be subject to UK taxation of chargeable gains in respect of the Scheme; however they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK Holders on the transfer of their McKay Shares under the Scheme.

References above to “**Non-UK Holders**” are to McKay Shareholders who are not resident for tax purposes in the UK, have not within the past five years been resident or ordinarily resident for tax purposes in the UK and are not carrying on a trade (or profession or vocation) in the UK.

PART VIII

ADDITIONAL INFORMATION ON MCKAY AND WORKSPACE

1. Responsibility

- 1.1 The McKay Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Document (including expressions of opinion), other than information for which responsibility is taken by the Workspace Directors pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the McKay Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Workspace Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Workspace, the Workspace Group, the Workspace Directors and their respective close relatives, related trusts of and persons connected with the Workspace Directors, and persons acting in concert with Workspace (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the Workspace Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The McKay Directors and their respective positions are:

Richard Grainger	<i>Chair</i>
Simon Perkins	<i>Chief Executive Officer</i>
Giles Salmon	<i>Chief Financial Officer</i>
Thomas Elliott	<i>Property Director and Head of Sustainability</i>
Jonathan Austen	<i>Senior Independent Non-Executive Director</i>
Helen Sachdev	<i>Independent Non-Executive Director</i>
Jeremy Bates	<i>Independent Non-Executive Director</i>
Nicholas Shepherd	<i>Independent Non-Executive Director</i>

The business address of McKay and each of the McKay Directors is 20 Greyfriars Road, Reading, Berkshire RG1 1NL, United Kingdom.

The Company Secretary of McKay is Joanne McKeown.

- 2.2 The Workspace Directors and their respective positions are as follows:

Stephen Hubbard	<i>Chairman</i>
Graham Clemett	<i>Chief Executive Officer</i>
David Benson	<i>Chief Financial Officer</i>
Rosemary Shapland	<i>Senior Independent Non-Executive Director</i>
Lesley-Ann Nash	<i>Independent Non-Executive Director</i>
Damon Russell	<i>Independent Non-Executive Director</i>
Duncan Owen	<i>Independent Non-Executive Director</i>
Manju Malhotra	<i>Independent Non-Executive Director</i>
Nicholas Mackenzie	<i>Independent Non-Executive Director</i>

The business address of Workspace and each of the Workspace Directors is Canterbury Court Kennington Park, 1-3 Brixton Road, London SW9 6DE, England.

The Company Secretary of Workspace is Carmelina Carfora.

3. Interests and dealings in McKay Shares

3.1 For the purposes of this paragraph 3, and paragraphs 4 and 5 of this Part VIII (*Additional Information on McKay and Workspace*):

- (A) “**acting in concert**” has the meaning given to it in the Takeover Code;
- (B) “**arrangement**” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) “**dealing**” has the meaning given to it in the Takeover Code;
- (D) “**derivative**” has the meaning given to it in the Takeover Code;
- (E) “**interest(s)**” in relevant securities has the meaning given to it in the Takeover Code;
- (F) “**relevant McKay securities**” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of McKay including equity share capital of McKay (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (G) “**relevant Workspace securities**” mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Workspace including equity share capital in Workspace (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (H) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 As at the Latest Practicable Date, the McKay Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant McKay securities (in addition to those described in paragraph 3.3 below in relation to the McKay Share Plans):

Holder	Number of McKay Shares	% of McKay's total issued share capital	Nature of interest
Richard Grainger	57,638	0.06	Ordinary shares of 20 pence each
Simon Perkins	55,245	0.06	Ordinary shares of 20 pence each
Giles Salmon	103,702	0.12	Ordinary shares of 20 pence each
Thomas Elliott	33,030	0.04	Ordinary shares of 20 pence each
Jonathan Austen	25,350	0.03	Ordinary shares of 20 pence each
Helen Sachdev	0	0.00	Ordinary shares of 20 pence each
Jeremy Bates	0	0.00	Ordinary shares of 20 pence each
Nicholas Shepherd	23,315	0.03	Ordinary shares of 20 pence each
Josh Perkins	12,371	0.01	Ordinary shares of 20 pence each
Jemma Perkins	270,204	0.30	Ordinary shares of 20 pence each
Luke Perkins	15,546	0.02	Ordinary shares of 20 pence each

Holder	Number of McKay Shares	% of McKay's total issued share capital	Nature of interest
Anna Perkins	15,025	0.02	Ordinary shares of 20 pence each
NEP 1986 Trust*	8,065	0.01	Ordinary shares of 20 pence each
Christopher Leslie Perkins	5,602	0.01	Ordinary shares of 20 pence each
Sonya Salmon	73,043	0.08	Ordinary shares of 20 pence each
Charlotte Elliott	24,253	0.03	Ordinary shares of 20 pence each
Dr Michael Elliott	2,000	0.002	Ordinary shares of 20 pence each
Judith Elliott	3,200	0.004	Ordinary shares of 20 pence each

* The trustees of the NEP 1986 Trust are Simon Perkins and Andrew Perkins. The beneficiaries of the NEP 1986 Trust are Josh Perkins, Luke Perkins and Anna Perkins. The settlor of the NEP 1986 Trust was Nancy Elizabeth Perkins.

3.3 As at the Latest Practicable Date, the McKay Directors (and their close relatives, related trusts and connected persons) held the following outstanding awards and options over relevant McKay securities under the McKay Share Plans set out below:

McKay Director	Share Plan	Number of ordinary shares under option/ award	Normal Vesting Date	Exercise price (per share)
Simon Perkins	PSP 2017 ^x	80,987 [†]	18 July 2020	Nil
	PSP 2019 ^x	169,286	10 June 2022	Nil
	PSP 2020 ^x	200,448	23 June 2023	Nil
	PSP 2021 ^x	184,305	9 June 2024	Nil
	DBSP 2019 ^x	22,820	10 June 2022	Nil
	DBSP 2020 ^x	16,995	11 January 2024	Nil
Giles Salmon	PSP 2017 ^x	53,006 [†]	18 July 2020	Nil
	PSP 2019 ^x	110,798	10 June 2022	Nil
	PSP 2020 ^x	131,194	23 June 2023	Nil
	PSP 2021 ^x	120,628	9 June 2024	Nil
	DBSP 2019 ^x	14,934	10 June 2022	Nil
	DBSP 2020 ^x	11,123	11 January 2024	Nil
Thomas Elliott	PSP 2017 ^x	46,459 [†]	18 July 2020	Nil
	PSP 2019 ^x	97,101	10 June 2022	Nil
	PSP 2020 ^x	114,975	23 June 2023	Nil
	PSP 2021 ^x	105,695	9 June 2024	Nil
	DBSP 2019 ^x	13,091	10 June 2022	Nil
	DBSP 2020 ^x	9,748	11 January 2024	Nil

[†] These awards have vested but have not yet been exercised, as they are subject to a holding period.

^x Dividend equivalent shares, or their cash value, are awarded upon vesting of the award and/or the end of the holding period for awards granted under these plans.

3.4 As at the Latest Practicable Date, the following persons acting in concert with McKay (for the purposes of the Takeover Code) held the following interests in, or rights to subscribe in respect of, relevant McKay securities:

Concert party of McKay	Number of McKay Shares	% of McKay's total issued share capital	Nature of interest
The Trustees of the McKay DB Scheme	78,750	0.09	Ordinary shares of 20 pence each

4. Interests and dealings in Workspace Shares

4.1 As at the Latest Practicable Date, the McKay Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Workspace securities:

McKay Director	Number of Workspace Shares	Nature of interest
Giles Salmon	925	Ordinary shares of £1 each

4.2 As at the Latest Practicable Date, the Workspace Directors held the following interests in, or rights to subscribe in respect of, relevant Workspace securities (in addition to those described in paragraph 4.5 below in relation to the Workspace share plans):

Workspace Director	Number of Workspace Shares	Nature of interest
Stephen Hubbard	23,640	Ordinary shares of £1 each
Graham Clemett	97,546	Ordinary shares of £1 each
Duncan Owen	5,560	Ordinary shares of £1 each
David Benson	20,085	Ordinary shares of £1 each

4.3 As at the Latest Practicable Date, the close relatives and related trusts of the Workspace Directors held the following interests in, or rights to subscribe in respect of, relevant Workspace securities:

Registered Owner	Beneficial Owner	Number of Workspace Shares	Nature of interest
Mrs J Clemett	Mrs J Clemett	5,000	Ordinary shares of £1 each
Sanne Group	Mrs J Clemett	32,765	Ordinary shares of £1 each
Mr J Russell	Mr J Russell	73	Ordinary shares of £1 each

4.4 As at the Latest Practicable Date, the connected persons of Workspace held the following interests in, or rights to subscribe in respect of, relevant Workspace securities:

Registered and Beneficial Owner	Number of Workspace Shares	Nature of interest
J.P. Morgan Chase Bank (National Association)	8	Ordinary shares of £1 each

4.5 As at the Latest Practicable Date, the Workspace Directors (and their close relatives, related trusts and connected persons) held the following outstanding awards and options over relevant Workspace securities under the Workspace share plans set out below:

Workspace Director	Share Plan	Number of ordinary shares under option/award	Normal Vesting Date	Exercise price (per share)
Graham Clemett	Long Term Incentive Plan	71,814	18 June 2022	Nil
	Long Term Incentive Plan	139,638	18 June 2023	Nil
	Long Term Incentive Plan	117,043	24 June 2024	Nil
	Deferred Bonus Plan	12,828	25 June 2022	Nil
	Deferred Bonus Plan	20,315	26 June 2023	Nil
	Deferred Bonus Plan	7,629	28 June 2024	Nil

Workspace Director	Share Plan	Number of ordinary shares under option/award	Normal Vesting Date	Exercise price (per share)
	Save As You Earn	3,389	1 September 2023 – 1 March 2024	£5.31
David Benson	Long Term Incentive Plan	96,089	18 June 2023	Nil
	Long Term Incentive Plan	80,541	24 June 2024	Nil
	Deferred Bonus Plan	5,250	28 June 2024	Nil
	Save As You Earn	5,649	1 September 2025 – 1 March 2026	£5.31

4.6 As at the Latest Practicable Date, the other concert parties of Workspace held the following interests in, or rights to subscribe in respect of, relevant Workspace securities:

Registered Owner	Beneficial Owner	Number of Workspace Shares	Nature of interest
Rovida Holdings	The London & Amsterdam Trust Company Limited	15,680,026	Ordinary shares of £1 each
RR Investment Co Ltd.	The London & Amsterdam Trust Company Limited	13,557,754	Ordinary shares of £1 each
The Belvedere Realty Investment Company Limited	The London & Amsterdam Trust Company Limited	12,543,618	Ordinary shares of £1 each
Mrs P A Roditi	The London & Amsterdam Trust Company Limited	7,980,669	Ordinary shares of £1 each
Mr S N Roditi	The London & Amsterdam Trust Company Limited	3,453,879	Ordinary shares of £1 each
Rovida Asset Management Limited	The London & Amsterdam Trust Company Limited	269,875	Ordinary shares of £1 each
Roditi 2015 Limited	The London & Amsterdam Trust Company Limited	5,950	Ordinary shares of £1 each

5. Interests and Dealings – General

5.1 Save as disclosed in paragraphs 3 and 4 above, and paragraph 6 below, as at the Latest Practicable Date:

- (A) no member of the Workspace Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities, nor has any member of the Workspace

Group dealt in any relevant McKay securities or any relevant Workspace securities during the Disclosure Period;

- (B) none of the Workspace Directors (nor their close relatives, related trusts and connected persons) had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or any relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or any relevant Workspace securities during the Disclosure Period;
 - (C) no person acting in concert with Workspace had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or any relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or any relevant Workspace securities during the Disclosure Period;
 - (D) no person who has an arrangement with Workspace or any person acting in concert with Workspace had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or any relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or any relevant Workspace securities during the Disclosure Period; and
 - (E) neither Workspace nor any person acting in concert with Workspace, has borrowed or lent any relevant McKay securities or any relevant Workspace securities (including for these purposes any financial or collateral arrangements) in the Disclosure Period, save for any borrowed shares which have been either on-lent or sold.
- 5.2 Save as disclosed in paragraphs 3 and 4 above, and paragraph 6 below, as at the Latest Practicable Date:
- (A) no member of the McKay Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or relevant Workspace securities during the Offer Period;
 - (B) none of the McKay Directors (nor their close relatives, related trusts and connected persons) had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or relevant Workspace securities during the Offer Period;
 - (C) no person acting in concert with McKay had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or relevant Workspace securities during the Offer Period;
 - (D) no person who has an arrangement with McKay had any interest in, right to subscribe in respect of or any short position in relation to any relevant McKay securities or relevant Workspace securities, nor has any such person dealt in any relevant McKay securities or relevant Workspace securities during the Offer Period; and
 - (E) neither McKay nor any person acting in concert with McKay has borrowed or lent any relevant McKay securities or relevant Workspace securities, save for any borrowed shares which have been either on-lent or sold.
- 5.3 Save as disclosed in paragraph 6 below, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.
- 5.4 Save as disclosed herein, none of: (i) Workspace or any person acting in concert with Workspace; or (ii) McKay or any person acting in concert with McKay, has any arrangement in relation to relevant McKay securities or relevant Workspace securities.
- 5.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between McKay, Workspace or any person acting in concert with them and any of the McKay Directors or the recent directors, shareholders or recent shareholders of McKay having any connection with or dependence upon or which is conditional upon the Acquisition.
- 5.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any McKay Shares to be acquired by Workspace pursuant to the Scheme will be transferred to any other person.

6. Irrevocable undertakings and letter of intent

6.1 Workspace has received irrevocable undertakings and a letter of intent in respect of a total of 33,341,102 McKay Shares representing, in aggregate, approximately 37.0 per cent. of McKay's issued share capital as at the Latest Practicable Date, as set out below.

6.2 Copies of the irrevocable undertakings are available on McKay's website at www.mckaysecurities.plc.uk and will remain on display until the end of the Offer Period.

Irrevocable undertakings from McKay Directors

6.3 The McKay Directors have given irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed to implement the Scheme at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Workspace in accordance with the terms of the irrevocable undertakings) in respect of those McKay Shares that they legally and/or beneficially hold and the voting rights of which they control:

Name of McKay Director	Number of Shares in respect of which undertaking is given	% of McKay's issued share capital (excluding shares under option)
Richard Grainger	57,638	0.06
Simon Perkins	55,245	0.06
Giles Salmon	103,702	0.12
Thomas Elliott	33,030	0.04
Jonathan Austen	25,350	0.03
Helen Sachdev	0	0.00
Jeremy Bates	0	0.00
Nicholas Shepherd	23,315	0.06
Total	298,280	0.33

6.4 These irrevocable undertakings also extend to any shares acquired by the McKay Directors as a result of the vesting of awards or the exercise of options under the McKay Share Plans.

6.5 These irrevocable undertakings will only cease to be binding if:

- (A) this Document is not dispatched to McKay Shareholders within 28 days from the date of the irrevocable undertakings except as permitted by the Takeover Code, or such later date as may be agreed by the Panel provided that Workspace has not subsequently elected (in accordance with and subject to the terms of the Cooperation Agreement) to proceed with the implementation of the Acquisition by way of a Takeover Offer;
- (B) where Workspace has elected (in accordance with and subject to the terms of the Cooperation Agreement) to proceed with the implementation of the Acquisition by way of a Takeover Offer, the offer document is not despatched to McKay Shareholders within 28 days of the date of the publication of the announcement made in accordance with the requirements of paragraph 8 of Appendix 7 of the Takeover Code (or such other date as the Panel may require);
- (C) the Scheme lapses (other than in circumstances where Workspace has, in accordance with and subject to the terms of the Cooperation Agreement, announced a firm intention to proceed with the implementation of the Acquisition by way of a Takeover Offer);
- (D) Workspace announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new replacement Scheme or Takeover Offer is announced by Workspace in accordance with Rule 2.7 of the Takeover Code at the same time; or
- (E) any competing offer for the entire issued and to be issued ordinary share capital of McKay becomes or is declared unconditional in all respects (if implemented by way of a Takeover Offer) or becomes effective (if implemented by way of a Scheme).

Irrevocable undertakings from other McKay Shareholders

6.6 The following holders, controllers and/or beneficial owners of McKay Shares have given irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed to implement the Scheme at the General Meeting in relation to the following

McKay Shares currently held by them as well as any further McKay Shares which they may become the registered or beneficial owner of or otherwise interested in:

Registered Holder of McKay Shares	Beneficial Holder of McKay Shares	Number of Shares in respect of which undertaking is given	% of McKay's issued share capital
Alistair McKay	Alistair McKay	557,558	0.62
Andrew McKay	Andrew McKay	621,645	0.69
Iain McKay	Iain McKay	242,858	0.27
GF McKay Marriage Settlement	Alistair McKay, Andrew McKay, Charlotte McKay and Catriona Littlehales	654,782	0.73
Iain McKay Discretionary Grandchildren's Trust	Eleanor and James McKay, Matilda and Jemima Littlehales, Alastair, Andrew and Charlotte McKay and Catriona Littlehales	536,192	0.60
Sutherland Securities Limited	Sutherland Securities Limited	2,712,551	3.01
Smith & Williamson Nominees Limited	Brompton 35 Limited	2,712,552	3.01
Margaret Chilton	GF McKay Fund on behalf of Margaret Chilton, Sacha Chilton, Candida Waters, Fenella Nicholas and Alexander Chilton	2,590,429	2.88
Candida Waters	Chilton 2015 Trust on behalf of Candida Waters, Harry Waters and Alexander Chilton	1,450,816	1.61
TR Property Investment Trust plc	TR Property Investment Trust plc	7,560,496	8.39
	Total	19,639,879	21.80

6.7 These irrevocable undertakings will only cease to be binding if:

- (A) this Document is not dispatched to McKay Shareholders within 28 days from the date of the irrevocable undertakings except as permitted by the Takeover Code, or such later date as may be agreed by the Panel provided that Workspace has not subsequently elected (in accordance with and subject to the terms of the Cooperation Agreement) to proceed with the implementation of the Acquisition by way of a Takeover Offer;
- (B) where Workspace has elected (in accordance with and subject to the terms of the Cooperation Agreement) to proceed with the implementation of the Acquisition by way of a Takeover Offer, the offer document is not despatched to McKay Shareholders within 28 days of the date of the publication of the announcement made in accordance with the requirements of paragraph 8 of Appendix 7 of the Takeover Code (or such other date as the Panel may require);
- (C) the Scheme lapses (other than in circumstances where Workspace has, in accordance with and subject to the terms of the Cooperation Agreement, announced a firm intention to proceed with the implementation of the Acquisition by way of a Takeover Offer);
- (D) Workspace announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new replacement Scheme or Takeover Offer is announced by Workspace in accordance with Rule 2.7 of the Takeover Code at the same time; or
- (E) any competing offer for the entire issued and to be issued ordinary share capital of McKay becomes or is declared unconditional in all respects (if implemented by way of a Takeover Offer) or becomes effective (if implemented by way of a Scheme).

- 6.8 In addition, McKay Shareholders other than TR Property Investment Trust may accept a competing offer for the entire issued and to be issued ordinary share capital of McKay or exercise their voting rights in favour of a competing offer for the entire issued and to be issued ordinary share capital of McKay provided that in the reasonable opinion of the McKay Board the offer represents a value per McKay Share of not less than 327 pence and Workspace has not announced a firm intention to make a revised offer for the entire issued and to be issued share capital of McKay for an equivalent or improved consideration to that available under such competing offer by 5.00 p.m. on the fifteenth Business Day after the date of the announcement made under Rule 2.7 of the Takeover Code of such competing offer.
- 6.9 TR Property Investment Trust may accept a competing offer for the entire issued and to be issued ordinary share capital of McKay or exercise its voting rights in favour of a competing offer for the entire issued and to be issued ordinary share capital of McKay provided that in its reasonable opinion the offer represents a value per McKay Share of not less than 300 pence.

Letter of Intent from McKay Shareholder

- 6.10 Aberforth Partners LLP has given to Workspace a non-binding letter of intent to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed to implement the Scheme at the General Meeting (and, if the Acquisition is subsequently structured as a Takeover Offer, to accept any Takeover Offer made by Workspace in accordance with the terms of the irrevocable undertakings) in respect of 13,402,943 McKay Shares representing approximately 14.9 per cent. of McKay's issued share capital as at the Latest Practicable Date.

7. Rights attached to the New Workspace Shares

7.1 Type and class of securities being offered

In partial consideration of its offer in relation to the Acquisition, Workspace intends to issue the New Workspace Shares to the Scheme Shareholders. The ISIN of the New Workspace Shares is GB00B67G5X01.

7.2 Currency of securities

Pounds Sterling in respect of the Workspace Shares and the New Workspace Shares.

7.3 Number of shares in issue

As at the close of business on the Latest Practicable Date, Workspace had 181,125,259 fully paid Workspace Shares in issue.

7.4 Description of the rights attaching to the securities

The New Workspace Shares to be issued under the Scheme will be issued credited as fully paid and will rank *pari passu* with the issued ordinary shares in Workspace, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Effective Date.

7.5 Restrictions on the free transferability of the securities

There are no restrictions on the free transferability of the New Workspace Shares.

7.6 Admission

The existing Workspace Shares are listed in the premium segment of the Official List and are admitted to trading on the Main Market.

Applications will be made by Workspace to the FCA for the New Workspace Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Workspace Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. On the basis of the Expected Timetable of Principal Events (as set out at pages 14 to 15 above), it is expected that Admission will become effective and unconditional dealing in the New Workspace Shares on the London Stock Exchange's Main Market for listed securities will commence from 8.00 a.m. on 9 May 2022. No application is currently intended to be made for New Workspace Shares to be admitted to listing or dealt with on any other exchange.

7.7 Dividend policy

Workspace is a REIT and is thereby exempt from tax on both rental profits and chargeable gains from its UK property rental business. Among other things, in order to retain REIT status, at least 90 per cent. of the tax exempt business earnings must be distributed.

Workspace's dividend policy is based on trading profit after interest, taking into account its investment and acquisition plans and the distribution requirements that Workspace has as a REIT, with its aim being to ensure the total dividend per share in each financial year is covered at least 1.2 times by adjusted underlying earnings per share.

8. Directors' service agreements and letters of appointment

8.1 Executive Directors' service contracts

Set out below are details of the service contracts of the McKay Directors:

Name of Executive Director	Date of service contract	Effective date of appointment	Notice period
Simon Perkins	16 March 2004	15 January 2003	12 months by employer, six months by employee
Giles Salmon	13 April 2011	3 August 2011	12 months by employer, six months by employee
Thomas Elliott	8 July 2016	3 October 2016	12 months by employer, six months by employee

- (A) Simon Perkins' appointment as Chief Executive Officer commenced on 15 January 2003 and he is currently engaged under a service agreement with McKay dated 16 March 2004, pursuant to which his annual base salary is £411,000 (£423,300 with effect from 1 April 2022). Giles Salmon's appointment as Chief Financial Officer commenced on 3 August 2011 and he is currently engaged under a service agreement with McKay dated 13 April 2011, pursuant to which his annual base salary is £269,000 (£277,100 with effect from 1 April 2022). Thomas Elliott's appointment as Property Director and Head of Sustainability commenced on 3 October 2016 and he is currently engaged under a service agreement with McKay dated 8 July 2016, pursuant to which his annual base salary is £235,700 (£242,800 with effect from 1 April 2022). Each McKay Executive Director's base salary is normally reviewed (but not necessarily increased) annually.
- (B) The Chief Executive Officer is eligible to receive a McKay pension contribution of 20 per cent. of his base salary. The Chief Financial Officer is eligible to receive a McKay pension contribution of 18 per cent. of his base salary. The Property Director and Head of Sustainability is eligible to receive a McKay pension contribution of 12 per cent. of his base salary. All three contributions will be reduced to 10 per cent. of base salary with effect from 31 December 2022. Each McKay Executive Director can elect to receive a cash allowance in lieu of pension benefits (subject to deductions for tax and national insurance contributions).
- (C) Benefits available to the McKay Executive Directors include private medical insurance, dental insurance, life assurance, a car allowance and car insurance.
- (D) The McKay Executive Directors are eligible to participate in McKay's annual bonus scheme, subject to the approval of the McKay Remuneration Committee. The maximum potential annual bonus for each of the McKay Executive Directors is 100 per cent. of salary. Annual bonus plan outcomes are paid in cash up to 50 per cent. of salary, with three-year deferral into shares for outcomes greater than 50 per cent. of salary.
- (E) The McKay Executive Directors are eligible to participate in the PSP, subject to the approval of the McKay Remuneration Committee. The normal PSP participation is up to 100 per cent. of base salary (with a maximum PSP participation of up to 150 per cent. of base salary, or up to 200 per cent. of base salary in exceptional circumstances).
- (F) As each McKay Executive Director's service agreement can be terminated at will, their service agreements have no fixed expiry date (though the service agreement for Simon Perkins states that the McKay Board can require Simon Perkins' employment to terminate on the date on which he

turns 60, and the service agreement for Thomas Elliott states that the Thomas Elliott's employment will terminate upon him reaching the age of 65). The appointment of each of the McKay Executive Directors is terminable: (i) on 6 months' notice where the McKay Executive Director resigns by giving contractual notice; (ii) on 12 months' notice where their employment is terminated by McKay giving contractual notice; or (iii) with immediate effect in specified circumstances, including in the event of the McKay Executive Director's gross misconduct, in which case they will be not be entitled to any payment other than amounts accrued but unpaid as at termination. In addition, McKay may terminate the McKay Executive Directors' appointments with immediate effect and make a payment in lieu: (x) for the Chief Executive Officer, of his annual base salary, annual medical and dental cover and annual car allowance (with the Chief Executive Officer also being entitled to continue to participate in any bonus scheme in which he participates at the time of the termination of his employment for a period of 12 months from termination); (y) for the Chief Financial Officer and Property Director and Head of Sustainability, of the annual base salary, annual medical and dental cover and annual car allowance to which they would have been entitled during the unexpired period of notice, paid in monthly instalments and subject to mitigation (such that payments will either reduce, or stop completely if they obtain alternative employment).

- (G) Each McKay Executive Director is subject to post-termination restrictions for a period of six months after termination (less any period of garden leave).

8.2 Chair and other Non-Executive Directors

- (A) The Non-Executive Directors have entered into letters of appointment. The appointment of each Non-Executive Director is subject to their continued satisfactory performance and re-election at Annual General Meetings of the Company.
- (B) Each Non-Executive Director's letter of appointment is terminable by either party on three months' written notice. They may also cease to hold office as a director in accordance with the Articles of Association. In the event that a Non-Executive Director retires and is not re-elected, their appointment will terminate immediately. Each Non-Executive Director's letter of appointment is also terminable by the McKay Board with immediate effect without payment of compensation if the Non-Executive Director: (i) commits a material or repeated breach of their obligations to McKay, including a breach of their statutory, fiduciary, contractual or common-law duties; (ii) is guilty of any fraud or dishonesty or has acted in a manner which, in McKay's opinion, brings or is likely to bring the Non-Executive Director or the Company into disrepute or is materially adverse to McKay's interests; or (iii) is disqualified from acting as a director.
- (C) Under letters of appointment, the Non-Executive Directors are typically appointed for an initial three-year term, which may be extended subject to invitation by the McKay Board and re-election by McKay Shareholders.

Name of Director	Date appointed Director	Original letter of appointment date	Current fees per annum	Fees per annum with effect from 1 April 2022
Richard Grainger (<i>Chair</i>)	1 May 2014	29 April 2014	£91,800	£94,600
Jonathan Austen	1 July 2016	13 April 2016	£46,400 ⁽¹⁾	£47,800 ⁽¹⁾
Jeremy Bates	18 January 2017	17 January 2017	£41,300	£42,500
Helen Sachdev	13 April 2021	9 April 2021	£41,300	£42,500
Nicholas Shepherd	21 January 2015	21 January 2015	£46,400 ⁽²⁾	£47,800 ⁽²⁾

(1) Includes additional fee for acting as Senior Independent Director and chairing the McKay Audit and Risk Committee.

(2) Includes additional fee for chairing the McKay Remuneration Committee.

- (D) McKay also maintains directors' and officers' insurance for the benefit of each McKay Director. In accordance with its Articles of Association and to the extent permitted by law, McKay has also granted an indemnity for the benefit of each McKay Director, indemnifying each McKay Director against certain losses in respect of acts or omissions whilst in the course of their acting as a McKay Director.

8.3 Other service agreements

Save as disclosed above, there are no service contracts or letters of appointment between any McKay Director or proposed director of McKay and any member of the McKay Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.

Save as set out in paragraph 10 of Part II (*Explanatory Statement*), the effect of the Scheme on the interests of the McKay Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

The emoluments of the Workspace Directors will not be affected by the acquisition of McKay or by any other associated transaction.

8.4 Policy on payment for loss of office

Rather than an Executive Director serving out their full notice period, McKay may terminate an Executive Director's appointment with immediate effect and make a payment in lieu of salary and contractual benefits in accordance with the Executive Director's service agreement (as set out in more detail in paragraph 8.1 above).

McKay may terminate an Executive Director's appointment without notice or payment in lieu of notice in specific circumstances including gross misconduct.

Except as set out in respect of the Chief Executive Officer in paragraph 8.1 above, an Executive Director has no automatic entitlement to any bonus on termination of employment under the McKay annual bonus plan, unless the Executive Director leaves for specified 'good leaver' reasons, in which case the Executive Director's bonus will normally be pro-rated and paid at the normal pay-out date. The 'good leaver' reasons include retirement with the agreement of the McKay Remuneration Committee, death, injury, ill-health, disability, redundancy or any other circumstances in which the McKay Remuneration Committee exercises discretion to treat the Executive Director as a 'good leaver'.

Where any bonus is deferred into shares under the DBSP, the award will normally lapse if an Executive Director's employment terminates unless the Executive Director leaves for specified 'good leaver' reasons. The 'good leaver' reasons include retirement with the agreement of the McKay Remuneration Committee, death, injury, ill-health, disability or any other circumstances in which the McKay Remuneration Committee exercises discretion to treat the Executive Director as a 'good leaver'. If the Executive Director is a 'good leaver', their award will normally vest on the normal vesting date and will not be subject to pro-rating, subject to the McKay Remuneration Committee's discretion to allow early vesting.

- 8.5 PSP awards will normally lapse if an Executive Director's employment terminates, unless the Executive Director leaves for specified 'good leaver' reasons. The 'good leaver' reasons include those described above in respect of the DBSP. If the Executive Director is a 'good leaver', awards will normally vest on the normal vesting date, to the extent that the attached performance conditions are met, but on a time pro-rated basis, subject to the McKay Remuneration Committee's discretion to allow early vesting and/or disapply time pro-rating.

8.6 Amendments, other contracts and other compensation

Save as disclosed above, there are no other contracts of service between the McKay Directors and the Company or any of its subsidiaries.

Save as disclosed in this paragraph 8:

- (A) no McKay Director is entitled to commission or profit sharing arrangements;
- (B) neither the service contract nor any of the letters of appointment set out in this paragraph 8 have been entered into or amended during the six months prior to the date of this Document; and
- (C) other than statutory compensation and payment in lieu of notice, no compensation is payable by the Company to any McKay Director upon early termination of their employment or appointment.

9. Market quotations

The following table shows the Closing Price for McKay Shares and Workspace Shares respectively as derived from the Official List for the first Business Day of each of the six months before the date of this Document (including 1 March 2022, being the last Business Day prior to the commencement of the Offer Period) and as derived from Bloomberg for the Latest Practicable Date:

Date	McKay Share price (p)	Workspace Share price (p)
1 October 2021	223.0	841.5
1 November 2021	219.0	820.0
1 December 2021	218.0	819.0
4 January 2022	229.0	839.0
1 February 2022	226.0	827.0
1 March 2022	222.5	769.0
Latest Practicable Date	284.0	690.5

10. Material contracts

10.1 McKay material contracts

Save as disclosed below, no member of the McKay Group has, during the period beginning 2 March 2020 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the McKay Group during the period beginning 2 March 2020 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date.

Cooperation Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Cooperation Agreement.

McKay Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the McKay Confidentiality Agreement.

Workspace Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Workspace Confidentiality Agreement.

Pension Trustee Letter

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Pension Trustee Letter.

Aviva Term Loan Amendment Letter

On 1 March 2022, McKay and Aviva Commercial Finance Limited (as agent) entered into an amendment letter in respect of the Aviva Term Loan, pursuant to which the agent (on behalf of the lender) agreed, amongst other things and in consideration for a consent fee paid by McKay: (i) that if Workspace or any of its wholly-owned subsidiaries acquires more than 50.1 per cent. of the issued share capital of McKay (a “**Workspace Change of Control**”) by 30 September 2022 and McKay is subsequently delisted from the London Stock Exchange, to waive the right of the lender to cancel its commitment and accelerate repayment of the amounts advanced under the Aviva Term Loan, together with any accrued interest and other amounts due, for a period of 30 days from the date of the Workspace Change of Control; and (ii) that if Workspace or any of its wholly-owned subsidiaries acquires more than 50.1 per cent. of the issued share capital of McKay, to allow voluntary prepayment of all or part of the Aviva Term Loan upon 10 days’ prior notice.

GBM Agreement for Sale

On 1 February 2022, McKay (as seller) and Kings Oak Miami LLP (as purchaser) entered into an agreement in respect of the sale by McKay, and purchase by Kings Oak Miami LLP, of the freehold interest in Great Brighams Mead, Brigham Road, Reading (the “**GBM Sale**”). The GBM Sale constituted a Class 2 transaction for McKay the purposes of the Listing Rules.

The agreed sale price for the GBM Sale is £19,000,000, subject to customary adjustments. Completion is subject to the satisfaction of certain conditions, including that the purchaser will obtain vacant possession of the property (save for the premises demised by the Southern Electric Lease (as defined below)). Completion of the GBM Sale is expected to occur in April 2022, with a long stop date of 30 June 2022.

The property will be sold subject to, and with the benefit of, a lease made between McKay and Southern Electric Plc dated 14 October 1999 and any deeds or documents which are supplemental or ancillary to that lease or that vary its terms (the “**Southern Electric Lease**”). The purchaser has agreed to indemnify McKay against certain losses which may be suffered or incurred by McKay, including in respect of any claims arising in connection with the Southern Electric Lease. As part of the GBM Sale, McKay intends to apply to be released from its obligations as a landlord under the Southern Electric Lease.

Stifel Buyback Agreement

On 8 March 2021, 16 March 2021, 6 July 2021 and 1 October 2021, McKay and Stifel entered into a series of letters of engagement relating to McKay’s share buyback programme as first announced by McKay on 8 March 2021 and subsequently announced as extended on 6 July 2021. Pursuant to the terms of the most recent letter of engagement dated 1 October 2021, Stifel, acting as riskless principal, agreed to conduct on-market purchases of McKay Shares through the London Stock Exchange on the basis of a non-disciplinary mandate (under which Stifel made purchases of McKay Shares within certain pre-set parameters independently of, and uninfluenced by, McKay), in consideration for a trading commission paid by McKay. This letter of engagement was amended and extended by an addendum dated 16 November 2021 between McKay and Stifel. Following the termination of McKay’s buyback programme, as announced in the Rule 2.7 Announcement, the letter of engagement (as amended and extended) was terminated by McKay with effect from 3 March 2022.

10.2 **Workspace material contracts**

Save as disclosed below, no member of the Workspace Group has, during the period beginning 2 March 2020 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business. The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Workspace Group during the Disclosure Period.

Workspace Facility Agreement

See paragraph 13 of Part VIII (*Additional Information on McKay and Workspace*) of this Document for further details on the Workspace Facility Agreement.

Revolving Credit Facility Agreement

On 23 December 2021, Workspace (as borrower), together with its subsidiaries Workspace 12 Limited, Workspace 13 Limited, Workspace 14 Limited, Workspace 17 (Jersey) Limited, Workspace Management Limited and Workspace Salisbury Limited (as guarantors) entered into a revolving credit facility agreement (the “**Revolving Credit Facility Agreement**”) with, amongst others, Wells Fargo Bank, N.A. London Branch, Barclays Bank Plc, National Westminster Bank Plc, Santander UK Plc and HSBC UK Bank Plc (as lenders) pursuant to which the lenders agreed to make available to Workspace a £200,000,000 revolving credit facility (the “**RCF**”) for the purposes of funding the working capital and general corporate purposes of the Workspace Group. The RCF is due to terminate 36 months after the date of the Revolving Credit Facility Agreement with an option to extend the RCF for an initial period of 12 months after the original termination date and a subsequent period of 12 months after the initial extension.

£300,000,000 2.250 per cent. Guaranteed Green Bonds due 11 March 2028 (the “**Bonds**”)

On 11 March 2021, Workspace issued the Bonds (which are due to mature on 11 March 2028). The Bonds are fully, unconditionally and irrevocably guaranteed, on a joint and several basis, by Workspace 12

Limited, Workspace 13 Limited, Workspace 14 Limited, Workspace 17 (Jersey) Limited, Workspace Management Limited and Workspace Salisbury Limited. The Bonds may be redeemed early by Workspace (subject to a make-whole provision) and by the holders of the Bonds upon a change of control of Workspace (subject to certain conditions). Interest is payable annually at a rate of 2.25 per cent. per annum. The Bonds are “green bonds” and were issued in accordance with Workspace’s green finance framework for the purposes of financing or re-financing certain projects and activities that promote environmental or green purposes. The Bonds contain certain financial covenants (relating to LTV (being the ratio of net debt to property value), priority debt (being the ratio of the aggregate of secured debt and subsidiary debt to property value) and interest cover (being the ratio of net rental income to interest expenses)). In addition, the Bonds contain a customary capital markets negative pledge. The Bonds also contain a range of events of default (including, *inter alia*, a cross-default in respect of any of the obligors’ indebtedness).

Cooperation Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Cooperation Agreement.

McKay Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the McKay Confidentiality Agreement.

Workspace Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Workspace Confidentiality Agreement.

Pension Trustee Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Pension Trustee Confidentiality Agreement.

Pension Trustee Letter

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Pension Trustee Letter.

11. Offer-related arrangements

Cooperation Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Cooperation Agreement.

McKay Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the McKay Confidentiality Agreement.

Workspace Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Workspace Confidentiality Agreement.

Pension Trustee Confidentiality Agreement

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Pension Trustee Confidentiality Agreement.

Pension Trustee Letter

See paragraph 13 of Part II (*Explanatory Statement*) of this Document for further details on the Pension Trustee Letter.

12. Offer-related fees and expenses

12.1 Fees and Expenses of Workspace

The aggregate fees and expenses expected to be incurred by Workspace in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

Category	Amount (£)
Financing arrangements	535,000
Financial and corporate broking advice ⁽¹⁾	3,250,000
Legal advice ⁽²⁾	1,385,000
Public relations advice	300,000
Other professional services	710,000
Other costs and expenses	50,000
Total	6,230,000

(1) Amount payable in respect of the aggregate fees and expenses for these services depends on the Acquisition becoming Effective. Total does not include disbursements.

(2) Certain of these services are provided by reference to hourly rates. Amounts included in the above table reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

In addition, stamp duty of 0.5 per cent. on the purchase price of the McKay Shares acquired pursuant to the Acquisition will be payable by Workspace.

12.2 Fees and Expenses of McKay

The aggregate fees and expenses expected to be incurred by McKay in connection with the Acquisition (excluding any applicable VAT and other taxes) are expected to be approximately:

Category	Amount (£)
Financial and corporate broking advice ⁽¹⁾	3,850,000
Legal advice ^{(1) (2)}	1,635,000
Public relations advice ⁽¹⁾	73,000
Other professional services ^{(1) (2)}	642,000
Other costs and expenses ^{(1) (2) (3)}	75,000
Total	6,275,000

(1) Amount payable in respect of the aggregate fees and expenses for these services depends on the Acquisition becoming Effective. Total does not include disbursements.

(2) Certain of these services are provided by reference to daily rates. Amounts included in the above table reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.

(3) Includes amounts related to fees payable: (i) to the London Stock Exchange; (ii) to the Court in connection with the Scheme process; (iii) in connection with the printing and mailing of materials; (iv) virtual data room provision; and (v) in connection with the advertisement of the Notice of Court Meeting in The Times newspaper.

13. Financing arrangements relating to Workspace

13.1 Workspace as borrower and certain of its subsidiaries, namely Workspace 12 Limited, Workspace 13 Limited, Workspace 14 Limited, Workspace Management Limited, Workspace Salisbury Limited and Workspace 17 (Jersey) Limited as guarantors (which subsidiaries, together with Workspace, are the “Obligors”), have entered into a facility (the “Workspace Facility Agreement”). In the terms of the Workspace Facility Agreement, Banco Santander, S.A., London Branch, HSBC UK Bank PLC and National Westminster Bank plc have agreed to make available to Workspace a sterling term loan facility in an aggregate amount equal to £200,000,000 (the “Facility”).

13.2 The proceeds of the loans under the Facility are to be applied by Workspace towards: (a) financing part of the aggregate consideration payable by Workspace pursuant to the Acquisition; (b) payment of fees, costs and expenses incurred or required to be paid by any member of the Workspace Group in connection with the Acquisition; and (c) refinancing all or part of the indebtedness of the McKay Group and payment of the fees, costs and expenses payable in connection with such refinancing.

- 13.3 The Facility is available to be drawn, subject to satisfaction of the conditions precedent set out in the Workspace Facility Agreement, from the date of the Workspace Facility Agreement to the last day of the Availability Period (as defined below).
- 13.4 In this paragraph, the following terms shall have the definitions given in the Workspace Facility Agreement: “Acquisition”, “Announcement”, “Business Day”, “City Code”, “Offer”, “Panel”, “Scheme” and “Squeeze-Out”. In terms of the Workspace Facility Agreement, the “Availability Period” for the Facility is defined as the period from and including the date of the Workspace Facility Agreement to and including the last day of the Certain Funds Period, where the “Certain Funds Period” is defined as the period from and including the date of the Workspace Facility Agreement to and including 11.59 p.m. (London time) on the date that is the earlier of: (a) where the Acquisition proceeds by way of a Scheme, the date on which the Scheme lapses (including, subject to exhausting any rights of appeal, if a relevant court refuses to sanction the Scheme) or it is withdrawn in writing, in each case, in accordance with the terms of the City Code and, if required, with the consent of the Panel (other than (i) where such lapse or withdrawal is as a result of a switch from the Scheme to an Offer; and (ii) it is otherwise to be followed within 30 Business Days by an Announcement by Workspace to implement the Acquisition by a different Offer or Scheme (as applicable) in accordance with the terms of the Workspace Facility Agreement); (b) where the Acquisition is to be consummated pursuant to an Offer, the date on which the Offer lapses, terminates or is withdrawn in writing, in each case, in accordance with the terms of the City Code and, if required, with the consent of the Panel (other than (i) where such lapse, termination or withdrawal is as a result of a switch from the Offer to a Scheme or to effect a new Offer; and (ii) it is otherwise to be followed within 30 Business Days by an Announcement by Workspace to implement the Acquisition by a different Offer or Scheme (as applicable) in accordance with the terms of the Workspace Facility Agreement); (c) where the Acquisition proceeds by way of a Scheme, the date which falls eight weeks after the date the Scheme becomes effective in accordance with its terms; (d) where the Acquisition is to be consummated pursuant to an Offer, the date which falls eight weeks after Workspace becomes entitled to initiate the Squeeze-Out; (e) only if an Announcement in relation to the Acquisition has not been released by such time, 11.59 p.m. (London time) on the date falling four weeks after the date of the Workspace Facility Agreement; and (f) the date falling nine months after the date of the Workspace Facility Agreement, provided that, for the avoidance of doubt, a switch from a Scheme to an Offer or from an Offer to a Scheme or from one Offer to another Offer (or, for the avoidance of doubt, any amendment to the terms or conditions of a Scheme or an Offer) shall not constitute a lapse, termination or withdrawal for the purposes of this definition.
- 13.5 In this paragraph the following terms shall have the definitions given in the Workspace Facility Agreement: “Agent”, “Business Day”, and “RFR Banking Day”. The termination date of the Facility is the date falling 18 months after the date of the Workspace Facility Agreement. The Facility has customary repayment terms, requiring repayment in full on such termination date and no re-borrowing of funds repaid. The Facility may be voluntarily cancelled by Workspace on not less than three Business Days’ notice to the Agent and voluntarily prepaid by Workspace on not less than five RFR Banking Days’ notice to the Agent.
- 13.6 The Workspace Facility Agreement contains customary representations and warranties, affirmative and negative covenants (including restrictive covenants in respect of disposals, security, acquisitions and mergers), indemnities and events of default applicable to either Workspace or all the Obligor (as the case may be).
- 13.7 In this paragraph the following terms shall have the definitions given in the Workspace Facility Agreement: “Compounded Reference Rate”, “Interest Period”; and “Termination Date”. The rate of interest on each loan for any day during an Interest Period is the percentage rate per annum which is the aggregate of the applicable: (a) margin (which margin is the rate of: (i) 1.50 per cent. per annum on and including the date of the Workspace Facility Agreement to (but excluding) the date falling six months after the date of the Workspace Facility Agreement; (ii) 1.75 per cent. per annum on and including the date falling six months after the date of the Workspace Facility Agreement to (but excluding) the date falling 12 months from the date of the Workspace Facility Agreement; and (iii) 2.00 per cent. per annum on and including the date falling 12 months after the date of the Workspace Facility Agreement to (but excluding) the Termination Date); and (b) the Compounded Reference Rate for that day. Ticking fees, commitment fees, duration fees, agency fees and arrangement fees are also payable under and in accordance with the terms of the Workspace Facility Agreement or fee letters.

14. Cash confirmation

J.P. Morgan Cazenove, in its capacity as financial adviser to Workspace, is satisfied that sufficient cash resources are available to Workspace to satisfy in full the cash consideration payable to McKay Shareholders under terms of the Acquisition.

15. Persons acting in concert

15.1 In addition to the Workspace Directors (together with their close relatives and related trusts), and members of the Workspace Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Workspace are:

Name	Registered Office	Relationship with Workspace
J.P. Morgan Cazenove	25 Bank Street, Canary Wharf, London E14 5JP	Sole Financial Adviser and Corporate Broker to Workspace
The London & Amsterdam Trust Company Limited	62 Forum Lane, Camana Bay, P.O. Box 10459 Grand Cayman KY1-1004	Presumed concert party of Workspace by virtue of being the beneficial owner of 53,491,771 Workspace Shares amounting to 29.53 per cent. of Workspace's issued share capital (pursuant to Note (1) of the definition of "acting in concert" under the Takeover Code)

15.2 In addition to the McKay Directors (together with their close relatives and related trusts) and members of the McKay Group, the persons who, for the purposes of the Takeover Code, are acting in concert with McKay are:

Name	Address/Registered office	Relationship with McKay
Rothschild & Co	New Court, St Swithin's Lane, London, EC4N 8AL, United Kingdom	Sole Financial Adviser to McKay
Stifel	150 Cheapside, London EC2V 6ET, United Kingdom	Corporate Broker to McKay
The Trustees of the McKay DB Scheme	N/A	McKay's Defined Benefit Pension Scheme

16. No significant change

16.1 Save as disclosed at Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) and paragraph 20 of Part VIII (*Additional Information on McKay and Workspace*) of this Document, there has been no significant change in the financial or trading position of McKay since 30 September 2021, being the date to which the latest interim financial information published by McKay was prepared.

16.2 Save as disclosed at Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*), paragraph 20 of Part VIII (*Additional Information on McKay and Workspace*) and paragraph 4 of Part V (*Financial and Ratings Information*) of this Document, there has been no significant change in the financial or trading position of Workspace since 30 September 2021, being the date to which the latest interim financial information published by Workspace was prepared. This paragraph 16.2 is the responsibility of the Workspace Directors and not the McKay Directors.

17. Consent

Each of Rothschild & Co, J.P. Morgan Cazenove, Knight Frank and CBRE has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included.

18. Documents incorporated by reference

18.1 Parts of other documents are incorporated by reference into, and form part of, this Document.

- 18.2 Part V (*Financial and Ratings Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.
- 18.3 A person who has received this Document may request a hard copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested, free of charge, by contacting McKay's Registrars, Equiniti, either in writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, or by calling the Shareholder Helpline on +44 (0)371 384 2050, stating your name and the address to which the hard copy should be sent. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

19. Documents available for inspection

Copies of the following documents will be available for viewing on McKay's and Workspace's websites at www.mckaysecurities.plc.uk and www.workspace.co.uk/investors/investor-centre/recommended-offer-for-mckay-securities-plc respectively by no later than 12.00 noon on the Business Day following the date of this Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (A) this Document;
- (B) the announcement to be released on a Regulatory Information Service in connection with the publication of this Document on the date hereof;
- (C) the Forms of Proxy;
- (D) a copy of an advertisement of the Notice of Court Meeting in The Times, being a national newspaper, on or around the date of this Document;
- (E) the Rule 2.7 Announcement;
- (F) the irrevocable undertakings and letter of intent described in paragraph 6 of this Part VIII (*Additional Information on McKay and Workspace*);
- (G) the Workspace Facility Agreement;
- (H) the Cooperation Agreement;
- (I) the McKay Confidentiality Agreement;
- (J) the Workspace Confidentiality Agreement
- (K) the Pension Trustee Confidentiality Agreement;
- (L) the Pension Trustee Letter;
- (M) the material contracts referred to in paragraph 10 of this Part VIII (*Additional Information on McKay and Workspace*) in connection with the Acquisition, being (in addition to those listed above) the Aviva Term Loan Amendment Letter;
- (N) the Knight Frank valuation report set out in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) of this Document;
- (O) the CBRE valuation report set out in Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*) of this Document;
- (P) letters from each of Knight Frank and CBRE confirming that there has been "no material difference" in the relevant valuations as at the date of this Document as compared to the valuation reports included at Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) and Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*), respectively, of this Document;
- (Q) consent letters from each of J.P. Morgan Cazenove and Rothschild & Co in respect of each of the Rule 2.7 Announcement and this Document;

- (R) consent letters from each of Knight Frank and CBRE in respect of each of the Rule 2.7 Announcement and this Document;
- (S) the memorandum and articles of association of each of McKay and Workspace;
- (T) a draft of the articles of association of McKay as proposed to be amended at the General Meeting;
- (U) the financial information relating to McKay referred to in paragraph 1 of Part V (*Financial and Ratings Information*) of this Document;
- (V) the financial information relating to Workspace referred to in paragraph 3 of Part V (*Financial and Ratings Information*) of this Document; and
- (W) an investor presentation provided to certain Workspace Shareholders.

20. Sources of information and bases of calculation

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

- 20.1 All Closing Prices for Workspace Shares and McKay Shares have been derived from Bloomberg;
- 20.2 All VWAPs are derived from Bloomberg for the relevant time periods;
- 20.3 Issued and to be issued share capital of McKay Shares, being 91,418,263 McKay Shares, is calculated as at the Latest Practicable Date on the basis of:
 - (A) the 90,089,313 McKay Shares in issue as at the Latest Practicable Date (being the last Business Day prior to the date of the Rule 2.7 Announcement); and
 - (B) the 1,328,950 McKay Shares expected to be issued under the McKay Share Plans.
- 20.4 The financial information relating to McKay has been extracted or derived (without adjustment) from the:
 - (A) audited consolidated financial statements of McKay for the year ended 31 March 2021; and
 - (B) unaudited consolidated interim financial statements contained in the interim results of McKay for the period ended 30 September 2021.
- 20.5 The financial information relating to Workspace is extracted or derived (without adjustment) from the:
 - (A) audited consolidated financial statements of Workspace for the year ended 31 March 2021;
 - (B) unaudited consolidated interim financial statements contained in the interim results of Workspace for the period ended 30 September 2021; and
 - (C) management estimates in respect of the net debt and LTV values as at 31 January 2022.
- 20.6 Property portfolio and valuation information relating to McKay is from the valuation report produced by Knight Frank as set out in Part XII (*Valuation Report of Knight Frank LLP in respect of McKay Securities Plc Properties*) of this Document.
- 20.7 Property portfolio and valuation information relating to Workspace is from the valuation report produced by CBRE as set out in Part XIII (*Valuation Report of CBRE Limited in respect of Workspace Group PLC Properties*) of this Document.
- 20.8 The figure of £68.5 million of net sale proceeds for the sale of 30 Lombard Street as set out in paragraph 4 of Part I (*Letter from the Chair of McKay*) of this Document is net of outstanding tenant incentives, tax and sale costs.

20.9 For the purposes of Rule 29.1(d) of the Takeover Code, an updated valuation of McKay's investment properties has been obtained. This has been used to calculate McKay's estimated Net Tangible Assets per McKay Share and adjusted Net Tangible Assets per McKay Share, each as at 31 January 2022:

Summary Balance Sheet	31 Jan 2022 ⁽¹⁾		
	Net assets £'m	No' of shares million	Net assets per share pence
Investment properties ⁽²⁾	486.5		
Other assets ⁽³⁾	12.6		
Net borrowings	(172.3)		
Other liabilities ⁽⁴⁾	(18.9)		
Net Tangible Assets	307.8	90.69	339p
Estimated Aviva Term Loan prepayments cost ⁽⁵⁾	(12.1)		
Adjusted Net Tangible Assets	295.7	90.69	326p

(1) Estimated figures

(2) Investment property value is presented in accordance with the Company's accounting policies and previous disclosures. The difference between this figure and the Knight Frank valuation of wholly owned investment properties of £490.4m is made up of the following items; IFRS 16 adjustments for rent free periods and tenant incentives (£-7.9m) and the grossing up of headlease liabilities (£3.6m)

(3) Other assets include: fixed assets, trade and other receivables and IFRS 16 rent free and incentives debtor

(4) Other liabilities include: trade and other payables, rent received in advance, lease liabilities and provisions

(5) Calculated as at 31-Jan-22 in line with the lenders Standard Method

20.10 The estimated Net Tangible Assets as at 31 January 2022, and the adjustments referred to above, have been derived from McKay's estimate of the financial position of McKay as at 31 January 2022. The estimated Net Tangible Assets per McKay Share has been calculated on the basis of the McKay Shares in issue at 31 January 2022.

20.11 For the purposes of Rule 29.1(d) of the Takeover Code, an updated valuation of Workspace's investment properties has been obtained. This has been used to calculate Workspace's estimated Net Tangible Assets per Workspace Share as at 31 January 2022:

Summary Balance Sheet	31 Jan 2022 ⁽¹⁾		
	Net assets £'m	No' of shares ⁽⁵⁾ million	Net assets per share pence
Investment properties ⁽²⁾	2,401.8		
Net borrowings ⁽³⁾	573.2		
Other liabilities ⁽⁴⁾	66.2		
Net Tangible Assets	1,762.4	181.9	969

(1) Estimated figures

(2) Investment property value is presented as per CBRE valuation

(3) As at 31 January 2022

(4) Other liabilities include: trade and other receivables, trade and other payables and other investments

(5) 30 September 2021 diluted shares

20.12 Certain figures in this Document have been subject to rounding adjustments.

PART IX

DEFINITIONS

“2020 McKay Annual Report”	the annual report and audited accounts of the McKay Group for the 12 months ended 31 March 2020;
“2020 Workspace Annual Report”	the annual report and audited accounts of the Workspace Group for the 12 months ended 31 March 2020;
“2021 McKay Annual Report”	the annual report and audited accounts of the McKay Group for the 12 months ended 31 March 2021;
“2021 Workspace Annual Report”	the annual report and audited accounts of the Workspace Group for the 12 months ended 31 March 2021;
“2021 McKay Interim Results”	the half yearly results announcement of the McKay Group for the six month period to 30 September 2021;
“2021 Workspace Interim Results”	the half yearly results announcement of the Workspace Group for the six month period to 30 September 2021;
“Acquisition”	the proposed acquisition of the entire issued, and to be issued, share capital of McKay by Workspace (other than McKay Shares already held by or on behalf of Workspace, if any) to be implemented by way of the Scheme or, should Workspace so elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement), by way of a Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Admission”	the admission of the New Workspace Shares to the Official List with a premium listing in accordance with the Listing Rules and to trading on the London Stock Exchange’s Main Market for listed securities in accordance with the Admission and Disclosure Standards;
“Admission and Disclosure Standards”	the rules issued by the London Stock Exchange in relation to the admission requirements and continuing obligations for companies seeking admission to trading on the London Stock Exchange’s Main Market for listed securities;
“Articles of Association”	the articles of association of McKay from time to time;
“associated undertaking”	has the meaning given to it by 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;
“Aviva Term Loan”	the facility agreement between, among others, McKay and Aviva Commercial Finance Limited (as agent), as amended and restated on 26 March 2018 and as amended on each of 15 December 2021 and 1 March 2022;
“Aviva Term Loan Amendment Letter”	the amendment agreement between McKay and Aviva Commercial Finance Limited (as agent) dated 1 March 2022 in respect of the Aviva Term Loan, as described in paragraph 10.1 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;
“Award”	any award or option under a McKay Share Plan;
“Blocking Law”	any provision of Council Regulation (EC) No. 2271/1996 of 22 November 1996 (or any law implementing such Regulation in any member state of the European Union) or any similar blocking or anti-boycott law;

“Bonds”	has the meaning given to it in paragraph 10.2 of Part VIII (<i>Additional Information on McKay and Workspace</i>) of this Document;
“Business Day”	a day (other than a Saturday, Sunday or a public or bank holiday in England) on which banks are open for general business in London;
“CBRE”	CBRE Limited (a private limited company incorporated in England and Wales with registered number 03536032) whose registered office is St Martin’s Court, 10 Paternoster Row, London, EC4M 7HP;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“CGT”	UK capital gains tax;
“Closing Price”	the closing middle market quotations of a McKay Share or a Workspace Share (as the context requires) derived from the Daily Official List (unless otherwise specified) on any particular date;
“Combined Group”	the enlarged group following completion of the Acquisition, comprising the Workspace Group and the McKay Group;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions to the Acquisition and to the implementation of the Scheme which are set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“Consideration”	the consideration payable to McKay Shareholders pursuant to the Acquisition, comprising 209 pence in cash and 0.115 New Workspace Shares per McKay Share (as the same may be reduced subject to, and in accordance with, paragraph 2 of Part IV (<i>The Scheme of Arrangement</i>) of this Document);
“Cooperation Agreement”	the Cooperation Agreement between McKay and Workspace dated 2 March 2022, as described in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders (and any adjournment, postponement or reconvening thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part X (<i>Notice of Court Meeting</i>) of this Document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
“Court Sanction Date”	the date on which the Scheme is sanctioned by the Court;
“Court Sanction Hearing”	the hearing of the Court to sanction the Scheme pursuant to section 899 of the Companies Act and any adjournment, postponement or reconvening thereof;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), including as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) in respect of which Euroclear is the Operator (as defined in said Regulations);
“CREST Applications Host”	the communication hosting system operated by Euroclear;
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time;

“CREST Proxy Instruction”	has the meaning given to it in pages 10 to 13 (<i>Action to be Taken</i>);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));
“Daily Official List”	the daily official list of the London Stock Exchange;
“DBSP”	the McKay Deferred Bonus Share Plan 2017, as amended from time to time;
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
“Disclosed”	the information (i) disclosed by, or on behalf of, McKay in the 2021 McKay Annual Report; (ii) disclosed by, or on behalf of, McKay in the 2021 McKay Interim Results; (iii) disclosed by, or on behalf of, McKay in the Rule 2.7 Announcement; (iv) disclosed by, or on behalf of, McKay in any other public announcement made by, or on behalf of, McKay in accordance with the Listing Rules, Disclosure Guidance and Transparency Rules and/or the Market Abuse Regulation (as applicable), or otherwise made via a Regulatory Information Service, in each case prior to the date of the Rule 2.7 Announcement; and/or (v) fairly disclosed prior to the date of the Rule 2.7 Announcement by, or on behalf of, McKay to Workspace (or its respective officers, employees, agents or advisers in their capacity as such), including in the virtual data room operated by or on behalf of McKay in respect of the Acquisition;
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules of the FCA made under section 73A of FSMA and forming part of the FCA's Handbook of rules and guidance, as amended from time to time;
“Disclosure Period”	the period commencing on 2 March 2021 (being the date 12 months prior to the start of the Offer Period) and ending on the Latest Practicable Date;
“Document”	this Document dated 29 March 2022 addressed to McKay Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;
“Effective”	in the context of the Acquisition: <ul style="list-style-type: none"> (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 Takeover Offer (with the Panel's consent and subject to and in accordance with the terms of the Cooperation Agreement), the Takeover 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 in accordance with its terms;
“EPRA”	European Public Real Estate Association;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	any McKay Shares which are: <ul style="list-style-type: none"> (i) registered in the name of or beneficially owned by Workspace and/or any member of the Workspace Group (and/or any nominee of the foregoing); or

	(ii) held in treasury, in each case, immediately prior to the Scheme Record Time;
“Executive Directors”	the executive directors of McKay as at the date of this Document and “Executive Director” means any one of them;
“Expected Timetable of Principal Events”	the expected timetable of events, as set out at pages 14 to 15;
“Explanatory Statement”	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this Document;
“Facility”	the facility under the Workspace Facility Agreement, as described in paragraph 13 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;
“FCA”	the Financial Conduct Authority of the United Kingdom, acting in its capacity as the competent authority for the purposes of FSMA, or its successor from time to time;
“Form(s) of Proxy”	each of the BLUE Form of Proxy in relation to the Court Meeting and the YELLOW Form of Proxy in relation to the General Meeting (or both, as the context requires);
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“GBM Agreement for Sale”	the agreement for sale between McKay and Kings Oak Miami LLP dated 1 February 2022 in respect of the GBM Sale, as described in paragraph 10.1 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;
“GBM Sale”	the sale by McKay of its freehold interest in Great Brighams Mead, Brigham Road, Reading, pursuant to the GBM Agreement for Sale;
“General Meeting”	the general meeting of McKay Shareholders, convened by the notice set out in Part XI (<i>Notice of General Meeting</i>) of this Document, including any adjournment, postponement or reconvening thereof, for the purposes of considering and, if thought fit, approving the Special Resolution;
“HMRC”	Her Majesty’s Revenue and Customs or its successor from time to time;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“IFRS”	International Financial Reporting Standards;
“ISIN”	International Securities Identification Number;
“J.P. Morgan Cazenove”	J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove), as Sole Financial Adviser and Corporate Broker to Workspace;
“Knight Frank”	Knight Frank LLP (a limited liability partnership incorporated in England and Wales with registered number OC 305934) whose registered office is at 55 Baker St, London W1U 8AN;
“Last Accounts Date”	31 March 2021;
“Latest Practicable Date”	close of business on 28 March 2022, being the latest practicable date before publication of this Document;

“listing conditions”	has the meaning given to it in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“Listing Rules”	the listing rules, made by the FCA under Part 6 FSMA, as amended from time to time;
“London Stock Exchange”	the London Stock Exchange plc or its successor;
“Long Stop Date”	2 October 2022 or such later date as may be agreed by McKay and Workspace in writing (with the Panel's consent and as the Court may approve (if such consent and/or approval is required));
“Long Term Incentive Plan”	the long term incentive plan operated by Workspace;
“LTV”	loan to value;
“Main Market”	the main market of the London Stock Exchange;
“Market Abuse Regulation”	the retained EU law version of Regulation (EU) No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time (including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310));
“McKay” or “Company”	McKay Securities Plc, a company incorporated in England and Wales with registered number 00421479 and with its registered office address at 20 Greyfriars Road, Reading, Berkshire RG1 1NL, United Kingdom;
“McKay Board”	the McKay Directors acting together as the board of directors of McKay;
“McKay Confidentiality Agreement”	the confidentiality agreement between Workspace and McKay dated 30 November 2021, as described in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“McKay DB Scheme”	the McKay Securities Plc Pension and Life Assurance Scheme;
“McKay Directors”	the directors of McKay, whose names are set out in paragraph 2.1 of Part VIII (<i>Additional Information on McKay and Workspace</i>) and “McKay Director” means any of them;
“McKay Group”	McKay and its subsidiary undertakings;
“McKay Remuneration Committee”	the Remuneration Committee of the McKay Board from time to time;
“McKay Share Plan Notice”	has the meaning given to it in paragraph 9 of Part II (<i>Explanatory Statement</i>) of this Document;
“McKay Share Plans”	each of the PSP and DBSP (or both, as the context requires);
“McKay Shareholders”	registered holders (including those entitled by transmission) of McKay Shares from time to time;
“McKay Shares”	ordinary shares of 20 pence each in the capital of McKay;
“Meeting(s)”	each of the Court Meeting and the General Meeting (or both, as the context requires);
“Net Tangible Assets”	the net tangible assets of the Workspace Group, McKay Group or the Combined Group, as applicable, from time to time or, as the context requires, the net tangible assets per ordinary share;
“New Workspace Shares”	the new ordinary shares of £1 each in the share capital of Workspace, to be allotted and issued pursuant to the Scheme or the Acquisition (as the context requires);

“Nominated Person”	has the meaning given to it in each of Part X (<i>Notice of Court Meeting</i>) and Part XI (<i>Notice of General Meeting</i>) of this Document (as the context requires);
“Non-Executive Directors”	the non-executive directors of McKay as at the date of this Document;
“Non-UK Holders”	has the meaning given to it in Part VII (<i>Additional Information for Overseas Shareholders</i>);
“Obligors”	has the meaning given to it in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“Offer Period”	the offer period (as defined in the Takeover Code) relating to McKay, which commenced on 2 March 2022, and ending on the earlier of the date on which it is announced that the Scheme has become Effective and/or the date on which it is announced that the Scheme has lapsed or has been withdrawn (or such other date as the Takeover Code may provide or the Panel may decide);
“Official List”	the Official List maintained by the FCA pursuant to Part 6 of FSMA;
“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Takeover Code;
“Overseas Shareholders”	McKay Shareholders (or nominees of, or custodians or trustees for McKay Shareholders) who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers of the United Kingdom, or any successor to it;
“Pension Trustee Confidentiality Agreement”	the confidentiality agreement between Workspace and the Pension Trustees dated 14 February 2022, as described in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“Pension Trustee Letter”	the agreement between Workspace, McKay and the Pension Trustees dated 25 February 2022, as described in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“Pension Trustees”	Stract Consulting Limited, Christopher James Spence, Simon Perkins and Giles Salmon (in their respective capacities as trustees of the McKay DB Scheme);
“PRA”	the Prudential Regulation Authority or its successor from time to time;
“PSP”	the McKay Performance Share Plan 2017, as amended from time to time;
“RCF”	has the meaning given to it in paragraph 10.2 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;
“Registrars” or “Receiving Agent” or “Equiniti”	Equiniti Limited;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulatory Information Service”	a primary information provider which has been approved by the FCA for the purpose of disseminating regulatory announcements;
“REIT”	Real Estate Investment Trust;
“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 Acquisition is sent or made available to McKay Shareholders in that jurisdiction;
“Revolving Credit Facility Agreement”	has the meaning given to it in paragraph 10.2 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;

“Rothschild & Co”	N.M. Rothschild & Sons Limited;
“Rule 2.7 Announcement”	the announcement made by Workspace on 2 March 2022 of its firm intention to make an offer for McKay;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the Companies Act between McKay and holders of Scheme Shares, as set out in Part IV (<i>The Scheme of Arrangement</i>) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by McKay and Workspace;
“Scheme Record Time”	6.00 p.m. on the Business Day immediately preceding the Effective Date (or such other date and/or time as McKay and Workspace may agree);
“Scheme Shareholders”	registered holders (including those entitled by transmission) of Scheme Shares and a “Scheme Shareholder” shall mean any one of those Scheme Shareholders;
“Scheme Shares”	<p>the McKay Shares:</p> <ul style="list-style-type: none"> (i) in issue at the date of this Document; (ii) (if any) issued after the date of this Document and prior to the Voting Record Time; and (iii) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time either on terms that the original or any subsequent holder thereof shall be bound by this Scheme or shall by such time have agreed in writing to be bound by the Scheme, <p>in each case (where the context requires), remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p>
“SDRT”	UK stamp duty reserve tax;
“SEC”	the US Securities and Exchange Commission;
“Shareholder Helpline”	the helpline set up by Equiniti, further details of which are provided in paragraph 21 of Part II (<i>Explanatory Statement</i>);
“significant interest”	a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act);
“Slate”	Slate Asset Management L.P.;
“Southern Electric Lease”	has the meaning given to it in paragraph 10.1 of Part VIII (<i>Additional Information on McKay And Workspace</i>) of this Document;
“Special Resolution”	the special resolution to be proposed at the General Meeting necessary to facilitate the implementation of the Scheme, including, without limitation, the amendment of the Articles of Association of McKay by the adoption and inclusion of a new article under which any McKay Shares issued or transferred after the Scheme Record Time (other than to Workspace and/or its nominees) shall be automatically transferred to Workspace (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the McKay Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities) and as set out in full in Part XI (<i>Notice of General Meeting</i>) of this Document;
“Standard & Poor’s”	Standard & Poor’s Financial Services LLC;

“Stifel”	Stifel Nicolaus Europe Limited, Corporate Broker to McKay;
“Stifel Buyback Agreement”	the agreement between McKay and Stifel relating to McKay’s share buyback programme dated 1 October 2021, as amended and extended by an addendum dated 16 November 2021, as described in paragraph 10.1 of Part VIII (<i>Additional Information on McKay and Workspace</i>) of this Document;
“subsidiary”, “subsidiary undertaking” and “undertaking”	shall be construed in accordance with the Companies Act;
“Takeover Code”	The City Code on Takeovers and Mergers, as amended from time to time;
“Takeover Offer”	if (subject to the consent of the Panel and subject to and in accordance with the terms of the Cooperation Agreement) Workspace elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 29 of the Companies Act), the offer to be made by or on behalf of Workspace to acquire the issued and to be issued ordinary share capital of McKay on the terms and subject to the conditions to be set out in the related offer document (and, where the context admits, any subsequent revision, variation, extension or renewal of such offer);
“TCGA”	Taxation of Chargeable Gains Act 1992;
“Third Party”	has the meaning given to it in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“treasury shares”	any ordinary shares of McKay held by McKay as treasury shares;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK Government”	the government of the United Kingdom of Great Britain and Northern Ireland;
“UK Holders”	has the meaning given to it in Part VI (<i>United Kingdom Taxation</i>);
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US”, “U.S.” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“US McKay Shareholder”	a McKay Shareholder resident or located in the United States of America;
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“Voting Record Time”	6.30 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting;
“VWAP”	Volume Weighted Average Price;
“Wider McKay Group”	McKay and its subsidiary undertakings, associated undertakings and any other undertaking in which McKay and/or such undertakings (aggregating their interests) have a significant interest (and, for these purposes, subsidiary undertaking and undertaking have the meanings given by the Companies Act, associated undertaking has the meaning

given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and significant interest means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act));

“Wider Workspace Group”	Workspace and its subsidiary undertakings, associated undertakings and any other undertaking in which Workspace and/or such undertakings (aggregating their interests) have a significant interest (and, for these purposes, subsidiary undertaking and undertaking have the meanings given by the Companies Act, associated undertaking has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and significant interest means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act));
“Workspace”	Workspace Group PLC, a company incorporated in England and Wales with company number 02041612 and with its registered office address at Canterbury Court Kennington Park, 1-3 Brixton Road, London SW9 6DE, England;
“Workspace Board”	the Workspace Directors acting together as the board of directors of Workspace;
“Workspace Change of Control”	has the meaning given to it in paragraph 10.1 of Part VIII (<i>Additional Information on McKay and Workspace</i>);
“Workspace Confidentiality Agreement”	the confidentiality agreement between Workspace and McKay dated 9 February 2022, as described in paragraph 13 of Part II (<i>Explanatory Statement</i>) of this Document;
“Workspace Directors”	the directors of Workspace, whose names are set out in paragraph 2.2 of Part VIII (<i>Additional Information on McKay and Workspace</i>);
“Workspace Facility Agreement”	the £200,000,000 loan facility agreement between Workspace (and certain of its subsidiaries) as borrower and Banco Santander S.A., London Branch, HSBC UK Bank plc and National Westminster Bank plc as original lenders and National Westminster Bank plc as agent dated 2 March 2022, as described in paragraph 13 of Part VIII (<i>Additional Information on McKay and Workspace</i>) of this Document;
“Workspace Group”	Workspace and its subsidiaries and subsidiary undertakings from time to time;
“Workspace Shareholders”	the holders of Workspace Shares from time to time; and
“Workspace Shares”	ordinary shares of £1 each in the capital of Workspace.

For the purposes of this Document:

- references to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this Document;
- all references to “£”, “GBP”, “Pounds Sterling”, “pence” and “p” are to the lawful currency of the United Kingdom;
- references to the singular include the plural and *vice versa*; and
- all times referred to are London time unless otherwise stated.

PART X

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)

CR-2022-000399

IN THE MATTER OF MCKAY SECURITIES PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 28 March 2022 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders as at the Voting Record Time (each as defined in the Scheme (as defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Companies Act**”) between McKay Securities Plc (the “**Company**”) and the Scheme Shareholders (the “**Scheme**”) and that such meeting will be held at Park Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England at 11.30 a.m. on 27 April 2022.

A copy of the Scheme and a copy of the explanatory statement required to be published pursuant to section 897 of the Companies Act are incorporated in the Document of which this Notice of Court Meeting forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this Notice of Court Meeting shall have the meaning given to such term in the Document of which Notice of Court Meeting forms part.

Voting on the resolution to approve the Scheme will be by poll, which shall be conducted as the Chair of the Court Meeting may determine.

COVID-19 Restrictions

Whilst COVID-19 restrictions have been lifted as at the date of this Notice of Court Meeting and it is currently anticipated that Scheme Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the Court Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, Scheme Shareholders are encouraged to appoint “the Chair of the meeting” as their proxy for the Court Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the Court Meeting, that proxy may not be permitted to attend the Court Meeting in person.

Any changes to the arrangements for the Court Meeting will be communicated to you before the Court Meeting, including through the Company’s website www.mckaysecurities.plc.uk and by announcement through a Regulatory Information Service.

Right to Appoint a Proxy; Procedure for Appointment

Voting at the Court Meeting will be by poll. **It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders.** Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post, online or electronically through CREST) set out below.

The completion and return of the BLUE Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent you from attending and voting at the Court Meeting if you are entitled to and wish to do so.

(a) *Sending BLUE Form of Proxy by post*

A BLUE Form of Proxy, for use at the Court Meeting, has been provided with this Notice of Court Meeting. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrars, Equiniti, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and ideally not later than 11.30 a.m. on 25 April 2022 (or, in the case of an adjournment of the Court Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(b) *Online appointment of proxies*

As an alternative to completing and returning the printed BLUE Form of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: www.sharevote.co.uk and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting (as set out in paragraph (a) above) or any adjournment thereof. If the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

(c) *Electronic appointment of proxies through CREST*

If you hold Scheme Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting (or any adjournment thereof) using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the Court Meeting or any adjournment thereof (as set out in (a) above). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. If the CREST proxy appointment or instruction is not received by this time, the BLUE Form of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: proxyvotes@equiniti.com; or (ii) presented in person to the Equiniti representative who will be present at the Court Meeting, any time prior to the commencement of the Court Meeting (or any adjournment thereof).

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Voting Record Time

Entitlement to attend and vote at (in person or by proxy) the Court Meeting or any adjournment thereof and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of the Company at 6.30 p.m. on 25 April 2022 or, if the Court Meeting is adjourned, 6.30 p.m. on the date which is two Business Days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend and vote at (in person or by proxy) the Court Meeting.

Joint Holders

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

Corporate Representatives

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Richard Grainger or, failing him, Simon Perkins, or failing him, any other McKay Director to act as Chair of the Court Meeting and has directed the Chair to report the result thereof to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 29 March 2022

Slaughter and May
One Bunhill Row
London EC1Y 8YY
Solicitors for the Company

Nominated Persons

Any person to whom this Notice of Court Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, a Nominated Person may, under an agreement between that Nominated Person and the shareholder by whom that Nominated Person was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, that Nominated Person may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

PART XI

NOTICE OF GENERAL MEETING

MCKAY SECURITIES PLC

Notice is hereby given that a general meeting of McKay Securities Plc (the “**Company**”) will be held at Park Tower Hotel, 101 Knightsbridge, London SW1X 7RN, England, at 11.45 a.m. on 27 April 2022 (or as soon thereafter as the Court Meeting (as defined in Part IX (*Definitions*) of the Document of which this Notice of General Meeting forms part) concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

Unless the context requires otherwise, any capitalised term used but not defined in this Notice of General Meeting shall have the meaning given to such term in the Document of which this Notice of General Meeting forms part.

SPECIAL RESOLUTION

THAT, for the purpose of giving effect to the scheme of arrangement dated 29 March 2022 (as amended or supplemented) (the “**Scheme**”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this meeting and for the purposes of identification signed by the Chair of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Workspace Group PLC and approved or imposed by the High Court of Justice of England and Wales:

- (A) the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 143:

“143. Scheme of Arrangement

- (A) In this Article 143, references to the “**Scheme**” are to the Scheme of Arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 29 March 2022 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Workspace Group PLC (“**Workspace**”)) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.
- (B) Notwithstanding any other provisions in these articles, if the Company issues or transfers out of treasury any McKay Shares (other than to Workspace, any subsidiary of Workspace, any parent undertaking of Workspace or any subsidiary of such parent undertaking, or any nominee of Workspace (each a “**Workspace Company**”)) on or after the date of the adoption of this Article 143 and prior to the Scheme Record Time (as defined in the Scheme) such McKay Shares shall be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original holder or subsequent holders of such McKay Shares shall be bound by the Scheme accordingly.
- (C) Notwithstanding any other provision of these articles, subject to the Scheme becoming Effective, any shares issued or transferred out of treasury to any person (other than a Workspace Company or its nominee(s)) at or after the Scheme Record Time (a “**New Member**”) (each a “**Post-Scheme Share**”) shall be issued or transferred on terms that they shall (on the Effective Date or, if later, on issue or transfer (but subject to the terms of Article 143(D) below)), be immediately transferred to Workspace (or such person as it may direct) (the “**Purchaser**”), who shall be obliged to acquire each Post-Scheme Share in consideration of and conditional upon the payment of 209 pence in cash and the issue of 0.115 New Workspace Shares (together, the “**Relevant Consideration**”) by or on behalf of Workspace to the New Member for each Post-Scheme Share, such provision of cash and shares being equal to the consideration to which a New Member would have been entitled had such Post-Scheme Share been a Scheme Share.
- (D) On any reorganisation of, or material alteration to, the share capital of the Company or Workspace (including, without limitation, any subdivision and/or consolidation) carried out after the Effective Date

(as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under Article 143(C) shall be adjusted by the directors of the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or alteration. References in this Article 143 to McKay Shares and New Workspace Shares (as the case may be) shall, following such adjustment, be construed accordingly.

- (E) No fraction of a New Workspace Share shall be allotted, issued or transferred to a New Member pursuant to this article. Any fraction of a New Workspace Share to which a New Member would otherwise have become entitled shall be aggregated with the fractional entitlements of any other New Members whose shares are being transferred under this article on the same date and the maximum whole number of New Workspace Shares resulting therefrom shall be allotted and issued to a person appointed by Workspace to hold such New Workspace Shares on behalf of the relevant New Members. Such New Workspace Shares shall then be sold in the market as soon as practicable after the Effective Date, or, if later, their allotment and issue, and the net proceeds of sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in Pounds Sterling in due proportion to the persons entitled thereto (rounded down to the nearest penny).
- (F) To give effect to any transfer of Post-Scheme Shares required pursuant to Article 143(C), the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to the Purchaser and/or its nominees and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder) in favour of the Purchaser and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register the Purchaser as holder thereof and issue to it certificate(s) for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 143(C) above by: (i) sending a cheque drawn on a UK clearing bank in favour of the New Member (or any subsequent holder) in respect of the cash component of the Relevant Consideration to which such New Member is entitled and any fractional entitlements in accordance with Article 143(E), or by any alternative method communicated by the Purchaser to the New Member, and (ii) allotting and issuing or transferring to the New Member such number of New Workspace Shares as represents the share portion of the Relevant Consideration to which such New Member is entitled, together comprising the purchase price of such Post-Scheme Shares, and in each case, as soon as practicable and in any event no later than 14 days after the date on which the Post-Scheme Shares are issued to the New Member.
- (G) If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) Clause 9(B) of the Scheme, this Article 143 shall cease to be of any effect.
- (H) Notwithstanding any other provision of these articles, both the Company and the board shall refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to the Purchaser and/or its nominee(s) pursuant to the Scheme.”

29 March 2022

By Order of the Board
Joanne McKeown
Company Secretary

Registered Office:
20 Greyfriars Road,
Reading,
Berkshire RG1 1NL,
United Kingdom

Registered in England and Wales No. 00421479

Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at the General Meeting or to appoint someone else to vote on your behalf. The General Meeting is being held as a physical meeting. The nature of business of the General Meeting is to consider and, if thought fit, pass the Special Resolution.

1. Special Resolution

In order for the Special Resolution above to be passed, not less than 75 per cent. of the votes cast by those entitled to vote must be in favour in order to pass the resolution as a special resolution.

2. Attendance at the Meeting

Whilst COVID-19 restrictions have been lifted as at the date of this Notice of General Meeting and it is currently anticipated that McKay Shareholders will be permitted to attend and vote (if they are entitled to and wish to do so) in person at the General Meeting, the COVID-19 situation is constantly evolving and the UK Government may introduce new restrictions or implement further measures relating to the holding of shareholder meetings which may mean this is no longer possible. Therefore, McKay Shareholders are encouraged to appoint "the Chair of the meeting" as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person.

Any changes to the arrangements for the General Meeting will be communicated to McKay Shareholders before the General Meeting, including through the Company's website at www.mckaysecurities.plc.uk and by announcement through a Regulatory Information Service.

3. Entitlement to attend and vote

Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members registered on the register of members of the Company at 6.30 p.m. on 25 April 2022 (the "Voting Record Time") (or, if the meeting is adjourned to a time more than 48 hours after the Voting Record Time, by 6.30 p.m. on the day which is two Business Days prior to the time of the adjourned meeting) shall be entitled to attend and vote at (in person or by proxy) the General Meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Voting Record Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

4. Appointment of proxies

McKay Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, online, or electronically through CREST) set out below. In particular, given the ongoing uncertainty regarding the ongoing COVID-19 situation, McKay Shareholders are encouraged to appoint "the Chair of the meeting" as their proxy for the General Meeting. If any other person is appointed as proxy and COVID-19 restrictions are introduced which affect the holding of the General Meeting, that proxy may not be permitted to attend the General Meeting in person.

A member entitled to attend and vote at the General Meeting may appoint one or more proxies to exercise all or any of the member's rights to attend and, on a poll, to vote instead of that member. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they should contact Equiniti for further YELLOW forms of proxy or photocopy the YELLOW Form of Proxy as required.

The completion and return of the YELLOW Form of Proxy by post (or transmission of a proxy appointment or voting instruction electronically, online, through CREST or by any other procedure described below) will not prevent McKay Shareholders from attending and voting at the General Meeting if they are entitled to and wish to do so (subject to COVID-19 restrictions then in force, if any).

(a) Sending YELLOW Form of Proxy by post

A YELLOW Form of Proxy, for use at the General Meeting, has been provided with this Notice of General Meeting. Instructions for its use are set out on the form. It is requested that the YELLOW Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company's Registrars, Equiniti, by post to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible and in any event not later than 11.45 a.m. on 25 April 2022 (or, in the case of an adjournment of the General Meeting, 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time appointed for the adjourned meeting).

If the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

(b) Online appointment of proxies

As an alternative to completing and returning the printed YELLOW Form of Proxy, proxies may be appointed electronically via Equiniti's online facility by logging on to the following website: www.sharevote.co.uk and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting (as set out in paragraph (a) above) or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

(c) Electronic appointment of proxies through CREST

If you hold McKay Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the General Meeting (or any adjournment thereof) using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Equiniti (ID: RA19) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the General Meeting (as set out in paragraph (a) above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

McKay may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

5. Appointment of a proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority shall be determined by the order in which the names of the joint holders stand in the Company’s register of members in respect of the joint holding.

6. Corporate representatives

Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares: if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and in other cases, the power is treated as not exercised.

7. Votes to be taken by a poll and results

At the General Meeting voting on the Special Resolution will be by poll. The results of the poll will be announced through a Regulatory Information Service and published on the Company’s website as soon as reasonably practicable following the conclusion of the General Meeting.

The 'Withheld' option on the YELLOW Form of Proxy is provided to enable McKay Shareholders to abstain from voting on the Special Resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of proportion of votes 'For' and 'Against' the Special Resolution.

8. Nominated persons

Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between that Nominated Person and the shareholder by whom that Nominated Person was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, that Nominated Person may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 4 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.

9. Website providing information regarding the General Meeting

Information regarding the General Meeting, including information required by section 311A of the Companies Act, and a copy of this Notice of General Meeting may be found on the Company’s website at www.mckaysecurities.plc.uk.

10. Issued share capital and total voting rights

As at 28 March 2022 (being the last Business Day prior to the publication of this Notice of General Meeting) the Company’s issued share capital consisted of 90,089,313 ordinary shares of 20 pence each, carrying one vote each (there are currently no shares held in treasury). Therefore, the total voting rights in the Company as at 28 March 2022 were 90,089,313 votes.

11. Further questions and communication

Under section 319(a) of the Companies Act, any shareholder attending the General Meeting has the right to ask questions. As set out above, McKay Shareholders, if attending in person, will be permitted to ask questions at the General Meeting (subject to the applicable COVID-19 restrictions then in force, if any). The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

McKay Shareholders who have any queries about the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit proxies electronically or online, should contact the Company’s Registrars, Equiniti, by calling the Shareholder Helpline on +44 (0)371 384 2050. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

McKay Shareholders may not use any electronic address or fax number provided in this Notice of General Meeting or in any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communications, including the lodgement of any electronic proxy form, received by the Company, or its agents, that is found to contain any virus will not be accepted.

PART XII

**VALUATION REPORT OF KNIGHT FRANK LLP IN RESPECT OF
MCKAY SECURITIES PLC PROPERTIES**

Valuation Report.

McKay Securities Plc Portfolio

Prepared for McKay Securities Plc
Valuation date: 31 January 2022

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

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Appendices

- Appendix 1 Schedule of Property Types
- Appendix 2 Property List
- Appendix 3 Schedule of Properties worth 5% of MV
- Appendix 4 Development Schedule

McKay Securities Plc
20 Greyfriars Road
Reading, Berks
RG1 1NL
United Kingdom
("McKay Securities")

N.M. Rothschild & Sons Limited
New Court, St Swithin's Lane
London EC4N 8AL
("Rothschild & Co")

Date of issue: 2 March 2022

Dear Sirs

McKay Securities Portfolio Valuation as at 31 January 2022

1. Basis of Instruction

1.1 Under the terms of the Engagement Letter dated 28 February 2022 ("Engagement Letter") we have valued the freehold and leasehold properties as listed below ("Properties"), as at 31st January 2022, for the purposes as set out in section 2 below.

Client

1.2 Our client for this instruction is McKay Securities (the "Client", "you", "your"). Our Valuation Report is addressed to you and Rothschild & Co (together the "Addressees").

1.3 The Addressees shall be entitled to rely on this Valuation Report subject to the terms of the Engagement.

2. Purpose of Valuation and Valuation Report

2.1 The Valuation and This Valuation Report are each provided solely for the purpose (the "Purpose") of:

- a inclusion in any announcement (including an announcement made under Rule 2.7 of the Code), scheme document, offer document, response circular or any other document or supplementary circular (the "Code Documentation", and "Code Document" shall mean any one of them) that may be published or made available by the Client in connection with a possible offer or offer for the

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Knight Frank is the trading name of Knight Frank LLP. Knight Frank LLP is a limited liability partnership registered in England and Wales with registered number OC305934. Our registered office is at 55 Baker Street, London W1U 8AN where you may look at a list of members' names. If we use the term 'partner' when referring to one of our representatives, that person will either be a member, employee, worker or consultant of Knight Frank LLP and not a partner in a partnership. Regulated by RICS.

- Client or merger by the Client with another party in accordance with the Code (the "Proposed Transaction") and any further document which the Client is required to publish under the Code; and
- b (i) publication on the Client's website; and (ii) the website of any other party required in accordance with the Code.
- 2.2 The Valuation and this Valuation Report may not be used for any other purpose without our express written consent.
- Valuation standards**
- 2.3 The Valuation (as defined in the General Terms) has been undertaken in accordance with, and This Valuation Report has been prepared in accordance with, in each case, the current editions of RICS Valuation - Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement. References to the "Red Book" refer to either or both of these documents, as applicable. In this context "current edition" means the version in force at the Valuation Date
- 2.4 The Valuation (as defined in the General Terms) and This Valuation Report, each as applicable to the Purpose (as defined in Section 2 above), together with any Code Documentation (as defined above) comply with Rule 29 of the City Code on Takeovers and Mergers (the "Code") as issued by The Takeover Panel.
- 2.5 In accordance with your instructions we have inspected the Properties internally / by going onto the site, as well as externally, within the last year. We have not undertaken any building surveys or environmental audits and are therefore unable to report that the Properties are free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of materials now suspect. No tests were carried out on any of the technical services. However, we have reflected any apparent wants of repair in our opinion of value as appropriate.

3. Compliance and Independence

Status of valuer and disclosure of any conflicts of interest

- 3.1 For the purposes of the Red Book, we are acting as External Valuers, as defined therein.
- 3.2 Knight Frank LLP was appointed in the role as valuer for accounts purposes on 12 July 2017. These valuations have been undertaken under the overall supervision of Simon Gillespie MRICS, RICS Registered Valuer and Chris Galloway MRICS, RICS Registered Valuer, who have been responsible for this instruction since that date.
- 3.3 In relation to Knight Frank LLP's preceding financial year, the proportion of the total fees paid by the Client to the total fee income of Knight Frank LLP was less than 5%.
- 3.4 We recognise and support the RICS Rules of Conduct, have established procedures for identifying conflicts of interest and a valuer rotation policy in accordance with the RICS Valuation – Professional Standards.

- 3.5 We confirm that we do have a material connection or involvement giving rise to a potential conflict of interest, as set out below:
- We have valued the Properties for you within the last 2 years for accounts purposes.
 - We have valued some of the Properties for third party finance providers within the last 2 years
 - We have been instructed to provide Building Insurance Valuations
- 3.6 We have previously disclosed this to you and you have confirmed that notwithstanding this matter, you are content for us to proceed with this instruction. We confirm that we have had no previous material interest in McKay Securities or material connection or involvement with any of the Properties other than as set out above, and accordingly, are in a position to provide an objective and unbiased valuation.
- 3.7 Accordingly, we confirm that: (i) we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code; and (ii) during the term of the Engagement, we shall not do anything that could reasonably be expected to cause us not to satisfy the requirements of Rule 29.3(a)(i) of the Code.
- 3.8 Please note that if you subsequently request, and we agree to, This Valuation Report being re-addressed to another party other than the Addressees (for which we shall make an additional charge), the Valuation may not meet their requirements, having originally been requested by you. We will only readdress This Valuation Report once we have received a signed reliance letter in our standard format from the new addressee. Please note also that no update or alterations will be made to the Valuation prior to its release to any new addressee.

Valuer and competence disclosure

- 3.9 The valuer, on our behalf, with responsibility for the Valuation is Simon Gillespie MRICS, RICS Registered Valuer (the “Lead Valuer”).
- 3.10 We confirm that we meet the requirements of the Red Book in having sufficient current knowledge of the particular market and the skills and understanding to undertake the Valuation competently.
- 3.11 Additionally, the Lead Valuer and any additional valuers who value the Properties are qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code and have sufficient current knowledge of the property market and the necessary skills to prepare this Valuation Report as required by Rule 29.3(a)(iii) of the Code.

4. Valuation

- 4.1 The basis for the Valuation as required by the Code is Market Value, as defined in the Red Book. Additionally, in relation to any Properties comprising land being developed or with immediate development potential (as referred to in Note 3 to Rule 29.4 of the Code), this Valuation Report includes (in relation to those Properties) the additional matters set out in Note 3 to Rule 29.4.

4.2 The Properties have been valued on the basis of Market Value, which is set out in the RICS Valuation - Professional Standards VPS4 (1.2) as follows:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

4.3 In our opinion, the adoption of the required Market Value basis does not result in any material difference in the value reported from that derived under the definition of Fair Value in accordance with the RICS Valuation - Professional Standards VPS4 (1.5) Fair Value and VPGA 1 Valuations for Inclusion in financial statements, which adopt the definition of Fair Value adopted by the International Accounting Standards Board:

“The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.”

4.4 No allowance has been made for expenses of realisation or for any taxation which might arise, and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.

4.5 Our valuations reflect usual deductions in respect of purchaser’s costs and, in particular, full liability for UK Stamp Duty as applicable at the valuation date. Save as otherwise disclosed, it has been assumed for the purpose of valuation, that the relevant interests in the Properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

4.6 The Properties have been valued individually and not as part of a portfolio. Disposal as a portfolio, or by other prudent lotting, may result in either a premium or discount, depending upon market conditions. Our report does not seek to address this.

4.7 Our Opinion of Value is stated in GBP (£ Sterling).

4.8 **We are of the opinion that the aggregate Market Value of McKay Securities’ interests in the Properties, as at 31 January 2022, was £490,400,000 (Four Hundred and Ninety Million, Four Hundred Thousand Pounds).**

4.9 In the appendices we attach a list of all properties, split of value by Freehold and Leasehold assets, details of valuation by asset type in line with the detail presented in McKay Securities’ financial reporting, a schedule of those properties with a value of 5% or more of the total portfolio valuation and details of the development property, as required under Rule 29 of The Code.

4.10 Our Valuation is subject to the Engagement Letter, dated 28 February 2022, and our General Terms of Business for Valuations attached thereto. For the avoidance of doubt, should there be any conflict between the assumptions and conditions set out in the Engagement Letter and Terms, then those contained within the Engagement Letter shall take precedence.

4.11 The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although

these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

- 4.12 The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.
- 4.13 For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

5. Valuation Methodology

- 5.1 Our valuations have been undertaken using appropriate valuation methodology and our professional judgement.

Investment Method

- 5.2 In undertaking our valuation of a property, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions we have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

Residual Method

- 5.3 Our opinion of the Market Value of the site in its existing condition is arrived at using the residual method which is a generally accepted method for valuing properties that are considered to have possible development potential. Having formed an opinion of the value of the completed development (Gross Development Value), using the Investment Method described above, we deduct from it the total costs of development and an allowance for developer's profit.
- 5.4 For properties actually in the course of development, we have reflected the stage reached in construction and the costs remaining to be spent at the date of valuation. We have had regard to the contractual liabilities of the parties involved in the developments and any cost estimates that have been provided by professional advisors to the projects. For recently completed developments we have, as instructed, made deductions in our valuations for retention monies and any outstanding development costs, fees, or other expenditure for which there may be a liability and of which we have been notified.

6. Valuation Assumptions

- 6.1 As agreed, our valuations are based on information provided by McKay Securities, upon which we have relied, and which has not been verified by us. Our assumptions (as defined in the RICS Red Book) relating to this information are set out below.

- 6.2 Our valuations are based on measurements, which have been provided by McKay Securities. We have assumed that these measurements have been undertaken in accordance with the current RICS Code of Measuring Practice.
- 6.3 The adoption of IPMS (International Property Measurement Standards), for the office sector, became mandatory with effect from 1st January 2016 for all RICS members replacing NIA (Net Internal Area) as set out under the current Code of Measurement Practice (Sixth Edition). It has been agreed with you that until the new definition of measurement has been adopted by the leasing market, rental analysis for the office sector will continue to be shown on a net internal area basis. As or when buildings are re-measured, we will present our analysis on a dual basis, namely IPMS and NIA.
- 6.4 Our valuations assume that the Properties have good and marketable titles and are free of any undisclosed onerous burdens, outgoing or restrictions. We have not seen planning consents and, except where advised to the contrary, have assumed that the properties have been erected and are being occupied and used in accordance with all requisite consents and that there are no outstanding statutory notices.
- 6.5 As stated in our General Terms of Business for Valuations, we do not undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.
- 6.6 As agreed, we have not read documents of title or leases and, for the purpose of our valuations, have accepted the details of tenure, tenancies and all other relevant information with which we have been supplied by McKay Securities. When considering the covenant strength of individual tenants we have not carried out credit enquiries but have reflected in our valuations our general understanding of purchasers' likely perceptions of tenants' financial status.
- 6.7 We were not instructed to carry out structural surveys of the Properties, nor to test the services, but have reflected in our valuations, where necessary, the general condition of the Properties as observed during the course of our inspections or of which we have been advised. Our valuations assume the buildings contain no deleterious materials and that the sites are unaffected by adverse soil conditions, except where we have been notified to the contrary.
- 6.8 We have not carried out any investigations into past or present uses of either the Properties or any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the subject properties. Unless we have been provided with information to the contrary, we have assumed that the Properties are not, nor are likely to be, affected by land contamination and that there are no ground conditions which would affect the present or future uses of the Properties.
- 6.9 Our valuations assume that the Properties would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.
- 6.10 Save as otherwise disclosed; it has been assumed for the purpose of valuation that the relevant interests in the Properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

- 6.11 In all cases, we have assumed that, unless notified by the Client to the contrary, there have not been any material changes to the information provided by them.

7. Observations

- 7.1 The possible effects of electric and magnetic fields from high voltage electrical supply apparatus has been the subject of occasional media coverage. As a result, there is a risk that adverse public and investor perception may affect the marketability of properties situated close to high voltage supply equipment.

Third party reliance and liability

- 7.2 Save for: (a) the Addressees; and (b) any responsibility to any person arising under Rule 29.4 of the Code, in accordance with Clauses 3 & 4 of the General Terms and to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with This Valuation Report or our statement, required by and given solely for the purposes of complying with Rule 29.4 of the Code.

Disclosure

- 7.3 Clauses 4.3 to 4.6 of the General Terms limit disclosure and generally prohibits publication of the Valuation and This Valuation Report. As stated therein, the Valuation is confidential to you and the Addressees and neither the whole, nor any part, of the Valuation nor any reference thereto may be included in any published document, circular or statement, nor published in any way, without our prior written consent and approval of the form or context in which it may appear, except as set out below.

- 7.4 Our final Valuation Report will be included in the relevant Code Documentation to be published by the Client. We will review the sections of the relevant Code Documentation relating to the Valuation and this Valuation Report and you agree to not publish any Code Document containing This Valuation Report until you have received a consent letter (in the form set out in Annex 2 of our Engagement Letter) from us. We further hereby consent to our Valuation Report being made available on the Client's website (and the website of any other party referred to in any Code Document) in accordance with the Code.

Disclosure under the Code

- 7.5 This Valuation Report complies with Rule 29 of The Code and we understand that the publication or reproduction by you of This Valuation Report and/or the information contained herein as required by Rules 26 and 29 the Code will be necessary, including in any Code Document.

Consent

- 7.6 Knight Frank has given and has not withdrawn its consent to the inclusion of This Valuation Report in the Code Documentation published by McKay Securities in the form and context in which it is included.

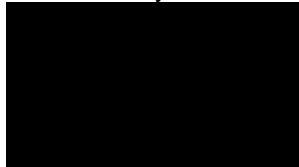
Responsibility

- 7.7 For the purposes of the Code, we are responsible for This Valuation Report and accept responsibility for the information contained in This Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in This Valuation Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purpose of Rule 29 of the Code.

8. General Conditions

- 8.1 This report and our valuations have been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect them.
- 8.2 Our report and valuation is for the use only of the party to whom it is addressed and no liability is accepted to any third party for the whole or any part of its contents. If our opinion of value is disclosed to persons other than the addressee of this report, the basis of valuation should be stated. Neither the whole or any part of This Valuation Report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

Yours faithfully



Simon Gillespie MRICS
RICS Registered Valuer
Partner, Valuation & Advisory
For and on behalf of Knight Frank LLP



Chris Galloway MRICS
RICS Registered Valuer
Partner, Valuation & Advisory
For and on behalf of Knight Frank LLP

Appendix 1 Schedule of Property Types

Portfolio overview based on the categorisation used within McKay Securities Plc financial reporting

Property Types	No. of Properties	Market Value as at 31st January 2022
London Offices	3	55,350,000
South East Office	18	259,300,000
Total Offices	21	314,650,000
South East Industrial/Logistics	8	141,750,000
Other	4	20,700,000
Total (excl. dev)	12	162,450,000
Developments	1	13,300,000
Total Portfolio	34	490,400,000

Included above there are two **long leaseholds** with over 50 years to run:

London Offices:

Portsoken House £24,750,000

Other:

Parkside £4,450,000

Portfolio Overview based on the categorisation used within Workspace Group Plc financial reporting

Property Types	No. of Properties	Market Value as at 31st January 2022
London Offices	7	160,250,000
South East Office	14	154,400,000
Total Offices	21	314,650,000
Light Industrial	9	155,050,000
Other	4	20,700,000
Total Portfolio	34	490,400,000

Included above there are two **long leaseholds** with over 50 years to run:

London Offices:

Portsoken House £24,750,000

Other:

Parkside £4,450,000

Appendix 2 Property List

Property Name	Town	Region	Sector	Tenure Type
Lower Cherwell, Lower Cherwell Street	Banbury	South East	Industrial	Freehold
329 Bracknell, Doncastle Road	Bracknell	South East	Office	Freehold
The Mille, 1000 Great West Road	Brentford	South East	Office	Freehold
Land	Chobham	South East	Other	Freehold
Pegasus Place	Crawley	South East	Office	Freehold
Oakwood Trade Park, Gatwick Road	Crawley	South East	Industrial	Freehold
Corinthian House	Croydon	South East	Office	Freehold
Columbia House, Apollo Rise	Farnborough	South East	Industrial	Freehold
One Fleet & Centaur, Ancells Road	Fleet	South East	Office	Freehold
3 Acre Estate, Park Farm	Folkestone	South East	Industrial	Freehold
Five Acre Estate, Park Farm Road	Folkestone	South East	Industrial	Freehold
Ashcombe House, 5 The Crescent	Leatherhead	South East	Office	Freehold
Parkside, Flats 20/20a & East Penthouse Knightsbridge	London	Inner London	Other	Leasehold
Switchback	Maidenhead	South East	Office	Freehold
Strawberry Hill	Newbury	South East	Other	Freehold
McKay Trading Estate, Blackthorne Road	Poyle	South East	Industrial	Freehold
Gt Brighams Mead	Reading	South East	Office	Freehold
9 Greyfriars Road, 9 Greyfriars Road	Reading	South East	Office	Freehold
20-30 Greyfriars Road, 20-30 Greyfriars Road	Reading	South East	Office	Freehold
Prospero, 73 London Road	Redhill	South East	Office	Freehold
Mallard Court, Market Square	Staines	South East	Office	Freehold
Cygnets House	Staines	South East	Office	Freehold
135 Theale Logistics Park, Brunel Road	Theale	South East	Industrial	Freehold
Units 1 & 2, Sopwith Drive	Weybridge	South East	Development	Freehold
Swan Court, 11-17 Worples Road	Wimbledon	South East	Office	Freehold
Gainsborough House	Windsor	South East	Office	Freehold
One Crown Square	Woking	South East	Office	Freehold
The Planets, Crown Square	Woking	South East	Other	Freehold
Castle Lane, 1 & 2 Castle Lane	London	Inner London	Office	Freehold
Portsoken House, 155-157 Minories & 83-86 Aldgate High Street	London	Inner London	Office	Leasehold
66 Wilson Street, 66 Wilson Street	London	Inner London	Office	Freehold

Rivergate House, Newbury Business Park	Newbury	South East	Office	Freehold
Willoughby Road, Willoughby Road	Bracknell	South East	Industrial	Freehold
Evergreen Studios, Evergreen Studios	Richmond	South East	Office	Freehold

Appendix 3 Schedule of Properties worth 5% of MV

Property	Tenure	Description	Current Rent (Gross)	Market Rent	Market Value as at 31 st January 2022
135 Theale Logistics Park, Brunel Road, Theale	Freehold	Industrial Unit of 135,094 sq ft built in 2020 and entirely let to Amazon	1,513,053	1,655,000	45,700,000
Swan Court, 11-17 Worple Road, Wimbledon	Freehold	Office building built in 2005 over ground and 5 upper floors totalling 57,498 sq ft. Let to one tenant with vacant ground and 1 st floors under-going refurbishment.	1,627,813	2,797,337	41,750,000
The Mille, 1000 Great West Road, Brentford	Freehold	Office building and advertising hoardings alongside M4. Built in the 1970s totalling 96,919 sq ft over ground and 12 upper floors. Multi-let to 24 tenants with a WAULT of 3.62 yrs	2,465,672	2,994,453	35,200,000
McKay Trading Estate, Blackthorne Road, Poyle	Freehold	Industrial estate built in 1970s of 9 units totalling 73,954 sq ft. Multi-let to 5 tenants with a WAULT of 4.19 yrs	779,289	1,060,000	28,750,000
Portsoken House, 155-157 Minorities & 83-86 Aldgate High Street, London EC3	Leasehold – 96 yrs remain at 15.5% of rents receivable – current head rent is £230,000 pa	Office building with 3 retail units built in the 1920s over basement, ground and eight upper floors totalling 49,351 sq ft. Subject to a recent and on-going rolling refurbishment. Multi-let to 11 tenants with a WAULT of 2.35 yrs	911,341	2,484,380	24,750,000

Appendix 4 Development Schedule



Property	Description	Market Value as at 31 st January 2022	GDV – Completed Expected Date	GDV - Completed & Let Estimated Date	Costs to Complete
Sopwith Drive Weybridge KT13 0UX	1990s built distribution unit of 62,802 sq ft let on a short-term basis to Hermes – expiry April 2022. Initial Planning discussions held regarding a 75,000 sq ft unit.	£13,300,000	£28,650,000 April 2023	£33,000,000 October 2023	£9,600,000

PART XIII

**VALUATION REPORT OF CBRE LIMITED IN RESPECT OF
WORKSPACE GROUP PLC PROPERTIES**

CONDENSED VALUATION REPORT

Valuation Date: 31 January 2022

Report Date: 1 March 2022

In respect of:

Workspace Group plc Portfolio

On behalf of:

The Addressees as stated below

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01

CONDENSED VALUATION REPORT

Introduction

Report Date	1 March 2022
Valuation Date	31 January 2022
Addressee	The Directors Workspace Group plc
	(herein after referred to as “Workspace”)
	and
	J.P. Morgan Securities plc 25 Bank Street London E14 5JP
	(in its capacity as Financial Adviser to the Company)
	(and the above collectively referred to hereinafter as the “Addressees”)

The Properties	The properties held by Workspace Group plc as listed in the Schedule of Assets below (the “Properties”).
Instruction	To value the unencumbered freehold, heritable and leasehold interests (as applicable) in the Properties on the basis of Market Value as at the Valuation Date in accordance with the terms of engagement entered into between CBRE and the Addressees dated 1 March 2022.
Capacity of Valuer	External Valuer, as defined in the current version of the RICS Valuation – Global Standards.
Purpose	The purpose of our valuation and the Appendices to it will be to assess the Market Value of the freehold, heritable and leasehold interests in the Properties (together the “Valuation Report”) for inclusion in an announcement to be made under Rule 2.7 of the Takeover Code and for inclusion in a subsequent offer document or scheme document (as applicable) (the “Purpose”). This Valuation Report has been prepared in accordance with Rule 29 of the Takeover Code. The effective date of valuation is 31 January 2022.

Market Value of Workspace's Interest in the Properties

£2,401,835,000 (TWO BILLION FOUR HUNDRED AND ONE MILLION EIGHT HUNDRED AND THIRTY FIVE THOUSAND POUNDS) exclusive of VAT, as shown in Schedule of Assets below.

Appendix A contains details of the Properties that are in the course of development or held for development as required by Rule 29 of the Takeover Code.

We are required to show the split of values between freehold (and heritable) and leasehold property, and to report separately on properties held for investment and held for development.

The Company has expressly instructed us not to disclose the individual values or rents of the Properties which it considers commercially sensitive.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

	Freehold £	Leasehold £	Sub-total £
Central London	955,000,000	280,950,000	1,235,950,000
Inner London	892,195,000	63,325,000	955,520,000
Industrial/Workshop	60,165,000	-	60,165,000
Development	127,700,000	22,500,000	150,200,000
Totals	2,035,060,000	366,775,000	2,401,835,000

In accordance with Note 3 of Rule 29.4 of the Takeover Code, please find additional figures relating to the development Properties attached at Appendix A to this report.

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

Where a property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached and has been primarily derived using comparable recent market transactions on arm's length terms.

We hereby confirm that as at the date of this report, we are not aware of any material changes to the Properties which would affect our Valuation between the effective date of the Valuation and the date of this report.

Development Assets

The development Properties have been valued by way of a discounted cashflow and residual appraisals. These methods of valuation are very sensitive to changes in key inputs. Small changes in variables such as sales volumes or build costs will have a disproportionate effect on land value as demonstrated below. Site values can therefore be susceptible to considerable variances as a result of changes in market conditions.

Compliance with Valuation Standards	<p>The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the “Red Book”) current as at the Valuation Date.</p> <p>The Properties have been valued by a valuer who is qualified for the purpose of the Valuation in accordance with the Red Book. We confirm that we have sufficient local and national knowledge of the particular property market involved and have the skills and understanding to undertake the Valuation competently.</p> <p>Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.</p> <p>This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer’s independent professional opinion of the value of the subject Properties as at the Valuation Date.</p> <p>In accordance with the RICS Valuation Global Standards (2020) (“Red Book”) we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.</p>
Assumptions	<p>The Properties details on which each Valuation are based are as set out in this report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.</p>
Variations and/or Departures from Standard Assumptions	None.
Novel Coronavirus (COVID-19)	<p>The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020, has impacted many aspects of daily life and the global economy. However, in UK Industrial Logistics, as at the Valuation Date, transaction volumes provided enough up-to-date comparable market evidence upon which to base opinions of value. Given the unknown future impact of COVID-19 on the real estate market and the difficulty in differentiating between short-term impacts and longer-term structural market changes, we recommend that you keep the Valuation contained in this report under frequent review.</p>
Sustainability Considerations	<p>Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.</p> <p>Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.</p>

Climate Risk Legislation

The UK Government is currently producing legislation which enforces the transition to net zero by 2050, and the stated 78% reduction of greenhouse gases by 2035 (based on a 1990 baseline).

We understand this to include an update to the Minimum Energy Efficiency Standards, stated to increase the minimum requirements from an E (since 2018) to a B in 2030. The government also intends to introduce an operational rating. It is not yet clear how this will be legislated, but fossil fuels used in building, such as natural gas for heating, are incompatible with the UK's commitment to be Net Zero Carbon by 2050.

This upcoming legislation could have a potential impact to future asset value.

We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.

The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.

Independence

CBRE currently value the Properties as part of a wider mandate for financial reporting purposes on behalf of the Company. CBRE Ltd have had no other previous material involvement with any of the Properties.

The total fees, including the fee for this assignment, earned by CBRE Ltd (or other companies forming part of the same group of companies within the UK) from the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

Responsibility


We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge the information contained in this Valuation Report is in accordance with the facts and contains no omissions likely to affect its import.

Reliance

This Valuation Report will be relied upon by the Addressees.


No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose.

Yours faithfully



Nick Knight
Executive Director
RICS Registered Valuer
For and on behalf of CBRE Limited
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Yours faithfully



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RICS Registered Valuer
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Schedule of Assets

Address	Tenure
AVRO HOUSE & HEWLETT HOUSE, Havelock Terrace	Freehold
ANGEL HOUSE, London EC1	Freehold
ARCHER STREET, London W1	Freehold
BARLEY MOW CENTRE, Chiswick W4	Freehold
55 BENDON VALLEY, London SW18	Freehold
BRICKFIELDS, London E2	Freehold
CANALOT STUDIOS, London W10	Freehold
CANNON WHARF, Pell St, Surrey Quays	Virtual Freehold
CARGO WORKS (was Enterprise House, London SE1	Freehold
CENTRO BUILDINGS & CENTRO 1&2, London	Freehold
CHINA WORKS, London SE1	Freehold
CHISWICK STUDIOS, Chiswick	Freehold
CHOCOLATE FACTORY, Wood Green N22	Freehold
CLERKENWELL WORKSHOPS, London	Freehold
E1 Studios, 1-15 WHITECHAPEL HOUSE, London E1	Freehold
EAST LONDON WORKS, London E1	Freehold
EDINBURGH HOUSE, Kennington	Leasehold
EXMOUTH HOUSE, London EC1	Leasehold
160 FLEET STREET, London EC4	Leasehold
FUEL TANK, Deptford	Freehold
60 GRAY'S INN ROAD, London	Freehold
GRAND UNION STUDIOS, London W10	Freehold
HIGHWAY BUS PARK, London E1	Freehold
INK ROOMS, EASTON STREET, London WC1	Freehold
KENNINGTON PARK, Kennington	Freehold
LEATHERMARKET, London SE1	Freehold
LEROY HOUSE, London N1	Freehold
LIGHTBOX (111 POWER ROAD), Chiswick	Freehold
LIGHT BULB, Wandsworth SW18	Freehold
LOCK STUDIOS, London	Freehold
MALLARD PLACE, Wood Green N22	Leasehold
MARE STREET STUDIOS, London	Part Freehold & Part Leasehold
MECCA BINGO SITE, Garratt Lane, Wandsworth	Freehold
METAL BOX FACTORY, Southwark SE1	Freehold
MIRROR WORKS, Stratford, E15	Freehold
MORIE STREET (NO 1), London SW18	Freehold
PALL MALL DEPOSIT, London W10,	Freehold
PARKHALL TRAD EST, London SE21	Freehold
PARMA HOUSE, Wood Green N22	Freehold
PEER HOUSE, 8-14 Verulam St, London	Freehold
PILL BOX, London E2	Freehold
POPLAR BUS PARK, London E14	Freehold
PRINTROOMS, London SE1	Freehold
Q WEST, Brentford	Freehold

Address	Tenure
RAINBOW IND PARK, Raynes Park SW20	Freehold
RECORD HALL, London	Freehold
RIVERSIDE BUS CENTRE (EXCL 55), London SW18	Freehold
SALISBURY HOUSE, London	Leasehold
SCREENWORKS, N5	Freehold
SHAFTESBURY CENTRE, London W10	Freehold
SHEPHERDS BUILDING, W14	Freehold
TAPERS STUDIO, London SE1	Freehold
THE BISCUIT FACTORY, London SE16	Freehold
THE BUSWORKS, London, N7	Leasehold
THE FRAMES, London	Freehold
THE OLD DAIRY, EC2A	Part Freehold & Part Leasehold
THURSTON ROAD IND EST, London SE13	Freehold
VOX STUDIOS, London SE11	Freehold
WENLOCK BUSINESS PARK, WHARF ROAD, London N1	Freehold
WESTBOURNE STUDIOS, London W10	Leasehold

Source of Information and Scope of Works

Sources of Information	We have carried out our work based upon information supplied to us by Workspace, as set out within this report, which we have assumed to be correct and comprehensive.
The Properties	Our report contains a brief summary of the Property details on which our Valuation has been based.
Inspection	<p>In accordance with your instructions, we have not re-inspected the Properties for the purposes of this valuation.</p> <p>We have inspected all the Properties internally within the last three years under the terms of the Workspace’s instructions for us to value the Properties for financial reporting purposes.</p> <p>Following the outbreak of the Novel Coronavirus (COVID-19) declared by the World Health Organisation as a “Global Pandemic” on 11th March 2020, we were unable to carry out internal inspections between 25 March 2020 and 18 May 2020.</p> <p>Subsequent to this, internal inspections need to comply with new UK Government, PHE, Regional and local guidance.</p> <p>With some properties it has not been possible to arrange an inspection in compliance with the new guidelines and we have been unable to inspect these assets internally within the last 12 months. We have therefore valued these Properties subject to an external inspection, adopting the assumptions concerning the state of these Properties as set out within this report.</p> <p>Workspace has confirmed that it is not aware of any material changes to the physical attributes of these properties, since the last inspection. We have assumed this advice to be correct.</p> <p>Where valuations are undertaken on a desktop basis, the valuer will not carry out the usual range of enquiries performed during an inspection of these Properties and will make the appropriate assumptions based on the information provided or available that, without inspection, cannot be verified. There are heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis</p>
Areas	We have not measured the Properties but have relied upon the floor areas provided to us by Workspace and their professional advisors, which we have assumed to be correct and comprehensive, and which Workspace has advised us have been calculated using the Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.
Environmental Considerations	<p>Unless otherwise stated above, we have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Properties and which may draw attention to any contamination or the possibility of any such contamination.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>
Services and Amenities	<p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p> <p>Enquiries regarding the availability of utilities/services to any proposed developments are outside the scope of our report.</p>
Repair and Condition	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
Town Planning	We have not undertaken planning enquiries.

Titles, Tenures and Lettings

Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants

Valuation Assumptions

Capital Values	<p>Each valuation has been prepared on the basis of "Market Value"), which is defined in the Red Book as:</p> <p>"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p> <p>The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
Taxation, Costs and Realisation Costs	<p>As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.</p> <p>Our valuations reflect purchasers' statutory and other normal acquisition costs.</p>
VAT	<p>We have not been advised whether the properties are elected for VAT.</p> <p>All rents and capital values stated in this report are exclusive of VAT.</p>
Passing Rent	<p>Passing rents quoted in this report are the rents which are currently payable under the terms of the leases. Passing rents exclude service charges and VAT and are prior to deduction of any non-recoverable costs. Passing rents exclude turnover rents, mall incomes and other miscellaneous incomes.</p>
Net Annual Rent	<p>Net annual rent is defined for the purposes of this transaction as "the current income or income estimated by the valuer:</p> <ul style="list-style-type: none"> (i) ignoring any special receipts or deduction arising from the property; (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent".
Estimated Net Annual Rental Value	<p>The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.</p>
Rental Values	<p>Unless stated otherwise rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:</p> <p>"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."</p>
Fixtures, Fittings and Equipment	<p>Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.</p>

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our report are approximate.

Environmental Matters

In the absence of any information to the contrary, we have assumed that:

- a) the Properties are not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. We would draw your attention to the fact that under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out a business premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption.
- d) In January 2021 the Government closed the consultation period that focused on its latest proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals are wide ranging and they introduce new demands on residential landlords through Energy Performance Certificates ('EPCs'). Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028. The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite; compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication is (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they fail to meet or exceed the minimum EPC requirement. It is expected that the Government will respond to the consultation process in Q2/Q3 2021 with any new regulations taking effect in Q3/Q4 2021. At present it is not clear how the market would respond to these proposals were they to be implemented as currently drafted; neither do we have any visibility of changes that may be made to the proposals following the consultation process. Our Valuation reflects market conditions and regulations effective at the Valuation date; we make no additional allowances for any future works that may be required in order to ensure that the subject assets would remain lettable under revised regulations;
- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

Repair and Condition	<p>In the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none"> a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties; b) the Properties are free from rot, infestation, structural or latent defect; c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, have been used in the construction of, or subsequent alterations or additions to, the Properties; and d) the services, and any associated controls or software, are in working order and free from defect. <p>We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.</p>
Title, Tenure, Lettings, Planning, Taxation and Statutory & Local Authority Requirements	<p>Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:</p> <ul style="list-style-type: none"> a) the Properties possesses a good and marketable title free from any onerous or hampering restrictions or conditions; b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use; c) the Properties is not adversely affected by town planning or road proposals; d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place; e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK); f) all rent reviews are upward only and are to be assessed by reference to full current market rents; g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal; h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge; i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted; k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and

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- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.
In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland will apply at the rate currently applicable.
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APPENDICES

Appendix: Development Properties Details

The figures below are provided in accordance with Note 3 of Rule 29.4 of the Takeover Code.

Property	Description, age and tenure	Letting profile of new development	Estimated total cost to complete	Estimated Date of Completion and let	Market Value as at 31/01/2022 on completion of the development	Market Value as at 31/01/2022 on completion and fully income producing
Chocolate Factory/Parma House	This is a proposed partial demolition of an existing business centre at Chocolate Factory and the demolition of Parma House, to provide a mixed use residential led scheme. Planning Permission for 230 residential units and 20,100 sq ft of commercial space was granted in February 2019. Tenure: Mixture of Freehold and Leasehold.	The new development will consist of private residential units to be sold off and an extension to the retained block at Chocolate Factory and new space totalling 7,900 sq ft. This space will be let on flexible terms consistent with Workspace's exiting model.	£40,000,000	Completion - October 2024 Let - June 2025	£67,500,000	£68,000,000
Poplar Business Park	This is the second phased development of an existing light industrial estate to provide a residential led mixed-use scheme. Planning Permission for 222 residential units and 58,000 sq ft of commercial space in the second phase was granted in October 2013. The first phase of development is completed. Tenure: Freehold	The new development will consist of private and social residential units to be sold off and an office building totalling 58,000 sq ft. This space will be let on flexible terms consistent with Workspace's exiting model.	£61,500,000	Completion - March 2026 Let - September 2026	£118,000,000	£118,500,000
Rainbow Industrial Park	This is a proposed demolition of an industrial estate to provide a residential led mixed use scheme. Planning Permission for 224 residential units and 33,000 sq ft of commercial space was granted in December 2014. The first phase of commercial development has been completed providing 19,000 sq ft of light industrial units. Tenure: Freehold	The new development will consist of private and social residential units to be sold off and mixed commercial uses totalling 14,000 sq ft. This space will be let on flexible terms consistent with Workspace's exiting model.	£60,000,000	Completion - July 2027 Let - January 2028	£120,000,000	£121,000,000
Riverside Business Centre	This is a proposed demolition of a mixed commercial use site to provide a residential led mixed use scheme. Planning Permission for 402 residential units and 170,000 sq ft of commercial space was granted in July 2021 2014. Tenure: Freehold	The new development will consist of private and social residential units to be sold off and mixed commercial uses totalling 170,000 sq ft. This space will be let on flexible terms consistent with Workspace's exiting model.	£185,000,000	Completion - January 2024 Let - January 2026	£300,000,000	£310,000,000

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