

## Proposed Transaction with the Peel Group and Notice of General Meeting

intu properties plc

### **This document is important and requires your immediate attention**

If you are in any doubt as to the action you should take, it is recommended that you seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, in the case of shareholders registered on the United Kingdom section of the share register, is authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in intu properties plc, please forward this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for delivery to the purchaser or transferee.

This document should be read as a whole. Your attention is drawn to the letter to shareholders from the Chairman of intu properties plc ("**intu**" or the "**Company**"). This document contains a recommendation that you vote in favour of the resolution to be proposed at the General Meeting referred to below.

Notice of a general meeting of intu to be held at 40 Broadway, London SW1H 0BT at 10.00am (UK time) on Friday 31 May 2019 (the "**General Meeting**") is set out at the end of this document (the "**Notice of General Meeting**"). A form of proxy to be used in connection with the General Meeting is enclosed ("**Form of Proxy**") and, to be valid, should be completed, signed and returned following the procedures described in Note 1 of the Notice of General Meeting so as to be received by the Company's registrars as soon as possible but, in any event, so as to arrive no later than 10.00am (UK time) on Wednesday 29 May 2019 (or, in the case of an adjourned meeting, at least 48 hours before the time appointed for holding the adjourned meeting). Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

**intu properties plc**

**(incorporated and registered under the laws of England and Wales with registered No. 3685527)**

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### **Directors:**

John Strachan, Chairman

John Whittaker, Deputy Chairman

Matthew Roberts, Chief Executive

Adèle Anderson, Senior Independent Director

Ian Burke, Independent Non-Executive Director

Cheryl Millington, Independent Non-Executive Director

### **Registered Office:**

**40 Broadway, London SW1H 0BT**

10 May 2019

# Letter from the Chairman of intu properties plc

**intu properties plc (the 'Company') General Meeting. To the holders of ordinary shares and for information only, to the holders of options under the Company's share option schemes.**

## Dear Shareholder,

### Proposed transaction with the Peel Group and Notice of General Meeting Friday 31 May 2019

intu proposes a transaction (the "**Transaction**") under which its wholly owned subsidiary Braehead Park Estates Limited ("**Braehead**"), will sell a 30.96 acre site known as King George V Docks (West) ("**KGV West**") and two additional plots of adjacent ancillary land (the "**KGV Additional Land**", and together with KGV West, the "**KGV Land**") to Clydeport Operations Limited ("**Clydeport**") for a cash price of £6.125m.

### Purpose of this document

The purpose of this document is to provide you with further details about the Transaction and to explain why the board of intu (the "**Board**" or the "**intu Board**") believe it is in the best interests of the Company and shareholders as a whole. We recommend that you vote in favour of the resolution to be proposed at the General Meeting, as further set out below.

The General Meeting will be held on Friday 31 May 2019 at 10.00am (UK time) at 40 Broadway, London SW1H 0BT. The Notice of General Meeting can be found at the end of this document and a Form of Proxy accompanies this document.

### The Transaction

KGV West is a dock, quayside and general yard adjacent to intu's Braehead shopping centre at Braehead, Glasgow. In 2012, intu (then Capital Shopping Centres Group PLC) acquired, through Braehead, KGV West from Clydeport Properties Limited, an entity in the same group as Clydeport, for a cash consideration of £4,674,000.

At the present time, the site is designated, in planning terms, as a dock, reflecting its existing use. When KGV West was let to Clydeport in 2015, it was assessed that there was no prospect of redevelopment in the short to medium term, with the result that the site was let to Clydeport on a lease running until 29 December 2020 for an annual rent of £550,000. During this letting the long-term strategy in relation to KGV West had been to secure the eventual redevelopment of the site.

However, the adoption of the Clyde Plan and Glasgow City Plan in 2017 sought to protect its use as a dock and therefore makes development for intu's core business increasingly unlikely.

The KGV Additional Land forms part of the adjacent Shiels Gate site owned by Braehead and is currently unlet.

Clydeport has made an offer to buy the KGV Land at £6,125,000. The book value of such land, incorporating the valuation by intu's independent valuers at December 2018, is currently £5,155,000.

The disposal of intu's interest in the KGV Land is consistent with intu's strategy of focussing on its winning shopping centres and reducing its loan to value ratio.

### Related party issues

The Transaction is with Clydeport, a member of the Peel Ports Group which forms part of the Peel Group ("Peel Group"). John Whittaker, Deputy Chairman and Non-Executive Director of intu, is the chairman of the Peel Group which, through associated companies, is also intu's largest beneficial shareholder.

The Transaction does not qualify as a related party transaction for the purposes of the Listing Rules which apply to the Company, on the basis that it is a transaction in the ordinary course of business. However, the Transaction will require approval for the purposes of the Companies Act 2006, including on the basis that it constitutes a substantial property transaction with a person connected with a director of the Company under section 190 of the Companies Act 2006 and is therefore conditional upon the approval of shareholders.

In accordance with the Board's governance arrangements, John Whittaker did not take part in the Board's discussions on the resolution having declared his interest as chairman of the Peel Group.

### Summary information on the Peel Group

The Peel Group is one of the leading infrastructure, real estate and transport enterprises in the UK, with assets owned and under management of over £5 billion. Established by John Whittaker more than 40 years ago, The Peel Group has grown through an ethos of recycling capital and delivering long-term investment, mainly in the North West of England. The Peel Group is a substantial investor in the transport and logistics, land and property, retail and leisure, energy and media sectors; complemented by a portfolio of investments in publicly-quoted companies, such as intu properties plc.

The Transaction is being entered into by Clydeport, a member of the Peel Ports Group, which forms part of the Peel Group. The Peel Group is controlled by the Billown 1997 Settlement (the "Billown Trust"). The Billown Trust (of which John Whittaker is a discretionary beneficiary) is based on the Isle of Man and owns approximately 73 per cent of The Peel Group. The remainder of the Peel Group is owned by the Olayan Group which is a private multinational enterprise comprising over 50 companies and affiliated businesses engaged in distribution, manufacturing, services and investment in Saudi Arabia. It operates or actively participates in more than 40 countries, often in partnership with leading multinationals. Internationally it is a global investor, with emphasis on both public and private equities and on fixed income securities.

The Peel Group and other Persons Closely Associated with John Whittaker together hold 370,220,322 million ordinary shares in intu representing 27.32% per cent of the current voting rights in intu as at 9 May 2019 (being the latest practicable date prior to publication of this document).

## Letter from the Chairman of intu properties plc continued

### Terms of the Transaction

To effect the Transaction, intu's subsidiary, Braehead, will sell its freehold interest in the KGV Land to Clydeport pursuant to an Asset Sale Agreement.

The key terms of the Transaction are as follows:

- (i) Clydeport to pay to Braehead a cash purchase price of £6,125,000;
- (ii) Braehead to grant right of access;
- (iii) Clydeport will agree to pay to Braehead additional overage to Braehead on the same basis as currently contracted for a period of 10 years (save leases can be contracted for 30 years without trigger) paying 20% uplift in value at disposal or development from planning change of use; and
- (iv) The Transaction will result in overage of £104,038 payable to Clydeport Properties Limited under the terms of the original purchase agreement in 2012.

The Transaction is conditional on the approval of intu shareholders at the General Meeting, in accordance with the requirements of section 190 of the Companies Act 2006. If the approval of intu shareholders is obtained, intu expects the Transaction to be completed shortly thereafter.

In the Board's opinion, the Transaction is in the best interests of the Company and shareholders as a whole. The Board is satisfied that the purchase price to be paid by Clydeport represents a fair value.

### General Meeting

As explained above, the Transaction constitutes a transaction with a person connected with a director of the Company which is required to be approved by shareholders for the purposes of the Companies Act 2006 and is therefore subject to shareholder approval. You will find set out at the end of this document a notice convening a General Meeting of the Company to be held on 31 May 2019 at 10.00am (UK time) at 40 Broadway, London SW1H 0BT. This General Meeting is being held for the purpose of considering and, if thought fit, passing a resolution to approve the Transaction and related arrangements. The resolution is set out in full in the Notice of General Meeting. The resolution is proposed as an ordinary resolution.

### Action to be Taken

Whether or not shareholders propose to attend the General Meeting, it is important that they complete, sign and return a Form of Proxy or vote electronically as set out in this document. The completion and return of a Form of Proxy in hard copy or voting electronically will not prevent you from attending and voting at the General Meeting in person if you wish.

To be valid, the Form of Proxy must be lodged with the Company's registrars by not later than 10.00am (UK time) on 29 May 2019. Shareholders receiving hard copies of this document or a postal alert will also have received a Form of Proxy for voting at the General Meeting. For other shareholders, a form of proxy is available for download from the intu website ([www.intugroup.co.uk](http://www.intugroup.co.uk)).

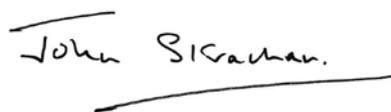
Shareholders registered on the United Kingdom section of the register should return the form of proxy to the reply-paid address shown on the form of proxy or as instructed on the downloaded proxy or, for personal delivery, to Link Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or, alternatively may give their instructions electronically via the registrar's website: [www.signalshares.com](http://www.signalshares.com). If their shares are held in CREST, they may if preferred give instructions electronically via CREST. Shareholders registered on the South African section of the register should return the form of proxy to the reply-paid address shown on the form of proxy or as instructed on the downloaded proxy or, for personal delivery, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein 2001, Republic of South Africa or PO Box 4844, Johannesburg 2000, Republic of South Africa. Shareholders on the South African branch register who have dematerialised their shares and are not registered as 'own name' dematerialised shareholders who wish to vote but not to attend the General Meeting must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. Such shareholders must not complete a proxy form. Please contact your CSDP or broker for advice as to any earlier final dates for lodgement.

### Recommendation

In the Board's opinion, the Transaction is in the best interests of the Company and shareholders as a whole. The intu Board accordingly recommends that shareholders vote in favour of the resolution as directors intend to do in respect of their own shares, amounting in aggregate to 370,820,339 intu ordinary shares representing approximately 27.37 per cent. of the existing issued ordinary share capital of intu as at 9 May 2019.

The intu Board requests shareholders to complete, sign and return your Form of Proxy or vote electronically as soon as possible, and in any event, by no later than such time as is necessary to ensure receipt of your votes by the Company's registrars by close of business (UK time) on 29 May 2019.

Yours sincerely



**John Strachan**  
Chairman

## Notice of General Meeting

### **Notice of meeting**

NOTICE IS HEREBY GIVEN that a General Meeting of intu properties plc (the “**Company**”) will be held at 40 Broadway, London SW1H 0BT on Friday 31 May 2019 at 10.00am (UK time) to consider and, if thought fit, pass the following resolution, which will be proposed as an ordinary resolution:

That the proposed sale by Braehead Park Estates Limited, a subsidiary of the Company, of the 36 acre site known as the KGV Land to Clydeport Operations Limited and related arrangements as described in the Company’s circular to Shareholders dated 10 May 2019 and as amended from time to time by the Directors be and are hereby approved, including for the purposes of chapter 4 of part 10 of the Companies Act 2006.

By Order of the Board

**Susan Marsden**  
**Company Secretary**

10 May 2019

**Registered Office:**  
**40 Broadway, London SW1H 0BT**

## Notes

(1) A member entitled to attend and vote is entitled to appoint one or more proxies to attend and speak and vote instead of him or her. A proxy need not be a member of the Company but must attend the meeting to represent you. If you appoint more than one proxy, each proxy must be appointed to exercise the right attached to a different share or shares held by you. A form of proxy is enclosed for use by shareholders. In order to be valid, a form of proxy, and any power of attorney or other authority under which it is executed (or a duly certified copy of any such power or authority), must be returned by one of the following methods:

- in hard copy form by post, by courier or by hand to the relevant Company registrar; in the case of members on the Company's UK register, to Link Market Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom and, in the case of members on the Company's South African register, to Link Market Services South Africa Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein 2001, Republic of South Africa or PO Box 4844, Johannesburg 2000, Republic of South Africa; or
- electronically for members on the Company's UK register through the UK registrar's website: [www.signalshares.com](http://www.signalshares.com); or
- in the case of CREST members, by utilising the procedure set out below under the heading 'FOR CREST MEMBERS ONLY'; or
- in the case of members holding their shares in the Strate system via a CSDP or broker, by providing the proxy voting instruction to the CSDP or broker (as applicable); or
- Shareholders holding their shares through a CSDP or broker must advise their CSDP or broker if they wish to attend the General Meeting or send a proxy to represent them at the General Meeting. Their CSDP or broker will issue them with the necessary letter of representation to attend or be represented at the General Meeting. If they do not wish to attend the General Meeting, but wish to cast their votes, they should provide their CSDP or broker with their voting instructions. In the absence of such instructions, their CSDP or broker will be obliged to vote in accordance with the instructions contained in the custody agreement mandate between them and their CSDP or broker.
- by email to [meetfax@linkmarketservices.co.za](mailto:meetfax@linkmarketservices.co.za) if you are a certificated or own name dematerialised shareholder.

To be valid, proxies must be received no later than 48 hours before the time of the General Meeting or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting. Where shares are held by a CSDP or broker, proxy voting instructions must be provided in sufficient time to permit the CSDP or broker to advise the registrar no later than 48 hours before the time of the General Meeting or any adjournment thereof. Please contact your CSDP or broker for advice as to any earlier final dates for lodgement. Appointment of a proxy does not preclude a Shareholder from attending the General Meeting and voting in person.

- (2) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those Shareholders registered on the register of members of the Company as at 6.00 p.m. on the day that is two days before the day of the General Meeting shall be entitled to attend and vote at the aforesaid General Meeting in respect of the number of shares registered in their name at that time or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (as the case may be). In each case, changes to entries on the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.
- (3) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**nominated persons**"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- (4) Holders of Ordinary Shares are entitled to attend and vote at general meetings of the Company. On a vote by show of hands every member who is present has one vote. On a poll vote every member who is present in person or by proxy has one vote for every ordinary share of which he or she is the holder. The total number of issued Ordinary Shares in the Company, being the total number of votes exercisable on 9 May 2019, which is the latest practicable date before the publication of this document, is 1,355,040,243.

- (5) Any corporation which is a member can appoint one or more corporate representatives who may exercise on such corporation's behalf all of its powers as a member provided that they do not do so in relation to the same shares. All corporate representatives should bring evidence of their appointment to the General Meeting in the form of a resolution of the relevant corporation's board of directors (or other governing body) or other evidence of authority.
- (6) Any member attending the General Meeting has the right to ask questions. 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 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 good order of the General Meeting that the question be answered.
- (7) Subject to note 2 above, members may attend, speak and vote at the General Meeting by presenting themselves at the above place at the stated time. Doors to the venue open at 9.00am (UK time) and members are encouraged to arrive before 9.45am (UK time) in order for them to register and be seated by the time the General Meeting is convened. Please allow time for registration and security checks.
- (8) A copy of this notice and other information required by Section 311A of the Companies Act 2006 can be found at [www.Intugroup.co.uk/investors](http://www.Intugroup.co.uk/investors) and will be available for inspection by members at the Company's registered office from the date of this notice until the date of the General Meeting.
- (9) Members may not use any electronic address provided in either this notice of General Meeting or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

#### **For CREST members only**

CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting to be held on 31 May 2019 and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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 by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message (regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of General Meeting.

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 the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to it by other means.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that EUI 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 a voting service provider(s), to procure that his or 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. In this connection, 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.



intu properties plc  
40 Broadway, London  
SW1H 0BT

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