

Shaftesbury

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document contains information relating to certain of the resolutions to be voted on at the Annual General Meeting ("AGM") to be held on 31 January 2020. If you are not sure about any of the proposals or the action you should take, you should consult with a 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, if not, from another appropriately authorised financial adviser). If you have sold or transferred all your shares in Shaftesbury PLC (the "Company"), please forward this document to the purchaser or transferee, or to the stockbroker, bank or other agent who arranged the sale or transfer.

20 January 2020

Dear Shareholder

Statement circulated pursuant to section 314 of the Companies Act 2006

Mr Samuel Tak Lee, the Company's largest shareholder, has requested that the statement overleaf be circulated to all shareholders.

Litigation

As shareholders will be aware, the Board was served with legal proceedings issued by companies controlled by Mr Lee in June 2019. The proceedings concern allegations and claims relating to the equity placing conducted by the Company in December 2017, challenging both the rationale for the equity placing and the way in which the shares were allocated. The proceedings are expected to be heard in the High Court in 2021.

The Board considers the claims have no merit and is defending the allegations robustly. Over the past two years, we have responded promptly and appropriately to numerous letters from Mr Lee's lawyers. Disappointingly, despite our repeated requests, Mr Lee has not directly engaged with the Board.

Corporate governance

The Board wholly rejects the suggestion in Mr Lee's statement alleging mismanagement of the Company's affairs. The highest standards of corporate governance and behaviour are embedded in our culture and the day-to-day running of your Company. We have an experienced board of executive and non-executive Directors who are fully aware of their fiduciary duties. Across the business, the long-term promotion of the business for the benefit of all stakeholders, including shareholders, is paramount in decision-making.

The Board will continue its long and respected stewardship of this Company's exceptional business and will be guided at all times by its clear fiduciary duties owed to shareholders as a whole to promote the long-term success of the Company.

Recommendation of the Board

The Board considers that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and they unanimously recommend that shareholders vote in favour of them.

Yours faithfully



Jonathan Nicholls
Chairman

16 January 2020

SHAFTESBURY PLC ANNUAL GENERAL MEETING – 31 January 2020

Dear Shaftesbury Shareholder,

I write as a director of, and on behalf of, PEL (UK) Limited, Orosi (UK) Limited, and Orosi (UK) 2 Limited (the “**Companies**”). The Companies are together the owners of approximately 26.31 per cent. of the issued share capital of Shaftesbury PLC (“**Shaftesbury**”).

I previously wrote to shareholders of Shaftesbury in January 2018 and January 2019. I am writing to you again as the Companies and I continue to be concerned that Shaftesbury is not being managed properly in the best interests of its shareholders.

Events since January 2019

My previous letters set out in detail serious concerns which the Companies had in relation to the non-pre-emptive share issue undertaken by Shaftesbury in December 2017 (the “**Placing**”). Those concerns remain despite ongoing requests for the Board to address them. As a consequence of this, in June 2019 the Companies commenced formal legal proceedings against Shaftesbury.

I take this opportunity to clarify that although Shaftesbury has attempted to trivialise the complaint in its public comments by stressing that it is facing a damages claim of some £10 million, the first relief sought by the Companies is actually a declaration from the Court that the relevant directors on the board of Shaftesbury, a £3 billion, FTSE-250 company, acted in breach of their directors’ duties by conducting the Placing for improper purposes.

I have the utmost respect for the English Court and I welcome the Companies’ claims being heard before it. I anticipate that trial will occur in 2021.

The Companies’ voting intentions at Shaftesbury’s forthcoming AGM

Having regard to the circumstances of the Placing, I do not believe the current Board can be relied upon to act properly in shareholders’ best interests when undertaking future share issues unless they first seek and obtain specific authority at the relevant time.

Accordingly, as they did at the 2018 and 2019 AGMs, the Companies will vote against **resolutions 15, 16 and 17**, which propose to grant the Board the right to undertake further issues of shares, whether on a pre-emptive basis or otherwise.

By way of further protest at the Board’s mismanagement, as they did at the 2019 AGM, the Companies will also vote against approval of the directors’ remuneration report, the re-election as directors of the Chief Executive Officer, the Finance Director and the Chairman, and the ability of Shaftesbury to call a general meeting on 14 clear days’ notice (**resolutions 2, 4, 5, 8 and 19**).

Yours faithfully



Samuel Tak Lee