

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document and what action you should take, you are recommended to seek your own personal financial, legal and tax advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or, if resident elsewhere, another appropriately authorised independent financial adviser in the relevant jurisdiction.

IDS Shareholders should read the whole of this document (including all information incorporated into this document by reference to another source). In addition, this document should be read in conjunction with the accompanying documentation.

If you sell or otherwise transfer or have sold or otherwise transferred all of your IDS Shares (other than to Bidco pursuant to the Offer), please forward this document with the accompanying documentation (other than any documents or forms personalised to you), immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, this document and any accompanying document must not be forwarded, distributed or transmitted in, into or from any Restricted Jurisdiction.

If you sell or otherwise transfer or have sold or otherwise transferred only part of your registered holding of IDS Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred IDS Shares in certificated form, notwithstanding receipt of this document from the transferor, you should contact Equiniti through the Shareholder Helpline to obtain a personalised Form of Acceptance if not otherwise received.

If you have any questions about this document or the accompanying documents, or are in any doubt as to how to complete the Form of Acceptance (if you hold IDS Shares in certificated form) or as to how to make an Electronic Acceptance (if you hold IDS Shares in uncertificated form), or make an online instruction via the Nominee Share Service (if you hold IDS Shares via the Nominee Share Service), or wish to obtain an additional Form of Acceptance, please review the FAQs at <https://idsoffer.shareview.info> before contacting the Shareholder Helpline. The Shareholder Helpline is operated by Equiniti on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and that calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

IDS SIP Participants who have any questions about this document or the accompanying documents, or are in any doubt as to how to complete the online instruction should please review the letter sent to IDS SIP Participants and the FAQs which can both be found at <https://idsoffer.shareview.info> before contacting the SIP Shareholder Helpline. The SIP Shareholder Helpline is operated by Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 330 123 0058 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

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 any jurisdiction in which such offer, invitation or solicitation is unlawful. The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and/or any accompanying document comes should inform themselves about, and observe, any applicable restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. In particular, this document should not be released, published, distributed, forwarded or transmitted, in whole or in part, in, into or from any Restricted Jurisdiction.

**Recommended Cash Offer
for
International Distribution Services plc
by
EP UK Bidco Limited**

*(a newly formed company owned indirectly by (i) EP Corporate Group, a.s. ("EP") and
(ii) J&T Capital Partners, a.s. ("J&T"))*

to be implemented by means of a takeover offer under Part 28 of the Companies Act

Your attention is drawn to the letter from the Chair of IDS which contains the unanimous recommendation of the IDS Directors that you accept or procure the acceptance of the Offer and which is set out in Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document.

The procedure for acceptance of the Offer is set out in paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) of this document and in respect of IDS Shares held in certificated form, in the Form of Acceptance. To accept the Offer in respect of IDS Shares held in certificated form, you must complete and return the accompanying Form of Acceptance as soon as possible and, in any event, so as to be received by the Receiving Agent by no later than 1.00 p.m. (London time) on the Unconditional Date in accordance with paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) or paragraph 1 of Part C of Part 3 (*Conditions to and further terms of the Acquisition*) of this document. Acceptances in respect of IDS Shares held in uncertificated form should be made electronically through CREST so that the TTE instruction settles by no later than 1.00 p.m. (London time) on the Unconditional Date in accordance with paragraph 17

of Part 1 (*Letter from EP UK Bidco Limited*) or paragraph 1 of Part C of Part 3 (*Conditions to and further terms of the Acquisition*) of this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear. If you hold your IDS Shares via the Nominee Share Service or within the IDS SIP, your acceptance instruction must be registered online so as to be received by the Nominee or the SIP Trustee (as applicable) by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date. If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the Unconditional Date. Please refer to the Expected Timetable of Principal Events on page 12 for indicative dates and times of key events (including payment dates) relating to the Offer.

Subject to the satisfaction or waiver of the Conditions and certain further terms as set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Unconditional Date will occur in the first quarter of 2025.

The Offer can be accepted from 26 June 2024 and will continue to be capable of acceptance until the Offer is closed. IDS Shareholders are encouraged to ACCEPT the Offer as soon as possible and in any event before 1.00 p.m. on 25 August 2024, which is Day 60 as at the date of this document.

Bidco will give at least 14 days' notice before the Offer is closed for acceptances. Such notice will be given to IDS Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on IDS' website at www.internationaldistributionservices.com.

Definitions used in this document are as defined in Part 8 (*Definitions*) of this document unless defined elsewhere herein or the context requires otherwise. IDS Shareholders may request hard copy forms of these documents.

Barclays Bank PLC, acting through its Investment Bank ("Barclays"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for IDS and no one else in connection with the subject matter of this document and will not be responsible to anyone other than IDS for providing the protections afforded to clients of Barclays nor for providing advice in relation to the subject matter of this document. In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the U.S. Exchange Act, Barclays and its affiliates will continue to act as exempt principal traders in IDS securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com. This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

Merrill Lynch International ("BofA Securities"), which is authorised by the UK Prudential Regulatory Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulatory Authority, is acting exclusively for IDS and for no one else in connection with the matters referred to in this document and will not be responsible to anyone other than IDS for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document.

Goldman Sachs International ("Goldman Sachs"), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for IDS and no one else in connection with the matters referred to in this document. Neither Goldman Sachs nor its affiliates, nor their respective partners, directors, officers, employees or agents are responsible to anyone other than IDS for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this document.

BNP Paribas is authorised and regulated by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution. BNP Paribas is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of BNP Paribas' regulation by the Prudential Regulation Authority are available from BNP Paribas on request. BNP Paribas has its registered office at 16 Boulevard des Italiens, 75009 Paris, France and is registered with the Companies Registry of Paris under number 662 042 449 RCS and has ADEME identification number FR200182_03KLJ. BNP Paribas London Branch is registered in the UK under number FC13447 and UK establishment number BR000170, and its UK establishment office address is 10 Harewood Avenue, London NW1 6AA. BNP Paribas is acting as financial adviser exclusively for EP, J&T and Bidco and no one else in connection with the matters described in this document and will not be responsible to anyone other than EP, J&T or Bidco for providing the protections afforded to clients of BNP Paribas or for providing advice in relation to the matters described in this document or any transaction or arrangement referred to herein.

Citigroup Global Markets Europe AG, which is regulated by the European Central Bank and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) and Bundesbank, ("Citi") is acting as financial adviser for EP, J&T and Bidco and for no one else in connection with the matters described in this document and the Acquisition and will not be responsible to anyone other than EP, J&T and Bidco for providing the protections afforded to clients of Citi nor for providing advice in connection with the Acquisition, or any other matters referred to in this document. Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this document, any statement contained herein, the Acquisition or otherwise.

J.P. Morgan SE, together with its affiliate J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the PRA and regulated in the United Kingdom by the PRA and the FCA (together, "J.P. Morgan"). J.P. Morgan is acting as financial adviser exclusively to EP, J&T and Bidco and no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than EP, J&T or Bidco for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to the Acquisition or any other matter or arrangement 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 IDS, the IDS Directors, Bidco, the Bidco Directors or by Barclays, BofA Securities, Goldman Sachs, BNP Paribas, Citi or J.P. Morgan or any other person involved in the Acquisition.

IMPORTANT NOTICES

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

Overseas Shareholders

Unless otherwise determined by Bidco or required by the Takeover Code and permitted by applicable law and regulation, the Offer is not being, and will not be, made available, in whole or in part, directly or indirectly, in or into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer 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 Offer 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, without limitation, agents, 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 acceptance of the Offer. Unless otherwise permitted by applicable law and regulation, the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

This document and the accompanying Form of Acceptance have been prepared for the purposes of complying with English law, the applicable requirements of the Companies Act, the Takeover Code, the Panel, the FCA and the London Stock Exchange and applicable securities law 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 any other jurisdiction.

Notice to U.S. holders of IDS Shares

The Offer is being made for the securities of an English company that is listed on the London Stock Exchange by means of a contractual takeover offer under the Takeover Code and English law and is subject to disclosure requirements and practices that are different, in some cases materially, from the tender offer rules of the United States. The financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

For U.S. holders of IDS Shares, the receipt of cash pursuant to the terms of the Acquisition as consideration for the transfer of their IDS Shares, may be treated as a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. The receipt of the 2024 Final Dividend and the Special Dividend may also give rise to taxable income. Each holder of IDS Shares is urged to consult with its own legal, tax and financial advisers in connection with making a decision regarding this transaction and as to the U.S. federal, and applicable U.S. state, local, and foreign, tax consequences to it of the transaction contemplated hereby in light of such holders' specific circumstances.

For purposes of the U.S. Exchange Act, it is intended that the Offer be made pursuant to Section 14(e) and Regulation 14E under the U.S. Exchange Act and benefitting from exemptions available to "Tier I" cross-border tender offers. Accordingly, the Offer will be subject to disclosure and other procedural requirements under the applicable laws of the United Kingdom, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be materially different from those applicable under U.S. domestic tender offer procedures and law, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d), Section 14(e)(1) and Section 14(e)(2) of the U.S. Exchange Act, do not apply.

Once the Offer is declared Unconditional, Bidco will acquire all IDS Shares that have by that time been validly tendered (or deemed to have been validly tendered) in acceptance of the Offer and will, in

accordance with the Takeover Code, settle the relevant consideration for all such accepted IDS Shares (other than (A) in respect of the 2024 Final Dividend which, if approved by IDS Shareholders, is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024 and (B) in respect of participants in the IDS Share Plans, in respect of whom settlement will be effected through payroll or such other method as may be determined by IDS): (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes or is declared Unconditional, within 14 days of such date; or (ii) in the case of acceptances of the Offer received, valid and complete in all respects, after the date on which the Offer becomes or is declared Unconditional but while it remains open for acceptance, within 14 days of the date of such receipt, in each case, rather than the three trading days that U.S. investors may be accustomed to in U.S. domestic tender offers. Similarly, if the Offer is terminated or withdrawn, all document(s) of title will be returned to IDS Shareholders within 14 days of such termination or withdrawal. U.S. investors should closely read Part B of Part 6 (*Additional Information*) of this document for further details.

In accordance with normal UK practice and Rule 14e-5(b) under the U.S. Exchange Act, Bidco and its nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, IDS Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan will continue to act as exempt principal traders in IDS Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: www.londonstockexchange.com.

This document does not constitute or form part of a public offer of securities in the United States or an offer to the public in the United States to acquire or exchange securities. Except pursuant to an applicable exemption, each of this document and the Form of Acceptance do not constitute or form part of an offer of any securities to, or for the account or benefit of, any U.S. Person.

Bidco is a private limited company incorporated under English law. The Bidco Directors are citizens of the Czech Republic and all such persons are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Bidco Directors or otherwise compel Bidco, IDS or their respective directors, officers and affiliates to subject themselves to the jurisdiction and judgment of a U.S. court. It may not be possible to sue Bidco or IDS, or any of their respective directors, officers or affiliates, in a non-U.S. court for violations of U.S. securities laws. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of the U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

Dealing disclosure requirements

Under Rule 8.3(a) of the Takeover Code, any person who is “interested” in 1% or more of any class of “relevant securities” of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the “offer period” and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person’s interests and short positions in, and rights to subscribe for, any “relevant securities” of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the “relevant securities” of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person “deals” in any relevant securities of the offeree company or of any

securities exchange offeror. A Dealing Disclosure must contain details of the “dealing” concerned and of the person’s interests and short positions in, and rights to subscribe for, any “relevant securities” of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant “dealing”.

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

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

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

Forward-looking statements

This document (including information incorporated by reference in this document), statements made regarding the Acquisition, and other information published by Bidco and IDS contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and IDS 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 include statements with respect to the final condition, results of operations and business of IDS and relating to the expected effects of the Acquisition on Bidco and IDS (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “cost-saving”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, IDS’, any member of the Bidco Group’s or any member of the IDS Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, IDS’, any member of the Bidco Group’s or any member of the IDS Group’s business.

Although Bidco and/or IDS (as applicable) believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and/or IDS (as applicable) can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve known and unknown risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could be beyond the control of Bidco and/or IDS which may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax

rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and IDS operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and IDS operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor IDS, 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 any reliance on these forward-looking statements.

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

Other than in accordance with their legal or regulatory obligations, neither Bidco nor IDS is under any obligation, and Bidco and IDS 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.

Profit forecasts

The Royal Mail Profit Forecast and the GLS Profit Forecast are profit forecasts for the purposes of Rule 28 of the Takeover Code. The Royal Mail Profit Forecast, the assumptions and basis of preparation on which the Royal Mail Profit Forecast is based and the IDS Directors' confirmation, as required by Rule 28.1 of the Takeover Code, are set out in Part A of Part 7 (*Profit Forecasts*) of this document. The IDS Directors have confirmed that the GLS Profit Forecast is no longer valid, further details of which are set out in Part B of Part 7 (*Profit Forecasts*) of this document.

Other than in respect of the Royal Mail Profit Forecast and the GLS Profit Forecast, no statement in this document (including any statement of estimated costs savings or synergies) is intended as a profit forecast or estimate of the future financial performance of Bidco or the IDS Group for any period and, in particular, no statement in this document should be interpreted to mean that earnings or earnings per share or dividend per share for Bidco or the IDS Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for IDS or otherwise.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by IDS Shareholders, persons with information rights and other relevant persons for the receipt of communications from IDS may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on website and availability of hard copies

A copy of this document is and will be available free of charge, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, for inspection on IDS' website at www.internationaldistributionservices.com, by no later than 12.00 p.m. (London time) on the date following publication of this document and during the course of the Offer. For the avoidance of doubt, unless otherwise stated, neither the contents of IDS' website nor the contents of any website accessible from hyperlinks on IDS' website (or any other websites referred to in this document) are incorporated into, or form part of, this document.

Pursuant to Rule 30.3 of the Takeover Code, you may, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, request a hard copy of this document and all information incorporated into this document by contacting the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, or on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. In accordance with Rule 30.3 of the Takeover Code, a person so entitled may also request that all future documents, announcements and information in relation to the Acquisition should be sent to them in hard copy form. If you have received this document in electronic form or via a website notification, hard copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

IDS Shareholders may also, subject to certain restrictions relating to persons resident or located in Restricted Jurisdictions, request that all future documents, announcements and information sent to them in relation to the Acquisition be in hard copy form. A hard copy of such document (including this document), announcement or information will not be sent unless so requested.

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.

Date of publication

This document is dated 26 June 2024.

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WHERE TO FIND HELP

You will find answers to some of the questions most often asked by shareholders about takeover offers and the procedure for accepting the Offer in Part 1 (*Letter from EP UK Bidco Limited*) of this document.

If you have further questions on the Offer more generally, you can visit <https://idsoffer.shareview.info> where there are answers to frequently asked questions (FAQs). In addition, there is a Shareholder Helpline available between the hours of 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales).

The Shareholder Helpline number is +44 (0) 333 207 6505. Please use the country code when calling outside of the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. Please note that calls to the Shareholder Helpline numbers may be monitored or recorded.

Please note that Equiniti, as operator of the Shareholder Helpline, will only be able to provide information contained in this document and cannot provide any financial, legal or tax advice.

ACTION TO BE TAKEN

The IDS Directors, who have been so advised by Barclays, BofA Securities and Goldman Sachs as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the IDS Directors, Barclays, BofA Securities and Goldman Sachs have taken into account the commercial assessments of the IDS Directors. Barclays, BofA Securities and Goldman Sachs are providing independent financial advice to the IDS Directors for the purposes of Rule 3 of the Takeover Code.

For the reasons set out in this document, the IDS Directors unanimously recommend that IDS Shareholders accept, or procure the acceptance of, the Offer, as the IDS Directors who hold IDS Shares have irrevocably undertaken to do in respect of their own beneficial holdings of IDS Shares, and that you take the action described below.

If IDS Shareholders wish to accept the Offer, it is important that they follow the instructions contained in this document and, if their IDS Shares are held in certificated form, the Form of Acceptance.

If IDS Shareholders have not received all of these documents, please contact Equiniti on the relevant telephone number set out in the paragraph under the section headed "Shareholder Helpline" below.

If you hold your IDS Shares in certificated form

If you hold your IDS Shares in **certificated form (that is, not in CREST)**, you should complete the accompanying Form of Acceptance in accordance with the instructions printed thereon and in paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) of this document. You may also obtain additional Forms of Acceptance by contacting the Shareholder Helpline operated by the Receiving Agent at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). The completed Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, should be returned as soon as possible by post using, if posted in the United Kingdom, the enclosed reply-paid envelope to the Receiving Agent at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, so as to arrive no later than 1.00 p.m. (London time) on the Unconditional Date. If you are posting in the United Kingdom, the enclosed reply-paid envelope has been provided for your convenience. It is recommended to allow four Business Days for delivery. Any Form of Acceptance received electronically will be rejected as an invalid acceptance of the Offer.

The latest time for Equiniti to receive your Form of Acceptance will be 1.00 p.m. (London time) on the Unconditional Date. You should allow sufficient time for posting for your Form of Acceptance to be received. It is recommended to allow four Business Days for delivery.

If you hold your IDS Shares in uncertificated form

If you hold your IDS Shares in **uncertificated form (that is, in CREST)**, you should follow the procedures set out in paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) of this document and ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is made no later than 1.00 p.m. (London time) on the Unconditional Date. If you hold your IDS Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

The latest time for receipt of an Electronic Acceptance through CREST (applicable only for IDS Shareholders who hold their IDS Shares in uncertificated form) will be 1.00 p.m. (London time) on the Unconditional Date. The latest time and date by which the Offer can be accepted initially will be 25 August 2024, which is Day 60 as at the date of this document. If a material official authorisation or regulatory clearance has not been satisfied (or waived, if capable of waiver) at 5.00 p.m. on 2 August 2024, Bidco shall request that the Panel suspend the timetable for the Offer until such material official authorisation or regulatory clearance is satisfied. A separate announcement will be made in due course confirming the timetable and the relevant deadline for accepting the Offer, including on CREST. Subject to the satisfaction or waiver of the Conditions and certain

further terms set out in Part 3 (Conditions to and further terms of the Acquisition) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

Further details about how to submit your Form of Acceptance and how to make your Electronic Acceptance are set out in Part D and Part E, respectively, of Part 3 (Conditions to and further terms of the Acquisition) of this document.

If you hold your IDS Shares in the Nominee Share Service

If you hold your IDS Shares in the Nominee Share Service please refer to the letter or email (if an email address is held by the Nominee) that will be sent to you on 26 June 2024 providing you with your login details to make your online instruction. Any instruction needs to be registered online to be received by the Nominee by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date.

Should the email address held by Equiniti not be valid, or be returned, Equiniti will arrange to post to your Registered Address the equivalent information to enable you to make your online instruction.

The latest time for the Nominee to receive your instruction via the online application at <https://idsoffer.shareview.info> will be 1.00 p.m. three Business Days prior to the Unconditional Date.

If you hold your IDS Shares in the IDS SIP

If you hold your IDS Shares in the IDS SIP please refer to the letter that will be sent to IDS SIP Participants on or around the date of this document, providing you with further information about the impact of the Offer on the IDS SIP and your login details to make your online instruction.

Any instruction needs to be registered online to be received by the SIP Trustee by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date.

The latest time for the SIP Trustee to receive your instruction via the online application at <https://idsoffer.shareview.info> will be 1.00 p.m. three Business Days prior to the Unconditional Date.

Holdings of IDS Shares in certificated or uncertificated form, or held via the Nominee Share Service or IDS SIP will be treated as separate holdings for the purpose of calculating entitlements and you are required to accept in relation to each holding separately.

If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the Unconditional Date.

All references to time in this document and in the Form of Acceptance are to London time.

Settlement

Subject to the Offer becoming or being declared Unconditional, (other than (A) in respect of the 2024 Final Dividend which, if approved by IDS Shareholders, is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024 and (B) in respect of participants in the IDS Share Plans, in respect of whom settlement will be effected through payroll or such other method as may be determined by IDS) settlement for those IDS Shareholders who have validly accepted the Offer will be effected within 14 days of the Unconditional Date or, in relation to valid acceptances received after this date, within 14 days of receipt of that acceptance, save for those IDS Shareholders who have acquired their IDS Shares on or after the Offer becoming or being declared Unconditional.

Qualifying Participants will receive their entitlements within five Business Days, and in accordance with the terms and conditions of the Nominee Share Service, of the date on which the Nominee receives the relevant consideration. IDS SIP Participants will receive their entitlements within five Business Days of the date on which the SIP Trustee receives the relevant consideration.

This page should be read in conjunction with the rest of this document and, in the case of IDS Shares held in certificated form, the Form of Acceptance. IDS Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

Shareholder Helpline

If you have any questions about this document or the accompanying documents, or are in any doubt as to how to complete the Form of Acceptance (if you hold IDS Shares in certificated form) or as to how to make an Electronic Acceptance (if you hold IDS Shares in uncertificated form), or make an online instruction via the Nominee Share Service (if you hold IDS Shares via the Nominee Share Service), or wish to obtain an additional Form of Acceptance, please review the FAQs at <https://idsoffer.shareview.info> before contacting the Shareholder Helpline. The Shareholder Helpline is operated by Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

IDS SIP Participants who have any questions about this document or the accompanying documents or are in any doubt as to how to complete the online instruction should please review the letter sent to IDS SIP Participants and the FAQs which can both be found at <https://idsoffer.shareview.info> before contacting the SIP Shareholder Helpline. The SIP Shareholder Helpline is operated by Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 330 123 0058 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times below are indicative only and are based on current expectations and may be subject to change.

If any of the dates and/or times in this expected timetable change, notice of the revised dates and/or times will be given to IDS Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on IDS' website at www.internationaldistributionservices.com. Further updates and changes to these times will be notified in the same way.

Unless otherwise stated, all times referred to in this document and timetable below are London times.

EVENT	TIME AND/OR DATE ¹
Publication and posting of this document and the accompanying documentation	26 June 2024
Record date for the 2024 Final Dividend	23 August 2024
Expected payment date for the 2024 Final Dividend	30 September 2024 ²
Expected payment date for the 2024 Final Dividend in respect of Qualifying Participants and IDS SIP Participants	Within five Business Days after the Nominee or the SIP Trustee, as applicable, receives the 2024 Final Dividend

The following dates will vary depending on the time taken to obtain any material official authorisation or regulatory clearance. A separate announcement will be made in due course confirming the timetable and the relevant deadlines. The Offer can be accepted from 26 June 2024 and will continue to be capable of acceptance until the Offer is closed. IDS Shareholders are encouraged to ACCEPT the Offer as soon as possible and in any event before 1.00 p.m. on 25 August 2024, which is Day 60 as at the date of this document.

Bidco will give at least 14 days' notice before the Offer is closed for acceptances. Such notice will be given to IDS Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on IDS' website at www.internationaldistributionservices.com. Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

Whether or not Bidco (with the consent of the Panel) extends the Offer timetable, for any IDS Shareholder who accepts the Offer prior to Day 60, your acceptance (unless validly withdrawn) will remain in place and valid until the Offer becomes Unconditional.

Latest time and date by which acceptance instructions can be registered for IDS Shares held in the IDS SIP or via the Nominee Share Service	1.00 p.m. 3 Business Days prior to the Unconditional Date
Latest time and date by which the Offer can be accepted for IDS Shares in certificated or uncertificated form	1.00 p.m. on the Unconditional Date ^{3,4}
Latest time and date by which the Offer may be declared and become Unconditional ⁵	5.00 p.m. on the Unconditional Date ⁶
Expected record date for the Special Dividend	6.00 p.m. on the Unconditional Date
Expected payment date for the Special Dividend	No later than 14 days after the Unconditional Date

EVENT	TIME AND/OR DATE¹
Latest date for the settlement of the Cash Consideration to IDS Shareholders who accept the Offer prior to the Offer becoming or being declared Unconditional (other than in respect of participants in the IDS Share Plans, in respect of whom settlement will be effected through payroll or such other method as may be determined by IDS)	No later than 14 days after the Unconditional Date
Despatch of cheques or electronic payments to mandated bank or building society accounts in respect of the Cash Consideration and Special Dividend due to Qualifying Participants and IDS SIP Participants	Within five Business Days after the Nominee or the SIP Trustee, as applicable, receives the relevant consideration
Long Stop Date in relation to the Acquisition	29 August 2025 ⁷
As of the date of this document, Day 60 is 25 August 2024.	

¹ Participants in IDS Share Plans will be contacted separately regarding the effect of the Offer on their rights under those schemes and provided with further details concerning arrangements applicable to them, and dates and times relevant to them.

² If approved by IDS Shareholders at the 2024 annual general meeting of IDS scheduled to be held on 25 September 2024, the 2024 Final Dividend is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024. The 2024 Final Dividend will not be paid if it is not approved by the IDS Shareholders at the 2024 annual general meeting of IDS.

³ For IDS Shareholders holding IDS Shares in certificated form or uncertificated form (that is, in CREST), the latest time and date by which the Offer can be accepted initially will be 25 August 2024, which is Day 60 as at the date of this document. If a material official authorisation or regulatory clearance has not been satisfied (or waived, if capable of waiver) at 5.00 p.m. on 2 August 2024, Bidco shall request that the Panel suspend the timetable for the Offer until such material official authorisation or regulatory clearance is satisfied. A separate announcement will be made in due course confirming the timetable and the relevant deadline for accepting the Offer, including on CREST. Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

⁴ Subject to the terms of the Cooperation Agreement, Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code) at any time or from time to time to bring forward the Offer before, or extend the Offer after, such time.

⁵ The Offer shall lapse unless all of the Conditions have been fulfilled (or, where permitted, waived) by midnight on the earlier of the Unconditional Date and the Long Stop Date (subject to the rules of the Takeover Code and, where applicable, the consent of the Panel). Subject at all times to the Long Stop Date, if a material official authorisation or regulatory clearance remains outstanding on 2 August 2024, IDS and Bidco shall jointly request that the Panel suspend the timetable for the Offer until such material official authorisation or regulatory clearance is satisfied. Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

⁶ If the Offer becomes or is declared Unconditional and Bidco receives acceptances of the Offer in respect of, and/or otherwise acquires, 90% or more in nominal value of the IDS Shares to which the Offer relates, Bidco intends to exercise its rights pursuant to the statutory squeeze-out provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily, on the same terms as the Offer, the remaining IDS Shares to which the Offer relates in respect of which the Offer has not at such time been accepted. If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the date on which the Offer becomes or is declared Unconditional.

⁷ The Long Stop Date will be 29 August 2025, or such later date as may be agreed between Bidco and IDS and, if required, the Panel may allow.

PART 1
LETTER FROM EP UK BIDCO LIMITED

(incorporated under the laws of England and Wales with registered number 15542876)

EP UK Bidco Limited
Byron House, 7-9 St James's Street,
London,
United Kingdom,
SW1A 1EE

26 June 2024

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

Dear IDS Shareholder,

1. INTRODUCTION

On 29 May 2024, the board of directors of each of Bidco and IDS announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Bidco, a newly formed company owned indirectly by EP Corporate Group, a.s. and J&T Capital Partners, a.s. would acquire the entire issued and to be issued share capital of IDS, other than the IDS Shares owned or controlled by VESA Equity Investment S.à r.l. ("VESA"). The Acquisition is to be effected by means of a takeover offer for the purposes of Part 28 of the Companies Act.

This document and, if you hold IDS Shares in certificated form, the accompanying Form of Acceptance, contain the formal Offer (including its terms and conditions) for your IDS Shares. Acceptances of the Offer should be received as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on the Unconditional Date. If your IDS Shares are held via the Nominee Share Service or within the IDS SIP, your acceptance instruction must be registered online so as to be received by the Nominee or the SIP Trustee (as applicable) by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date. If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the Unconditional Date.

Your attention is drawn to the Letter from the Chair of IDS set out in Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document. That letter contains, amongst other things, the background to and reasons for the unanimous recommendation of the IDS Directors and states that the IDS Directors, who have been so advised by Barclays, BofA Securities and Goldman Sachs as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the IDS Directors, Barclays, BofA Securities and Goldman Sachs have taken into account the commercial assessments of the IDS Directors. Barclays, BofA Securities and Goldman Sachs are providing independent financial advice to the IDS Directors for the purposes of Rule 3 of the Takeover Code. The IDS Directors have unanimously recommended that all IDS Shareholders accept or procure the acceptance of the Offer.

The IDS Directors who hold IDS Shares have irrevocably undertaken to Bidco to accept, or procure acceptance of, the Offer in respect of their entire beneficial holdings of 183,236 IDS Shares representing, in aggregate, approximately 0.019% of the existing issued share capital of IDS (excluding treasury shares) as at the Latest Practicable Date.

Your attention is also drawn, in particular, to the conditions and further terms of the Offer set out in Part 3 (*Conditions to and further terms of the Acquisition*) to this document (including, the Acceptance Condition) and the information relating to Bidco and IDS in paragraphs 7 and 8 of this letter, respectively.

2. THE ACQUISITION

Under the terms of the Acquisition, which is subject to the satisfaction (or waiver) of the Conditions (and to the further terms of the Acquisition) as set out in full in Part 3 (*Conditions to and further terms of the Acquisition*) of this document, IDS Shareholders will be entitled to receive:

for each IDS Share: 370 pence

comprised of:

- cash consideration of 360 pence per IDS Share;
- the final dividend in respect of the Financial Year ended 31 March 2024 of 2 pence per IDS Share (the “**2024 Final Dividend**”) and which is not conditional upon the Acquisition becoming Unconditional; and
- a special dividend of 8 pence per IDS Share which will be conditional upon the Acquisition becoming Unconditional (the “**Special Dividend**”),

together, the “**Total Value**”.

In the event the Acquisition does not become Unconditional, there will be no Special Dividend. However, if approved by IDS Shareholders, the 2024 Final Dividend is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024.

The Total Value per IDS Share represents a premium of approximately:

- 72.7% to the IDS Closing Price of 214 pence on 16 April 2024 (being the last Business Day before the commencement of the Offer Period);
- 63.2% to the one-month volume-weighted average price as at close of business on 16 April 2024 (being the last Business Day before the commencement of the Offer Period); and
- 53.1% to the 12-month volume-weighted average price as at close of business on 16 April 2024 (being the last Business Day before the commencement of the Offer Period).

The Total Value values IDS’ entire issued, and to be issued ordinary share capital at approximately £3,587 million on a fully diluted basis, and implies an enterprise value of £5,303 million.

2024 Final Dividend

The IDS Directors have recommended the 2024 Final Dividend of 2 pence per IDS Share for the Financial Year ended 31 March 2024 for approval, in accordance with the existing dividend policy of IDS. **If approved by IDS Shareholders at the 2024 annual general meeting of IDS scheduled to be held on 25 September 2024, the 2024 Final Dividend is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024.**

Under the terms of the Acquisition, if approved by IDS Shareholders at the 2024 annual general meeting, all IDS Shareholders (including, if applicable, VESA) on the Register at the relevant record date will be entitled to receive the 2024 Final Dividend regardless of whether the Acquisition becomes Unconditional and without any reduction in the Total Value if the Acquisition becomes Unconditional. If the 2024 Final Dividend is not approved by IDS Shareholders, there shall be no increase to the Cash Consideration per IDS Share and the Total Value shall be an amount equal to 360 pence per IDS Share plus, if the Acquisition becomes Unconditional, the Special Dividend.

It is intended that IDS’ Dividend Reinvestment Programme (“**DRIP**”) will be terminated prior to the payment of the 2024 Final Dividend and no DRIP will be available in respect of, if approved, the 2024 Final Dividend, and, if declared, the Special Dividend. Participants in the DRIP will be notified separately.

Special Dividend

The IDS Directors also intend to declare the Special Dividend of 8 pence per IDS Share, which will be conditional upon the Acquisition becoming Unconditional. **Therefore, in the event that the Acquisition does not become Unconditional, there will be no Special Dividend.**

If the Acquisition becomes Unconditional, the Special Dividend is expected to be paid to all IDS Shareholders (including, if applicable, VESA) on the Register on the record date which is expected to be 6.00 p.m. on the Unconditional Date. It is intended that, subject to the Acquisition becoming Unconditional, settlement of the Special Dividend will take place within 14 days of the date on which the Acquisition becomes Unconditional. Under the terms of the Acquisition, IDS Shareholders on the Register at the relevant record date will be entitled to receive the Special Dividend without any reduction in the Total Value if the Acquisition becomes Unconditional.

IDS Shareholders who are not entitled to receive the 2024 Final Dividend and/or the Special Dividend shall receive the remainder of the Total Value.

The date on which IDS Shares will start trading without an entitlement to receive the Special Dividend (i.e. the ex-dividend date) is expected to be the Business Day after the date on which the Offer becomes or is declared Unconditional. Unless the counterparties specifically agree otherwise, a buyer of IDS Shares ahead of the ex-dividend date for the Special Dividend will assume the benefit of the Special Dividend.

Other terms of the Offer

If, on or after the date of the Announcement, any dividend, distribution and/or other return of capital or value, other than the 2024 Final Dividend of 2 pence per IDS Share and the Special Dividend of 8 pence per IDS Share, is announced, declared, made or paid in respect of the IDS Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the IDS Shares by the aggregate amount of such dividend and/or distribution and/or other return of capital or value (but excluding the aggregate amount so payable in respect of the Excluded Shares), in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any such exercise by Bidco of its rights 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 Offer or the Acquisition. In such circumstances, IDS Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.

IDS Shares will be acquired by Bidco pursuant to the Acquisition fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at completion of the Acquisition, including the right to receive and retain all dividends (other than the 2024 Final Dividend and the Special Dividend) and distributions (if any) declared, made or paid following the Acquisition becoming or being declared Unconditional, excluding any amount in respect of the Excluded Shares.

3. BACKGROUND TO AND REASONS FOR THE ACQUISITION

VESA, the private investment arm of the shareholders of EP, has been a substantial shareholder in IDS since 2020. Despite significant challenges, both VESA and EP remain convinced that IDS is a strong business with solid foundations and the potential to become one of the leading postal logistics groups in Europe, subject to successful transformation, modernisation (including USO reform), investments in out-of-home solutions and the return to a growth trajectory both in revenue and market opportunity.

IDS, comprising Royal Mail and GLS, operates in a sector with positive tailwinds and clear future growth opportunities driven particularly by increasing e-commerce penetration, but also faces strong competition in all the markets in which it operates. GLS is a fully integrated pan-European delivery business, with a successful network, business model and track record of capitalising on growth opportunities. Royal Mail owns and operates an extensive delivery network across the UK, is a key part of the UK's national infrastructure and benefits from an iconic domestic brand supported by its role as the UK's sole designated Universal Service Provider. With progress being made on Royal Mail's implementation of the Business Recovery, Transformation and

Growth agreement entered into with the CWU in 2023, and with further progress on the ongoing transformation of Royal Mail since the appointment of Martin Seidenberg as Chief Executive Officer, IDS has been put on stronger footing. However, headwinds remain, due to difficult macroeconomic and competitive environments and continued letter volume decline, and further investment is required to successfully deliver a return to growth and profitability.

Financial performance at Royal Mail has been negatively impacted by structural letter volume decline for many years and Royal Mail has been adapting its business and network to deal with the growing volumes of parcels and declining volumes of letters. The IDS Board has called for regulatory reform to the USO for more than four years and believes that the absence of regulatory action has held back Royal Mail's transformation and limited its ability to adapt quickly enough to the competitive pressures in the parcel market. In January 2024, Ofcom called for input on the future of the universal service. Royal Mail has submitted a proposal, which Bidco fully supports, to ensure Royal Mail continues to deliver a one-price-goes-anywhere universal service throughout the whole of the United Kingdom and a choice of First and Second Class services, with First Class letters still delivered six days a week. The changes proposed do not require legislative change and could be implemented by Ofcom. Following completion of the Acquisition, Bidco intends to explore, with Ofcom and the UK Government, this approach to delivering the USO on a sustainable basis.

The postal sector remains highly competitive and preserving Royal Mail's position as an important provider of postal and parcel delivery services is key to the future success of Royal Mail and its ability to modernise and improve service quality for customers. However, whilst Royal Mail's business is now on stronger footing, the scale of the recent losses incurred, combined with market share decline due to factors including past industrial action, has delayed much-needed modernisation and investment.

GLS has delivered significant growth and has adapted more quickly to the growth in out-of-home solutions and changes in parcel market dynamics. With sufficient further investment, GLS and the IDS Group have the potential to be one of the major postal logistics players across Europe and internationally.

Both Royal Mail and GLS require continued and further investment, particularly into parcel lockers and out-of-home solutions, in order to grow and protect their respective businesses. EP believes that Royal Mail, GLS and the IDS Group as a whole would be better placed to obtain and structure such investment as a private company, allowing IDS to focus on long-term growth, free from the short-term financial goals and dividend pressures of the public markets.

Against this backdrop, EP believes that IDS would be better positioned to achieve its potential under EP's ownership. EP is a private, long-term investor with substantial access to capital and significant knowledge of the postal, logistics and distribution sectors. Since 2009, EP has been a responsible steward of critical energy and infrastructure assets throughout the UK and Europe, with a long-term outlook and a track record of developing and investing in these assets. EP owns and operates regulated assets with unionised workforces and has a strong track record of collaborative engagement with employees, representatives and unions. EP recognises the unique role that Royal Mail plays as the designated Universal Service Provider and a key part of national infrastructure in the UK. EP agreed with IDS in the Cooperation Agreement that EP would offer the UK Government the legally binding Undertakings as soon as reasonably practicable following the date of the Announcement covering a number of broader factors, as described in paragraph 4 below.

EP believes that its significant financial resilience combined with its proven track record of responsible stewardship, investment and support of critical UK and European infrastructure assets, including in postal, logistics and distribution assets, puts it in a unique position to support and accelerate IDS' path to becoming a modern postal operator and one of the leading logistics service providers for the benefit of all its stakeholders, including employees, trade unions, customers and governments. EP recognises the significance and importance of the IDS business to these stakeholders, particularly in the UK as the country's sole designated Universal Service

Provider, and believes that following completion of the Acquisition IDS would be in a stronger position to serve them over the long-term, as it will benefit from:

- the support of a large, cash-generative private investor group with a long-standing investment grade credit rating, and history of reinvestment in, and further development of, its businesses;
- the ability to take a long-term approach to pursuing growth initiatives and creating new revenue streams, including out-of-home solutions across Royal Mail's UK and GLS' European and North American footprint;
- more flexible access to investment capital, allowing IDS to accelerate much-needed near-term investments to capture and expand the market opportunity as part of the long-term strategic view for the business; and
- the certainty and stability afforded by committed private ownership.

EP therefore believes the proposed Acquisition would provide IDS with an opportunity to strengthen its financial future, pursue long-term growth, better serve its customers and embed a collaborative relationship with its employees and trade unions.

Your attention is drawn to paragraph 12 of Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document which includes the unanimous recommendation of the IDS Directors and the reasons for their recommendation.

4. **UNDERTAKINGS TO THE UK GOVERNMENT**

Bidco and EP have agreed with the IDS Board in the Cooperation Agreement that Bidco and EP would offer, as soon as reasonably practicable following the date of the Announcement, to the UK Government the following legally binding undertakings (the "**Undertakings**"):

USO

- for the five year period commencing on and from completion of the Acquisition (the "**Relevant Period**"), to ensure that Royal Mail continues as the Universal Service Provider for the purposes of the Postal Services Act 2011 (the "**PSA**") and secondary legislation and regulations in effect thereunder; and
- for the Relevant Period, to ensure that Royal Mail complies with the regulatory conditions applicable to Royal Mail in its capacity as the Universal Service Provider imposed by Ofcom from time to time (including continuing to provide the "one-price-goes-anywhere" service in the United Kingdom and that first class letters are delivered six days a week);

Safeguarding and protection of Royal Mail

- for the Relevant Period, subject to certain limited exceptions stated in the Cooperation Agreement, to ensure that Royal Mail does not make any distribution, return of capital, non-arm's length transfer of assets, upstream loan or repayment of the principal on any downstream loan (each a "**Return of Value**"); unless, following any such Return of Value, Royal Mail would have a net leverage ratio of 2:1 or less and it would reasonably be expected that there would be no material adverse effect on Royal Mail's ability to discharge its obligations as the Universal Service Provider under the PSA;
- for the Relevant Period, if and to the extent any shares in GLS are transferred to a third party, subject to certain exceptions stated in the Cooperation Agreement, not to make any Return of Value outside of the IDS Group; unless, following any such Return of Value, Royal Mail would have a net leverage ratio of 2:1 or less and it would reasonably be expected that there would be no material adverse effect on Royal Mail's ability to discharge its obligations as the Universal Service Provider under the PSA; and
- for the Relevant Period, to ensure that no member of the Royal Mail Group and no assets of the Royal Mail Group are subject to additional security, guarantees or third-party credit support in respect of any debt incurred by Bidco to finance the Acquisition; unless, following any such matters, Royal Mail would have a net leverage ratio of 2:1 or less and

it would reasonably be expected that there would be no material adverse effect on Royal Mail's ability to discharge its obligations as the Universal Service Provider under the PSA;

Royal Mail and GLS Group

- for the three year period commencing on and from the completion of the Acquisition, to ensure that there is no change in the control of GLS or Royal Mail;

Brand

- for the Relevant Period, to ensure that Royal Mail: (i) retains its legal name, Royal Mail Group Limited; (ii) carries on business under the trading name "Royal Mail"; and (iii) continues to use the Royal Cypher in accordance with existing arrangements and uses its commercially reasonable endeavours to take steps necessary to continue such use;

Headquarters and tax residency

- for the Relevant Period, to ensure that IDS and Royal Mail maintain their headquarters in the UK; and
- for the Relevant Period, to ensure that IDS and Royal Mail and each of their respective subsidiaries (but excluding GLS and its subsidiaries) which is UK tax resident at the date of the Cooperation Agreement remains tax resident in the UK;

Unions

- for the Relevant Period, to ensure that Royal Mail (and each of its relevant subsidiaries which employs staff) continues to recognise the CWU and CMA Unite under the Trade Union & Labour Relations (Consolidation) Act 1992 (if applicable) or any similar legislation in any other jurisdiction and in accordance with the relevant agreements in place with such unions;

Pensions

- for the Relevant Period, to ensure that Royal Mail does not utilise any amount of surplus refunded from its defined benefit pension arrangement known as the Royal Mail Pension Plan (the "RMPP") to the scheme employer for the purposes of financing, funding or declaring any Return of Value by Royal Mail;

Governance and transparency

- for the Relevant Period, to ensure Royal Mail has a board comprising at least five directors, of whom at least two individuals shall be non-executive directors elected or proposed by Royal Mail, Bidco or the shareholder(s) of Royal Mail who would be treated as "independent" for the purposes of the UK Corporate Governance Code published by the Financial Reporting Council (as in force as at the date of the Announcement);
- if a change of control of Royal Mail occurs during the Relevant Period, to ensure that the new parent adheres to the terms of the Undertakings;
- for the Relevant Period, to comply with the provisions of the National Security and Investment Act 2021 (and any secondary or successor legislation thereto) that are applicable to the Royal Mail Group; and
- for the Relevant Period, to ensure that Royal Mail complies with its financial reporting and accountability obligations under any regulatory conditions imposed by Ofcom from time to time under the PSA; and

Listing

- for the Relevant Period, in the event that any member of the Royal Mail Group or an intermediate holding company of Royal Mail were to be listed, to ensure that the primary listing takes place on the Main Market or the Alternative Investment Market.

None of the statements in this paragraph, or any of the Undertakings referred to above, are “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

5. CONTRACTUAL COMMITMENTS

Bidco has also agreed the following contractual commitments with the IDS Board:

USO

- EP and Bidco have agreed to use their commercially reasonable endeavours to support Royal Mail’s proposal in relation to the USO (or any updated proposal as put forward by Royal Mail). EP and Bidco have further agreed not to propose (publicly or privately, or by procuring any other person to do the same) any alternative proposal for the reform of the USO until Ofcom has finally determined the outcome of its consultation in relation to the USO.

Pensions

- For a period of two years from the Unconditional Date:
 - Bidco has contractually committed to IDS that, to the extent that the Royal Mail Collective Pension Plan (the “**RMCPP**”) has not been fully launched by completion of the Acquisition, EP will use all commercially reasonable endeavours to continue working with Royal Mail and the trustee of the RMCPP to bring about the launch as soon as reasonably practicable, and that in the meantime the rate of benefit accrual in the defined benefit cash balance section of the RMPP (the “**DBCBS**”) (and the rates of contribution to the Royal Mail Defined Contribution Plan (the “**RMDCP**”)) will be no lower than those which apply as at the date of the Announcement; and
 - once launched, the RMCPP will replace both the DBCBS and the RMDCP (the latter being the principal current Royal Mail defined contribution arrangement), for the provision of future pension benefits to current and future Royal Mail employees. Bidco has contractually committed to IDS that it will (subject to applicable law and the relevant plan’s governing documentation) instruct Royal Mail to ensure that contributions are then paid to that plan at rates agreed with the relevant plan’s trustees and representatives of employees.

Employees and Unions

- Compensation and Benefits – for at least two years following completion of the Acquisition, Bidco has contractually committed to IDS that:
 - base salaries, wage rates and cash/equity incentive opportunities will, at a minimum, be maintained (save for any adjustments to cash/equity incentive opportunities to take into account the de-listing of IDS Shares); and
 - benefits and allowance packages (including pension benefits) will be no less favourable than those in place as at completion of the Acquisition.
- Union recognition – in addition to the Undertaking referred to above, for at least five years following completion of the Acquisition, Bidco has contractually committed to IDS that it will continue to recognise all unions recognised in respect of employees of the IDS Group as at the date of the Announcement.

None of the statements in this paragraph, or any of the contractual commitments from Bidco to IDS referred to above, are “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

6. INTENTIONS FOR IDS

EP believes that IDS is a strong business with solid foundations and the potential to become one of the leading postal logistics groups in Europe, subject to successful transformation, modernisation, investments in out-of-home solutions and the return to a growth trajectory both in revenue and market opportunity.

EP understands the important role that Royal Mail and GLS play in their markets and is committed to being a responsible steward of IDS through the next stage of its evolution and, as described in more detail below, intends to support IDS management in implementing their strategy.

IDS comprises two businesses:

- Royal Mail – the UK-based operation which is the UK's sole designated Universal Service Provider. EP is highly cognisant of Royal Mail's unique heritage and responsibilities as the designated Universal Service Provider in the United Kingdom serving as a key part of national infrastructure, and the need to secure Royal Mail's long-term future, pursue long-term growth, continue to improve its customer offering and continue a collaborative relationship with its employees and trade unions; and
- GLS – the international operation, offering parcel, freight, logistics and express services throughout Europe as well as in the U.S. and Canada. EP believes in the continued growth of the GLS business. EP considers GLS one of the most successful companies in the cross-border deferred segment in Europe and acknowledges it has an emerging position in North America, with the potential to grow its position.

Following completion of the Acquisition, Bidco intends to work with the current IDS management team to further develop its strategic plans via an in-depth evaluation of the IDS Group. Bidco expects that the evaluation will be completed within approximately 9 months following completion of the Acquisition. The evaluation will include:

- assessing opportunities to further accelerate and enhance the existing modernisation agenda for Royal Mail (as noted above, Bidco is supportive of IDS' current modernisation strategy);
- engaging with employee representatives (including the CWU and CMA Unite), management and Ofcom;
- assessing potential targeted M&A/acquisitions; and
- assessing opportunities to accelerate potential investments that will support the necessary improvements to Royal Mail and support IDS to improve quality and the long-term growth and margin expansion of GLS: for example, through investment in out-of-home solutions across the Royal Mail and GLS coverage network.

Bidco does not intend to divest the GLS business from the IDS Group. Bidco views both Royal Mail and GLS as businesses with solid foundations and potential, however, both businesses require additional investment in the mid-term horizon to realise such potential. Bidco's main goal is to develop IDS into one of the leading postal logistics groups in Europe, subject to successful transformation and investments in modernisation (including USO reform) and out-of-home solutions. Bidco intends to re-invest any potential savings or profits generated by GLS and Royal Mail following the implementation of any changes to the USO into the future growth of both Royal Mail and GLS.

For further information regarding the Undertakings that Bidco and EP have made in respect of GLS please see paragraph 4 above.

Bidco intends for Royal Mail and GLS to continue operating as standalone businesses within IDS, with the head offices and head office functions remaining in London and Amsterdam, led by the current IDS, Royal Mail and GLS executive management teams.

EP recognises the importance of financial prudence with regards to the capital structure of Bidco. The financing of the Acquisition is structured so that the investment grade credit rating of IDS is expected to be maintained. Following completion of the Acquisition, IDS is expected to be considered a highly strategic subsidiary of EP by the relevant ratings agencies. It is EP's intention to elevate IDS to a core subsidiary of EP, meaning that the rating of IDS would not be lower than the rating of EP, allowing IDS to benefit from being part of a group with an extensive portfolio of significant industrial assets with a long-term investment grade rating profile. EP takes a

conservative approach to its capital structure and intends to continue operating EP on the basis that its current investment grade rating profile is maintained.

The Royal Mail name and brand

EP recognises the importance of the IDS business to its stakeholders, particularly in the UK where Royal Mail is the country's sole designated Universal Service Provider. Bidco will maintain and protect the iconic Royal Mail name and use of the Royal Cypher.

For further information regarding the Undertakings that Bidco and EP have made in respect of the Royal Mail name, brand and use of Royal Cypher, please see paragraph 4 above.

Commitment to the Universal Service Obligation (the “USO”)

Bidco respects and is fully committed to the USO and is fully supportive of Royal Mail's submission to Ofcom in response to the call for evidence on the reform of the USO. Royal Mail's proposal to reform the USO contemplates, amongst other things, the continued delivery of a one-price-goes-anywhere universal service throughout the whole of the United Kingdom and a choice of First and Second Class services, with First Class letters still delivered six days a week. Following completion of the Acquisition, Bidco intends to explore, with Ofcom and the UK Government, this approach to delivering the universal service on a sustainable basis.

For further information regarding the Undertakings and commitments that Bidco and EP have made in respect of the USO, please see paragraphs 4 and 5 above.

Trade unions and the Business Recovery, Transformation and Growth agreement

Bidco fully respects the Business Recovery, Transformation and Growth agreement reached in 2023 between Royal Mail and the CWU and, following completion of the Acquisition, intends to abide by and comply with the terms of the agreement and with Royal Mail's agreements with CMA Unite. Bidco notes that under the terms of the agreement, Royal Mail has made certain employee commitments (including, no compulsory redundancies) until April 2025. Following completion of the Acquisition, Bidco intends to discuss and negotiate in good faith with the CWU in respect of the potential extension of these protections and, at the appropriate time, Bidco intends to enter into pay deal discussions with Royal Mail's unions in good faith.

Bidco sees cooperation with both trade unions, the CWU and CMA Unite, as crucial for the future of Royal Mail and following completion of the Acquisition intends to engage in further discussions with both partners regarding the future operation of the Royal Mail business as well as with GLS' unions and works councils regarding the future operation of the GLS business.

For further information regarding the Undertakings that Bidco and EP have made in respect of CWU and CMA Unite, please see paragraph 4 above.

A separate opinion from CMA Unite on the effect of the Acquisition on employment is appended to this document at Part 9.

Employees

Bidco attaches great importance to the skills and experience of the IDS Group's employees and recognises that the employees and management of IDS will be key to the continued success of the IDS Group.

Bidco does not intend to make any material changes to IDS' overall headcount and does not intend to make any reductions in the number of front-line workers, other than any reduction in headcount arising from and consistent with the headcount numbers announced by management of IDS in connection with management's existing strategy or Royal Mail's proposals for the reform of the USO as further described in paragraph 4 of Part 2 (*Letter from the Chair of International Distribution Services plc*).

Further, it is expected that once IDS ceases to be a listed company, a limited number of listed company-related functions are likely to, subject to any required information and consultation with any impacted employees and/or their representatives in accordance with applicable law, be

reduced in scope or become unnecessary. Bidco confirms that its intention is for any individuals impacted to be treated in a manner consistent with IDS' high standards, culture and practices.

Bidco does not anticipate any material change in the balance of skills and functions of the employees and management of the IDS Group.

Bidco is exploring, following completion of the Acquisition, potentially offering a form of employee participation model in the business (including, without limitation, by way of a profit-sharing mechanism) to all employees. No decision has been made in respect of the terms of, or timing for implementation of, such incentive scheme.

For further information regarding the contractual commitments that Bidco and EP have made in respect of the employees of the IDS Group, please see paragraph 5 above.

Existing employment rights and pensions

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

Royal Mail currently makes contributions to one defined benefit arrangement in the UK, the Defined Benefit Cash Balance Section of the Royal Mail Pension Plan (the “**DBCBS**”), and the majority of defined contribution benefit accrual is under one defined contribution arrangement, the RMDCP. Other than in relation to closing the RMDCP and the DBCBS to accrual in connection with the implementation of the RMCPP (as defined above), Bidco does not intend to make any changes to the benefits provided by the RMDCP or the DBCBS.

The IDS Group also operates an additional UK defined benefit scheme which is closed to future accrual, the legacy section of the Royal Mail Pension Plan (the “**RMPP**” and such section, the “**Pre-2018 Section**”). Bidco does not intend to make any changes to the current employer pension contribution arrangements, the accrual of benefits for existing members or the rights of admission of new members under the Pre-2018 Section. Bidco also intends that, following completion of the Acquisition, it will continue to comply with IDS’ obligations in respect of the Pre-2018 Section and, subject to changes made in connection with the implementation of the RMCPP (as defined above), the DBCBS, including the payment of contributions (which is intended to continue in line with current arrangements and applicable law, as varied by agreement with the trustee of the RMPP from time to time), and to work constructively with the trustee.

Bidco notes Royal Mail’s intention to introduce a new pension scheme, the RMCPP, which will replace the existing DBCBS and RMDCP for future accrual and will comprise a Defined Benefit Lump Sum Section (the “**DBLS**”) and a Collective Defined Contribution (the “**CDC**”) Section. Bidco understands that Royal Mail plans to launch the RMCPP fully in October 2024. Following the full launch of the RMCPP, accrual under the RMDCP (other than for existing members with less than a year’s service, who would be permitted to continue accrual until they reach one year’s service in RMDCP) and DBCBS is intended to cease and accrual in the RMCPP’s CDC and DBLS Sections is intended to commence.

If the RMCPP has not fully launched by the time the Acquisition completes, Bidco (i) intends for the relevant employers in the IDS Group to continue to comply with their obligations to pay contributions to the DBCBS and the RMDCP in respect of continuing accrual and in line with current arrangements, until they are closed to accrual, and (ii) intends to continue to work with Royal Mail and the trustee of the RMCPP to launch the RMCPP as soon as reasonably practicable thereafter.

Bidco notes that the IDS Group formerly operated the Royal Mail Senior Executives Pension Plan, another UK defined benefit scheme, which was formally wound up on 29 April 2024.

For further information regarding the contractual commitments that Bidco and EP have made in respect of the pension arrangements of the IDS Group, please see paragraphs 4 and 5 above.

A separate opinion from Royal Mail Pension Trustees Limited, the trustee of the RMPP, on the effect of the Acquisition on the RMPP is included in this document at Part 9.

Board and management

Bidco intends that the current executive members of the IDS Board will continue to lead IDS following completion of the Acquisition. Martin Seidenberg, the Chief Executive Officer of the IDS Group, and Michael Snape, the Chief Financial Officer of the IDS Group, will continue in their roles.

Shortly following completion of the Acquisition, each of the non-executive members of the IDS Board shall resign from his or her office as a director of IDS. Bidco intends to appoint a certain number of its representatives as non-executive members of the IDS Board.

Bidco intends to put in place a new board of directors of Royal Mail following completion of the Acquisition, which will include at least two independent non-executive directors. The Royal Mail board will have a particular focus on governance for Royal Mail and its delivery of the universal service to customers.

For further information regarding the Undertakings that Bidco and EP have made in respect of the governance arrangements in respect of Royal Mail following completion of the Acquisition please see paragraph 4 above.

Management incentive arrangements

Following completion of the Acquisition, Bidco intends to review the management, governance and incentive structure of IDS. Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of IDS' management, but may have discussions and enter into such arrangements for certain members of the IDS management team following completion of the Acquisition.

Headquarters, locations, fixed assets and research and development

Following completion of the Acquisition, Bidco intends that IDS will continue to operate as a standalone business group. As noted above, Bidco has no plans to undertake any material restructurings or changes to the locations of IDS' material fixed assets or material places of business. Bidco also has no plans to change the location or functions of IDS' headquarters, other than in respect of the listed company-related functions as described above.

Bidco is supportive of management's programme to manage its freehold real estate assets proactively and efficiently. IDS has, over many decades, disposed of a number of freehold properties pursuant to the management's programme. Following completion of the Acquisition, Bidco will engage with IDS management to better understand the current status of the freehold estate and the future needs of the Royal Mail and GLS businesses and, subject to the outcome of such engagement, intends to continue to optimise the real estate assets consistent with IDS' strategy.

IDS does not have any material research and development operations or functions and Bidco does not intend to change this position.

Sustainability

Bidco fully supports IDS' existing commitments to reduce its environmental impact. Bidco intends to continue the modernisation and electrification of the IDS fleet and to reduce estate and value chain emissions, with the aim for Royal Mail to reach Net Zero by 2040 and GLS to reduce CO2 emissions to zero by 2045.

Trading Facilities

IDS Shares are currently listed on the Official List and admitted to trading on the London Stock Exchange. Assuming at least 75% of IDS Shares are acquired pursuant to the Offer, applications will be made for the cancellation of the listing of IDS Shares on the Official List and the cancellation of trading of IDS Shares on the London Stock Exchange, and steps will be taken to re-register IDS as a private company.

No post-offer undertakings

None of the statements in this paragraph 6 are “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

In considering the recommendation of the Acquisition to IDS Shareholders set out in Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document, the IDS Directors have given due consideration to Bidco’s intentions for IDS set out above.

7. INFORMATION ON BIDCO, EP, VESA AND J&T

Bidco is a private limited company incorporated in England and Wales. Bidco is a newly formed vehicle, indirectly owned by (i) EP and (ii) J&T. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. As at completion of the Acquisition, it is intended that Bidco will be indirectly owned in the following proportions (i) EP will own 56% plus one share and (ii) J&T will own 44% less one share.

EP has an extensive portfolio of significant industrial assets across Europe and is a long-term investor in the UK, founded on energy and infrastructure and later diversified into other sectors including food wholesale, food and other consumer retail, logistics, media and e-commerce. Companies in which EP or its affiliates are the controlling shareholders or exercise the majority of voting rights have revenues of around €100 billion and annual EBITDA of around €8 billion. Across the UK and Europe, EP operates vital energy and infrastructure assets with unionised workforces including gas pipelines and gas storage facilities, power plants and electricity networks.

EP Equity Investment S.à r.l., the 100% direct shareholder of VESA and controlling shareholder of Casino Guichard-Perrachon, S.A., is the EP group’s investment arm focused on strategic long-term investments in publicly traded companies across Western Europe and the United States. EP Equity Investment S.à r.l. concentrates its attention on sectors where it can match structural growth opportunities with its specific expertise and experience, in particular in food wholesale, food and other consumer retail, logistics, media, and e-commerce. The current market value of the portfolio owned by EP Equity Investment S.à r.l. and VESA is approximately €3.3 billion. The EP group views the UK as an attractive and dynamic market for investment. The EP group has a long-term outlook and is proud to support the businesses in which it invests, including Royal Mail through VESA’s shareholding in IDS.

J&T is a Czech-based private investment company, ultimately controlled by J&T Private Equity Group Limited. It invests on behalf of a group of private investors from Slovakia and the Czech Republic in businesses in various sectors in Europe, including energy, infrastructure and real estate. As at 31 December 2023, the total value of assets in which J&T is invested was approximately €3.4 billion. J&T has been a long-term business partner of EP and its founder and controlling shareholder, Daniel Křetínský. Consistent with the approach taken for other investments in which both EP and J&T have participated, J&T is in the position of a financial investor; it has no co-management role and has no joint control in relation to Bidco.

8. INFORMATION ON IDS

IDS is a leading provider of postal and delivery services in the UK, with significant operations in continental Europe. IDS is a holding company, which includes two separate operations: its UK-based operations under Royal Mail and its international operations under GLS.

Royal Mail’s origins date back nearly 508 years to the time of King Henry VIII. Today, IDS’ core business is the collection, sorting, transportation and delivery of parcels and letters in the UK, leveraging its broad networks and powerful brands, which underpin strong positions in the UK’s parcel and letter delivery markets. Royal Mail is the UK’s designated Universal Service Provider with a strong brand and unparalleled scale and reach to all 32 million UK addresses. GLS is a leading international carrier operating one of the largest ground-based parcel delivery networks in Europe, with global reach and a strong position in the cross-border parcel segment.

IDS Shares are publicly traded on the Main Market (symbol: IDS). IDS is headquartered in London and its registered office is at 185 Farringdon Road, London, United Kingdom, EC1A 1AA.

For the Financial Year ended 31 March 2024, IDS reported total revenue of approximately £12,679 million.

9. THE IDS DIRECTORS

The names of the IDS Directors and the details of their interests in IDS Shares are set out in paragraphs 2 and 3 of Part A of Part 6 (*Additional Information*) of this document.

At the close of business on the Latest Practicable Date the IDS Directors were interested in, in total, 183,236 IDS Shares, amounting to 0.019% of the issued share capital of IDS (excluding treasury shares).

Details of irrevocable undertakings given by the IDS Directors, including details of the circumstances in which they will cease to be binding, are set out in paragraph 4 of Part A of Part 6 (*Additional Information*) of this document.

Particulars of the service contracts and the letters of appointment of the IDS Directors are set out in paragraph 6 of Part A of Part 6 (*Additional Information*) of this document. It is intended that, shortly following the Effective Date, each of the non-executive IDS Directors shall resign from his or her office as a director of IDS.

10. IRREVOCABLE UNDERTAKINGS

Bidco has received irrevocable undertakings from each of the IDS Directors who are interested in IDS Shares in relation to the Acquisition in respect of, in aggregate, 183,236 IDS Shares representing approximately 0.019% of the issued share capital of IDS (excluding treasury shares).

These irrevocable undertakings will cease to bind if:

- (i) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code at the same time;
- (ii) the Offer does not become or is not declared Unconditional, is withdrawn or lapses in accordance with its terms unless, by such time, Bidco publicly announces its intention to proceed with the Offer or to implement the Offer by way of a Scheme;
- (iii) the Offer does not become, or is not declared Unconditional by 11.59 p.m. on the Long Stop Date (or such later time and/or date as may be agreed between Bidco and IDS, with the approval of the Panel if required) (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Scheme and announced the same in accordance with the Takeover Code, and such Scheme has not lapsed or been withdrawn); or
- (iv) a competing offer for the entire issued and to be issued share capital of IDS becomes or is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

Further details of these irrevocable undertakings are set out in paragraph 4 of Part A of Part 6 (*Additional Information*) of this document.

11. OFFER-RELATED ARRANGEMENTS

(a) Confidentiality Agreement

On 15 May 2024, EP, on behalf of Bidco, and IDS entered into a Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, each of EP and IDS have undertaken to: (i) subject to certain exceptions, keep information relating to each other and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality

obligations will remain in force until the earlier of: (a) completion of the Acquisition; and (b) 15 May 2026. The Confidentiality Agreement also contains undertakings from EP, that for a period of 12 months after the date of the Confidentiality Agreement, neither EP nor any person acting in concert with EP who has received confidential information, will solicit or offer to employ any senior employee of the IDS Group or other IDS employees involved in negotiations relating to the Acquisition (subject to customary carve-outs). The standstill provisions contained in the Confidentiality Agreement ceased to apply on the date of the Announcement.

(b) **Clean Team Agreement**

On 18 May 2024, EP and IDS entered into a Clean Team Agreement, which sets out, among other things, how any confidential information that is competitively sensitive can be disclosed, used or shared between EP's clean team employees and/or external advisers and IDS' clean team individuals and/or external advisers.

(c) **Confidentiality and Joint Defence Agreement**

On 18 May 2024, EP, on behalf of Bidco, IDS and their respective external counsel entered into a Confidentiality and Joint Defence Agreement, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective external counsel and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

(d) **Cooperation Agreement**

On 29 May 2024, Bidco, EP and IDS entered into a Cooperation Agreement pursuant to which:

- EP and Bidco have agreed to take all required or necessary steps as promptly as reasonably practicable to obtain the relevant antitrust clearances and satisfy, or procure the satisfaction of, the antitrust conditions prior to the Long Stop Date; and
- EP and Bidco have also agreed to take commercially reasonable endeavours, as promptly as reasonably practicable, to obtain the regulatory clearances, and satisfy, or procure the satisfaction of, the relevant regulatory conditions prior to the Long Stop Date, provided that no member of the Bidco Group (or any other person) will be required to offer, agree or implement any remedy in relation thereto that is commercially unreasonable. Further details of the facts and circumstances that are considered commercially unreasonable are set out in the Cooperation Agreement and include making material amendments to the capital structure of Bidco or IDS, extending the duration of the three-year undertaking relating to no change in control of the Royal Mail Group and the GLS Group, taking any steps that would have a material adverse effect on the value or operations of the Royal Mail Group or implementing any measure that would prevent Bidco or EP from exercising control over the Royal Mail business or the GLS business.

The Cooperation Agreement will terminate in certain circumstances, including: (i) if the Acquisition is withdrawn, terminated or lapses prior to the Long Stop Date, (ii) if a third party announces a firm intention to make an offer for IDS which is recommended by the IDS Board or the IDS Directors withdraw their recommendation of the Acquisition, (iii) if, prior to the Long Stop Date, any Condition has been invoked by Bidco (with the consent of the Panel), (iv) if, prior to the Long Stop Date, a third party announces a firm offer for IDS which completes, becomes effective or is declared or becomes unconditional, (v) if the Offer is implemented by way of a Scheme, the Scheme is not approved by the holders of IDS Shares to which the Scheme applies or the Court refuses to sanction the Scheme, (vi) if the Offer does not become or is not declared Unconditional by the Long Stop Date or (vii) otherwise as agreed between Bidco and IDS.

Schedule 1 to the Cooperation Agreement records Bidco's agreement with IDS to offer the Undertakings to the UK Government. Schedule 2 contains provisions that shall apply in respect of the IDS Share Plans, other incentive arrangements and employee-related matters. Schedule 3 contains provisions relating to the pension arrangements of IDS, including Bidco's commitments to instruct Royal Mail to maintain levels of contributions or (as the case may be) rates of accrual in the RMDCP or RMPP/DBCBS and, once established, to pay the agreed level of contributions to the RMCPP.

(e) **VESA SPA**

On 29 May 2024, Bidco, and VESA entered into a share purchase agreement pursuant to which VESA's existing shareholding of 264,138,365 IDS Shares and any additional IDS Shares held by VESA as at the Unconditional Date (the "**VESA SPA Shares**") will be sold to Bidco (the "**VESA Sale**"). Completion of the VESA Sale is subject only to a sufficient number of valid acceptances in respect of the Offer having been received (and not validly withdrawn) that would, when aggregated with the VESA SPA Shares and any other IDS Shares acquired or unconditionally agreed to be acquired by Bidco (either pursuant to the Offer or otherwise), result in the Acceptance Condition being satisfied.

If the Acquisition is withdrawn or lapses or the condition contained in the VESA SPA is not satisfied or waived by 29 August 2025 (or such later date as may be agreed by the parties to the VESA SPA), the VESA Sale will not occur.

The consideration payable by Bidco for each IDS Share in respect of the VESA Sale will be equal to the price per share received by the IDS Shareholders pursuant to the Offer (with such consideration being left outstanding). The VESA SPA will be amended and restated on or around the date of this document to specify that any further IDS Shares acquired by VESA during the Offer Period shall be treated in the same manner.

12. IDS SHARE PLANS

IDS operates the IDS Share Plans and the IDS SIP to reward and retain its employees.

Participants in the IDS Share Plans and the IDS SIP will receive a separate communication explaining the effect of the Acquisition on their rights under the IDS Share Plans and the IDS SIP (the "**Share Plan Notices**"). A summary of the effect of the Acquisition on the IDS Share Plans and the IDS SIP is set out below. In the event of any conflict between the summary set out below and the rules of the relevant IDS Share Plan or the IDS SIP, the IDS Directors' Remuneration Policy (where applicable) and/or the Share Plan Notices, the rules of the relevant IDS Share Plan or the IDS SIP, the IDS Directors' Remuneration Policy (where applicable) or the terms of the relevant Share Plan Notices (as the case may be) will prevail.

*IDS Long Term Incentive Plan (the "**IDS LTIP**") and GLS Long Term Incentive Plan 2014 (the "**GLS LTIP**")*

Awards granted and outstanding under the IDS LTIP and the GLS LTIP which would not otherwise vest prior to the Unconditional Date, will vest on the Unconditional Date, in accordance with the applicable rules. All awards outstanding under the IDS LTIP and GLS LTIP are structured as conditional awards.

Awards will vest to the extent the applicable performance conditions have been satisfied and subject to any time pro-rating reduction that the IDS Remuneration Committee may apply (to reflect the fact that vesting is occurring before the normal vesting date). The assessment of the extent to which applicable performance conditions have been achieved and the determination of any time pro-rating reduction will occur on, or shortly before, the Unconditional Date. For awards under the GLS LTIP, the Acquisition will not affect the IDS Remuneration Committee's prior assessment of performance conditions relating to any financial year completed before the Unconditional Date.

Awards which vest will accrue dividend equivalents, including in relation to the 2024 Final Dividend and the Special Dividend for awards which vest on the Unconditional Date.

IDS Deferred Share Bonus Plan ("IDS DSBP")

Outstanding awards granted under the IDS DSBP that have not vested in the ordinary course before the Unconditional Date will vest in full on the Unconditional Date in accordance with the rules of the IDS DSBP. All awards outstanding under the IDS DSBP are structured as conditional awards.

IDS SIP

Participants in the IDS SIP (which is a HM Revenue & Customs tax-qualified plan designed for all UK-based employees) will be eligible to participate in the Offer on the same terms as for other IDS Shareholders and will be entitled to instruct the SIP Trustee to accept the Offer in respect of their IDS Shares held in the IDS SIP trust. Participants will be contacted by or on behalf of the SIP Trustee with details of the courses of action open to them.

13. FINANCING OF THE ACQUISITION

The Cash Consideration payable to IDS Shareholders under the terms of the Acquisition will be financed by a combination of new equity from EP, as well as fully underwritten debt facilities to be provided under the Interim Facilities Agreement and arranged by BNP Paribas S.A., Citibank N.A. London Branch, Societe Generale, London Branch, UniCredit Bank GmbH and UniCredit Bank Czech Republic and Slovakia, a.s. In addition to the equity contribution, following completion of the Acquisition EP will provide an equity commitment letter to Bidco to ensure a minimum level of available liquidity at IDS during the six month period following completion of the Acquisition.

J.P. Morgan, in its capacity as financial adviser to Bidco, is satisfied that sufficient cash resources are available to Bidco to satisfy in full the Cash Consideration payable to IDS Shareholders under the terms of the Acquisition.

The financing of the Acquisition is structured so that the investment grade credit rating of IDS is expected to be maintained. Following completion of the Acquisition, IDS is expected to be considered a highly strategic subsidiary of EP by the relevant ratings agencies. It is EP's intention to elevate IDS to a core subsidiary of EP, meaning that the rating of IDS would not be lower than the rating of EP, allowing IDS to benefit from being part of a group with an extensive portfolio of significant industrial assets with a long-term investment grade rating profile. EP takes a conservative approach to its capital structure and intends to continue operating EP on the basis that its current investment grade rating profile is maintained.

Your attention is drawn to paragraph 15 of Part A of Part 6 (*Additional Information*) of this document which contains a summary of the terms of the Interim Facilities Agreement.

14. CONDITIONS TO THE OFFER

The Offer is subject to the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) of this document (including the Acceptance Condition).

As described further in Part 3 (*Conditions to and further terms of the Acquisition*), the Acceptance Condition shall be satisfied once valid acceptances of the Offer have been received by no later than 1.00 p.m. (London time) on the Unconditional Date (or such other time(s) and/or date(s) as Bidco may, with the consent of the Panel, decide) in respect of such number of IDS Shares as shall, when aggregated with both (i) any IDS Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) and (ii) any IDS Shares acquired or agreed to be acquired under the VESA SPA by Bidco represent IDS Shares carrying not less than 75% of the voting rights then normally exercisable at a general meeting of IDS Shareholders.

Bidco may, with the consent of IDS, decide to waive the Acceptance Condition down to a lower percentage in accordance with Rule 10 of the Takeover Code, provided that the Acceptance Condition will not be satisfied unless Bidco has acquired or agreed to acquire (whether pursuant to the Offer, the VESA SPA or otherwise), directly or indirectly, IDS Shares carrying in aggregate more than 50% of the voting rights then normally exercisable at a general meeting of IDS.

Other Conditions to the Offer include the receipt of antitrust and regulatory approvals or expiry of applicable waiting periods in Canada, the United States, the United Kingdom, Serbia, the European Union, Denmark, Austria, Germany, Romania and Guernsey, in each case to the extent required, as set out in Part A of Part 3 (*Conditions to and further terms of the Acquisition*) of this document.

Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Bidco to be or remain satisfied, by midnight (London time) on the earlier of the Unconditional Date and the Long Stop Date (subject to the rules of the Takeover Code and where applicable, the consent of the Panel). Further details are set out in Part 3 (*Conditions to and further terms of the Acquisition*) to this document.

15. ALTERNATIVE MEANS OF IMPLEMENTING THE ACQUISITION

Bidco reserves the right to elect (with the consent of the Panel and the consent of IDS in accordance with the terms of the Cooperation Agreement) to implement the Acquisition by means of a Scheme as an alternative to the Offer. In such event, such Scheme would be implemented on substantially the same terms and conditions, so far as applicable, as those which would apply to the Offer, subject to appropriate amendments to reflect the change in method of effecting the Acquisition. In particular, the Condition set out in paragraph 1 of Part A of Part 3 (*Conditions to and further terms of the Acquisition*) would not apply and the Scheme would become effective and binding following: (i) approval of the Scheme at the Court Meeting (or any adjournment thereof) by a majority in number representing 75% or more of the voting rights held by the IDS Shareholders present, entitled to vote and voting, either in person or by proxy; (ii) the Resolutions required to approve and implement the Scheme at the General Meeting being passed by the requisite majority at such General Meeting; and (iii) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Bidco) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

16. DELISTING AND SQUEEZE-OUT

If Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 90% or more of the IDS Shares to which the Offer relates, and assuming that all of the other Conditions of the Offer have been satisfied or waived (if capable of being waived), Bidco intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily any IDS Shares not acquired or agreed to be acquired by or on behalf of Bidco pursuant to the Offer or otherwise on the same terms as the Offer.

If the Offer becomes or is declared Unconditional and if Bidco has, by virtue of the IDS Shares it holds, if any, and the IDS Shares it has contracted to acquire, whether by way of acceptances of the Offer, the VESA SPA or otherwise, acquired or agreed to acquire, issued share capital carrying 75% or more of the voting rights of IDS (or the appropriate special resolutions are otherwise passed), it is intended that Bidco shall procure that IDS makes a request to the FCA to cancel the listing of IDS Shares from the Official List and makes an application to the London Stock Exchange for the cancellation of the admission to trading of IDS Shares on the Main Market and Bidco shall seek to re-register IDS as a private limited company under the relevant provisions of the Companies Act.

It is anticipated that, subject to any applicable requirements of the London Stock Exchange, cancellation of admission to trading of IDS Shares on the Main Market shall take effect no earlier than the date that is 20 business days (as defined in the UK Listing Rules) after: (i) the date on which Bidco has announced that it has acquired or agreed to acquire 75% of the voting rights attaching to the IDS Shares; or (ii) the first date of issue of compulsory acquisition notices under section 979 of the Companies Act.

Bidco shall notify IDS Shareholders when the required 75% voting rights threshold has been attained and confirm that the notice period has commenced and the anticipated date of cancellation.

Such cancellation of admission to trading on the Main Market of IDS Shares and the re-registration of IDS as a private limited company shall significantly reduce the liquidity and marketability of any IDS Shares not acquired pursuant to the Offer at that time and their value may be affected as a consequence. Any remaining IDS Shareholders (unless their IDS Shares are acquired by Bidco pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act) would become minority shareholders in a majority controlled private limited company and may therefore be unable to sell their IDS Shares. There can be no certainty that IDS would pay any further dividends or other distributions or that such minority IDS Shareholders would again be offered an opportunity to sell their IDS Shares on terms which are equivalent to or no less advantageous than those under the Offer.

17. PROCEDURE FOR ACCEPTANCE OF THE OFFER

IDS Shareholders who hold their IDS Shares in certificated form should read this paragraph in conjunction with the Form of Acceptance and Part C and Part D of Part 3 (*Conditions to and further terms of the Acquisition*) of this document. IDS Shareholders who hold their shares in uncertificated form (that is, through CREST) should read this paragraph in conjunction with Part C and Part E of Part 3 (*Conditions to and further terms of the Acquisition*) of this document. The instructions on the Form of Acceptance are deemed to form part of the terms of the Offer.

Subject to this paragraph 17 and the terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) of this document, the Offer will initially be open for acceptance until 1.00 p.m. (London time) on the Unconditional Date. If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the Unconditional Date.

If you have any questions about this document or the accompanying documents, or are in any doubt as to how to complete the Form of Acceptance (if you hold IDS Shares in certificated form) or as to how to make an Electronic Acceptance (if you hold IDS Shares in uncertificated form), or make an online instruction via the Nominee Share Service (if you hold IDS Shares via the Nominee Share Service), or wish to obtain an additional Form of Acceptance, please review the FAQs at <https://idsoffer.shareview.info> before contacting the Shareholder Helpline. The Shareholder Helpline is operated by Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

IDS SIP Participants who have any questions about this document or the accompanying documents or are in any doubt as to how to complete the online instruction should please review the letter sent to IDS SIP Participants and the FAQs which can both be found at <https://idsoffer.shareview.info> before contacting the SIP Shareholder Helpline. The SIP Shareholder Helpline is operated by Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, on +44 (0) 330 123 0058 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

17.1 IDS Shares held in certificated form

(A) Completion of the Form of Acceptance

Your Form of Acceptance accompanies this document.

You may also obtain additional Forms of Acceptance, by contacting the Shareholder Helpline operated by Equiniti Limited, the Receiving Agent in respect of the Offer, on

+44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). The Receiving Agent will send you a Form of Acceptance within 10 Business Days, and you will be instructed to return the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance.

To accept the Offer in respect of IDS Shares held in certificated form (that is, not in CREST), you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. You should complete a separate Form of Acceptance for IDS Shares held in certificated form but under different designations. If you have any queries as to how to complete the Form of Acceptance, please review the FAQs which can be found at <https://idsoffer.shareview.info> prior to contacting the Shareholder Helpline. The Shareholder Helpline can be contacted on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. **Additional Forms of Acceptance are available from the Receiving Agent upon request.**

- (i) *To accept the Offer in respect of all your IDS Shares in certificated form* – you must insert in Box 3 the total number of IDS Shares in respect of which you wish to accept the Offer and sign Box 4A or 4B, as applicable, of the enclosed Form of Acceptance. In the case of joint holders, all joint holders must sign Box 4A. In all cases, if you are an individual, you must sign Box 4A on the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any IDS Shareholder which is a company should execute Box 4B on the Form of Acceptance in accordance with the instructions printed on it. If you do not insert a number in Box 3 of the Form of Acceptance, or if you insert in Box 3 a number which is greater than the number of IDS Shares that you hold and you have signed in Box 4A or Box 4B, your acceptance will be deemed to be in respect of all the certificated IDS Shares held by you.
- (ii) *To accept the Offer in respect of less than all your IDS Shares in certificated form* – you must insert in Box 3 on the enclosed Form of Acceptance such lesser number of IDS Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in paragraph (i) above in respect of such lesser number of IDS Shares.

(B) Return of the Form of Acceptance

To accept the Offer in respect of IDS Shares held in certificated form, the completed, signed and (if applicable) witnessed Form of Acceptance should be returned by post to the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom together (subject to paragraph 17.1(C) below) with the relevant share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received not later than 1.00 p.m. on the Unconditional Date. A reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. It is recommended to allow four Business Days for delivery. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received electronically in respect of IDS Shares held in certificated form will be rejected as an invalid acceptance of the Offer.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to Bidco or its agents to have been sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. The attention of IDS Shareholders holding IDS Shares and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 7 of Part C of Part 3 (*Conditions to and further terms of the Acquisition*) of this document.

(C) Share certificates not readily available or lost

If your IDS Shares are in certificated form, a completed, signed and witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge the Form of Acceptance as stated above so as to be received by the Receiving Agent by post to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, not later than 1.00 p.m. on the Unconditional Date. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents will follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other document(s) of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title to be forwarded as soon as possible thereafter but in any event so as to arrive by no later than 1.00 p.m. on the Unconditional Date. It is recommended to allow four Business Days for delivery.

If you have lost your share certificate(s) and/or other document(s) of title, **and you hold 500 or fewer IDS Shares** at the time of submission of the Form of Acceptance, by accepting the Offer and signing Box 4A on the Form of Acceptance you confirm your agreement to the Declaration and Undertaking for Lost Share Certificate(s) shown in Note 6 on page 4 of the Form of Acceptance. You do not need to provide a separate letter of indemnity for the lost share certificate(s) and/or other document(s) of title.

If you have lost your share certificate(s) and/or other document(s) of title **and hold more than 500 IDS Shares** at the time of submission of the Form of Acceptance, you should separately write as soon as possible to the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title. When completed in accordance with the instructions given, you should return the letter of indemnity by post to the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, so as to arrive by no later than 1.00 p.m. on the Unconditional Date. It is recommended to allow four Business Days for delivery.

If, following the submission of a Form of Acceptance and prior to the Unconditional Date, you acquire further IDS Shares which bring your total holding of IDS Shares in certificated form to more than 500, but you have not provided a letter of indemnity relating to your lost share certificate(s) and/or other document(s) of title, your Form of Acceptance may be rejected.

(D) Validity of Acceptances

Without prejudice to Part C and Part D of Part 3 (*Conditions to and further terms of the Acquisition*) of this document, subject to the provisions of the Takeover Code, Bidco reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, subject to the provisions of the Takeover Code, no payment of the Cash Consideration under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to Bidco have been received.

17.2 IDS Shares held in uncertificated form (that is, in CREST)

(A) General

If your IDS Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the IDS Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying the Receiving Agent (in its capacity as a CREST participant under the Receiving Agent's participant ID referred to below) as the escrow agent, as soon as possible **and in any event so that the TTE instruction settles not later than 1.00 p.m. on the Unconditional Date. Note that settlement cannot take place on weekends or public holidays (or other times at which the CREST system is non-operational). You should therefore ensure you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph 17.2(A) will (subject to satisfying the requirements set out in Part C and Part E of Part 3 (*Conditions to and further terms of the Acquisition*) of this document) constitute an acceptance of the Offer in respect of the number of IDS Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your IDS Shares.

After settlement of a TTE instruction, you will not be able to access the IDS Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared Unconditional, the Receiving Agent will transfer the IDS Shares concerned in accordance with paragraph (d) of Part E of Part 3 (*Conditions to and further terms of the Acquisition*) of this document.

You are recommended to refer to the CREST Manual for further information on the CREST procedure outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your IDS Shares to settle prior to 1.00 p.m. on the Unconditional Date. In this connection, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

The latest time for receipt of an Electronic Acceptance through CREST will be 1.00 p.m. (London time) on the Unconditional Date. The latest time and date by which the Offer can be accepted initially will be 25 August 2024, which is Day 60 as at the date of this document. If a material official authorisation or regulatory clearance has not been satisfied (or waived, if capable of waiver) at 5.00 p.m. on 2 August 2024, Bidco shall request that the Panel suspend the timetable for the Offer until such material official authorisation or regulatory clearance is satisfied. A separate announcement will be made in due course confirming the timetable and the relevant deadline for accepting the Offer, including on CREST. Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) it is currently expected that the Offer will become or be declared Unconditional in the first quarter of 2025.

(B) To accept the Offer

To accept the Offer in respect of IDS Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction

to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details (being an Electronic Acceptance):

- (i) the number of IDS Shares in respect of which you wish to accept the Offer (i.e. the number of IDS Shares to be transferred to escrow);
- (ii) your member account ID;
- (iii) your participant ID;
- (iv) the participant ID of the escrow agent, Equiniti, in its capacity as a CREST receiving agent, being 6RA07;
- (v) the member account ID(s) of the escrow agent, Equiniti, in its capacity as a CREST receiving agent, being IDSEPSUK;
- (vi) the ISIN of the relevant IDS Shares (this is "GB00BDVXYZ77");
- (vii) the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. on the Unconditional Date;
- (viii) the corporate action number for the transaction; this is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- (ix) CREST standard delivery instructions priority of 80; and
- (x) a contact name and telephone number (inserted in the shared note field).

(C) Validity of Acceptances

Holders of IDS Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of that Offer as at the relevant closing date if it has settled at or before 1.00 p.m. on that date. A Form of Acceptance which is received in respect of IDS Shares held in uncertificated form may be treated as an invalid acceptance and may be disregarded.

Without prejudice to Part C and Part E of Part 3 (*Conditions to and further terms of the Acquisition*) of this document, subject to the provisions of the Takeover Code, Bidco reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant TTE instruction. In that event, subject to the provisions of the Takeover Code, no payment of the Cash Consideration under the Offer will be made until after the relevant TTE instruction reasonably satisfactory to Bidco has been received.

Bidco will make an appropriate announcement if any of the details contained in this paragraph 17.2 alter for any reason.

(D) Overseas Shareholders

The attention of IDS Shareholders holding IDS Shares in uncertificated form and who are citizens or residents of jurisdictions outside the United Kingdom is drawn to paragraph 7 of Part C, paragraph (b) of Part E of Part 3 (*Conditions to and further terms of the Acquisition*) and Part B of Part 6 (*Additional Information*) of this document.

(E) General

Normal CREST procedures (including timings) apply in relation to any IDS Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of IDS Shares or otherwise). Holders of IDS Shares who are proposing so to convert any such shares are recommended to

ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 p.m. on the Unconditional Date.

17.3 IDS Shares held in the Nominee Share Service

Qualifying Participants would have received with this document a personalised letter providing them with login details to enable them to make an online instruction in relation to the Offer. It should be noted that if such Qualifying Participants have registered for email communications, in addition to receiving such personalised letter, they will also receive an email providing them with their login details and a link to a website where they can instruct the Nominee online. **All Qualifying Participants, regardless of their communication preferences, will be able to give instructions in relation to the Offer, including an acceptance instruction, online only at <https://idsoffer.shareview.info>. You may request a hard copy form of instruction, free of charge, by contacting Equiniti on +44 (0) 333 207 6505 or writing to Equiniti at Aspect House, Lancing, West Sussex, BN99 6DA.**

To accept the Offer in respect of IDS Shares held via the Nominee Share Service an acceptance instruction must be registered online so as to be received by the Nominee by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date, to allow the Nominee to instruct the Receiving Agent by 1.00 p.m. on the Unconditional Date.

17.4 IDS Shares held in the IDS SIP

Participants within the IDS SIP would have received a personalised letter providing them with further information about the impact of the Offer on the IDS SIP and login details to enable them to make an online instruction in relation to the Offer. **All IDS SIP Participants will be able to give instructions in relation to the Offer, including an acceptance instruction, online only at <https://idsoffer.shareview.info>. You may request a hard copy form of instruction, free of charge, by contacting Equiniti on +44 (0) 330 123 0058 or writing to Equiniti at Aspect House, Lancing, West Sussex, BN99 6DA.**

To accept the Offer in respect of IDS Shares held via the IDS SIP an acceptance instruction must be registered online so as to be received by the SIP Trustee by no later than 1.00 p.m. (London time) three Business Days prior to the Unconditional Date, to allow the SIP Trustee to instruct the Receiving Agent by 1.00 p.m. on the Unconditional Date.

Holdings of IDS Shares in certificated or uncertificated form, or held via the Nominee Share Service or IDS SIP will be treated as separate holdings for the purpose of calculating entitlements and you are required to accept in relation to each holding separately.

If the Offer becomes or is declared Unconditional, Bidco will keep the Offer open for acceptances for at least 14 days following the Unconditional Date.

If you are in any doubt as to the procedure for acceptance of the Offer, please review the FAQs which can be found at <https://idsoffer.shareview.info> before contacting the Shareholder Helpline. The Shareholder Helpline is operated by Equiniti, the Receiving Agent in respect of the Offer, on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls are charged at the standard geographic rate and will vary by provider. IDS SIP Participants who are in any doubt as to how to complete an online instruction can also review the letter sent to IDS SIP Participants and the FAQs which can both be found at <https://idsoffer.shareview.info> or alternatively can contact the SIP Shareholder Helpline operated by the Receiving Agent on +44 (0) 330 123 0058. Calls outside the United Kingdom will be charged at

the applicable international rate. For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

18. SETTLEMENT

Subject to the Offer becoming or being declared Unconditional (and except as provided in Part B of Part 6 (*Additional Information*) of this document in relation to certain overseas IDS Shareholders), settlement of the consideration to which any IDS Shareholder is entitled under the Offer will be effected (other than (A) in respect of the 2024 Final Dividend which, if approved by IDS Shareholders, is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024 and (B) in respect of participants in the IDS Share Plans, in respect of whom settlement will be effected through payroll or such other method as may be determined by IDS): (i) in the case of acceptances received, complete in all respects, by the Unconditional Date, within 14 days of such date; and (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, each as set out below.

Subject to the Offer becoming or being declared Unconditional (and except as provided in Part B of Part 6 (*Additional Information*) of this document in relation to certain overseas IDS Shareholders), settlement of the consideration to which any Qualifying Participant or IDS SIP Participant is entitled under the Offer will be effected no later than five Business Days after the receipt of such consideration by the Nominee or the SIP Trustee, as applicable.

Payment of the Cash Consideration

18.1 Where IDS Shares are held in uncertificated form (that is, in CREST)

Where a valid acceptance relates to IDS Shares in uncertificated form, the payment of Cash Consideration to which the accepting IDS Shareholder is entitled shall be effected through CREST by Bidco instructing (or procuring the instruction of) Euroclear to create a CREST assured payment obligation in accordance with the CREST assured payment arrangements in favour of the appropriate CREST account through which the relevant IDS Shareholder holds such uncertificated IDS Shares in respect of the Cash Consideration due to that IDS Shareholder.

The instruction by (or on behalf of) Bidco to create an assured payment arrangement shall be a complete discharge of Bidco's obligations under the Offer with reference to payments through CREST.

The CREST payment obligations set out above will be created: (i) in the case of acceptances received, complete in all respects, by the Unconditional Date, within 14 days of such date; and (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, and each applicable holding of IDS Shares credited to any stock account in CREST in respect of which Cash Consideration has been paid will be disabled and all applicable IDS Shares in respect of which Cash Consideration has been paid will be removed from CREST in due course thereafter.

Bidco reserves the right to pay Cash Consideration to all or any relevant CREST shareholders by cheque or electronic payment to their mandated bank or building society account as recorded by the Receiving Agent if for any reason it wishes to do so.

18.2 Where IDS Shares are held in certificated form

Where a valid acceptance relates to IDS Shares in certificated form, settlement of the Cash Consideration shall be despatched by cheque or by such other method as may be approved by the Panel. Your attention is drawn in particular to paragraphs 17.1(C) and 17.1(D) above which set out the steps to be taken if your Form of Acceptance is not

accompanied by the relevant share certificate(s) and/or other document(s) of title and the consequences thereof.

Subject to the above, all deliveries of cheques required to be made pursuant to the Offer shall be effected by posting them: (i) in the case of acceptances received, complete in all respects, by the Unconditional Date, within 14 days of such date; and (ii) in the case of acceptances received, complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, by first class post or by such other method as may be approved by the Panel, addressed to the persons entitled to them at their respective addresses as appearing in the Register at the Unconditional Date (or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in the Register in respect of such joint holding at such time) and neither IDS nor Bidco (nor any of their respective nominees or agents) shall be responsible for any loss or delay in the transmission of cheques sent in this way.

All Cash Consideration due to IDS Shareholders shall be paid in sterling and, in the case of a cheque, drawn on a UK clearing bank.

All cheques shall be made payable to the IDS Shareholder(s) (except that, in the case of joint holders, Bidco reserves the right to make cheques payable to the joint holder whose name stands first in the Register in respect of such joint holding at the Unconditional Date) and the encashment of any such cheque shall be a complete discharge by Bidco for the obligation to pay the monies represented thereby.

18.3 Where IDS Shares are held in the Nominee Share Service

Where a valid acceptance relates to IDS Shares held via the Nominee Share Service, settlement of the Cash Consideration shall be despatched by cheque or electronic payment to the mandated bank or building society account of the relevant Qualifying Participant as recorded by the Nominee, no later than five Business Days after the Nominee receives the Cash Consideration from the Receiving Agent and in accordance with the terms and conditions of the Nominee Share Service. All cheques shall be made payable to the Qualifying Participant(s) (except that, in the case of joint holders, the Nominee reserves the right to make cheques payable to the joint holder whose name stands first in respect of such joint holding in the register held by the Nominee at the Unconditional Date) and the encashment of any such cheque shall be a complete discharge by the Nominee for the obligation to pay the monies represented thereby.

All Cash Consideration due to Qualifying Participants shall be paid in sterling and, in the case of a cheque, drawn on a UK clearing bank by the Nominee.

18.4 Where IDS Shares are held in the IDS SIP

Where a valid acceptance relates to IDS Shares held via the IDS SIP, settlement of the Cash Consideration shall be despatched by cheque or electronic payment to the mandated bank or building society account of the relevant IDS SIP Participant as recorded by the SIP Trustee, no later than five Business Days after the SIP Trustee receives the Cash Consideration from the Receiving Agent. All cheques shall be made payable to the IDS SIP Participant(s) on the register held by the SIP Trustee at the Unconditional Date) and the encashment of any such cheque shall be a complete discharge by the SIP Trustee for the obligation to pay the monies represented thereby.

All Cash Consideration due to IDS SIP Participants shall be paid in sterling and, in the case of a cheque, drawn on a UK clearing bank.

Payment of the 2024 Final Dividend

18.5 Where IDS Shares are held in certificated or uncertificated form

Subject to approval of the 2024 Final Dividend by the IDS Shareholders, the 2024 Final Dividend will be paid to IDS Shareholders (whether they hold their IDS Shares in certificated or uncertificated form) on the Register as at 23 August 2024 in the usual manner. The expected payment date of the 2024 Final Dividend is 30 September 2024.

18.6 Where IDS Shares are held in the Nominee Share Service or in the IDS SIP

The despatch of cheques or electronic payment to mandated bank or building society account in respect of the 2024 Final Dividend payable to Qualifying Participants or IDS SIP Participants as at the record date of 23 August 2024 will be made no later than five Business Days after the Nominee or the SIP Trustee, as applicable, receives the 2024 Final Dividend.

Payment of the Special Dividend

18.7 Where IDS Shares are held in certificated or uncertificated form

Subject to the Offer becoming or being declared Unconditional, payment of the Special Dividend to IDS Shareholders (whether they hold their IDS Shares in certificated or uncertificated form) on the Register at the relevant record date will be effected in the following manner:

- by way of an electronic payment to the account indicated in the standard electronic payment mandate, if the relevant IDS Shareholder has set up a standing electronic payment mandate with the Registrar for the purpose of receiving dividend payments;
- by cheque drawn on a branch of a UK clearing bank; or
- by such other method as may be approved by the Panel.

All such cash payments shall be made in sterling. All payments made by cheque will be payable to the IDS Shareholder(s) concerned or, in the case of joint holders, to the joint holder whose name stands first in the Register in respect of such joint holding at the Unconditional Date. Cheques, and electronic payments, will be despatched within 14 days of the Unconditional Date to the person(s) entitled to them at the addresses as appearing in the Register at the relevant record date. None of IDS, Bidco, any nominee(s) of Bidco 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 persons entitled to them. The encashment of any cheque, and making of electronic payments, in each case, as is referred to in this paragraph shall be a complete discharge for the monies represented by it.

18.8 Where IDS Shares are held in the Nominee Share Service

Subject to the Offer becoming or being declared Unconditional, the Nominee will arrange, subject to the terms and conditions of the Nominee Share Service, for settlement of the Special Dividend to be made by electronic payment to the account indicated in the electronic payment mandate in place for the purpose of receiving dividend payments of that Qualifying Participant (or, failing such electronic payment, by way of cheque), in each case no later than five Business Days after the Nominee receives the Special Dividend.

18.9 Where IDS Shares are held in the IDS SIP

Subject to the Offer becoming or being declared Unconditional, the SIP Trustee will arrange, for settlement of the Special Dividend to be made by electronic payment to the account indicated in the electronic payment mandate in place for the purpose of receiving dividend payments of that IDS SIP Participant (or, failing such electronic payment, by way of cheque), in each case no later than five Business Days after the SIP Trustee receives the Special Dividend.

Payment terms

Cheques will not be mailed to any IDS Shareholder who holds their IDS Shares in certificated form where IDS and/or the Receiving Agent has identified a verification issue with the information provided for that IDS Shareholder or any underlying beneficial holders, where the information is required for the purpose of payment of the relevant consideration to the IDS Shareholder, which needs to be addressed before payment of the relevant consideration to such IDS Shareholder

can be made. In these circumstances, the Receiving Agent will, hold the relevant consideration on trust for such IDS Shareholders and engage with each of them to verify their identity and payment details before payment of such consideration is made to them (whether by way of electronic payment or, if requested, cheque). The consideration will be held in trust by the Receiving Agent, or such other person as IDS or Bidco may nominate (including Bidco), in a separate, interest-bearing bank account established solely for this purpose, on behalf of such IDS Shareholder for a period of twelve years from the relevant date, after which time if it remains unclaimed for any reason the consideration will be forfeited and cease to remain owing by Bidco or IDS (or the Receiving Agent) and shall thenceforth belong to, in the case of the Cash Consideration, Bidco (with any interest accruing being for the benefit of Bidco), and, in the case of the 2024 Final Dividend or the Special Dividend, IDS (with any interest accruing being for the benefit of IDS). For the avoidance of doubt, no interest will accrue for the benefit of IDS Shareholders on such consideration and any payment of consideration subsequently claimed by the relevant IDS Shareholders will be made net of any expenses or taxes.

In addition, and without prejudice to the foregoing, no electronic payment shall be made to any IDS Shareholder where IDS and/or the Receiving Agent has been unable to validate the electronic payment details to the satisfaction of IDS and/or the Receiving Agent. The Receiving Agent shall also have the power to withhold any consideration payable to any IDS Shareholder where either IDS and/or the Receiving Agent believes that there is a verification issue with the information provided for that IDS Shareholder or any underlying beneficial holders, where the information is required for the purpose of payment of the relevant consideration to the IDS Shareholder. Further details of such trust arrangement are set out above.

18.10 General

If the Offer does not become or is not declared Unconditional:

- (i) in the case of IDS Shares held in uncertificated form, the Receiving Agent will, immediately after the lapsing of the Offer, arrange TFE instructions to Euroclear to transfer all IDS Shares held in escrow balances and in relation to which it is the Receiving Agent for the purposes of the Offer to the original available balances of the IDS Shareholders concerned; and
- (ii) in the case of IDS Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at their registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction).

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

Except with the consent of the Panel, settlement of the consideration to which any accepting IDS Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer free of any lien, right of set-off, counterclaim or other analogous right to which any person may otherwise be, or claim to be, entitled against such IDS Shareholder, and will be effected in the manner described in this document.

19. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Part B of Part 6 (*Additional Information*) of this document which contains important information relevant to such Overseas Shareholders.

The implications of the Offer for Overseas Shareholders may be affected by the laws of their relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Offer, including the obtaining of any governmental, exchange control or other consents which

may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction. If you remain in doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

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.

This document and the accompanying Form of Acceptance have been prepared for the purposes of complying with English law, the applicable requirements of the Companies Act, the Takeover Code, the Panel, the FCA and the London Stock Exchange and applicable securities law 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 any other jurisdiction.

20. UNITED KINGDOM TAXATION

A summary of relevant UK taxation, which is intended as a general guide only, is set out in Part C of Part 6 (*Additional Information*) of this document. If you are in any doubt as to your tax position, or you are subject to taxation in a jurisdiction other than the United Kingdom, you are strongly advised to consult an appropriate independent professional adviser.

21. FURTHER INFORMATION

The terms and conditions of the Offer are set out in Part 3 (*Conditions to and further terms of the Acquisition*) of this document. Your attention is drawn in particular to the letter from the Chair of IDS set out in Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document, and the further information contained in this document and, if your IDS Shares held in certificated form, to the accompanying Form of Acceptance which should be read in conjunction with this document.

22. ACTION TO BE TAKEN

To accept the Offer:

- (a) **If your IDS Shares are in uncertificated form (that is, in CREST), you should NOT return the Form of Acceptance but instead ensure that an Electronic Acceptance is made by you or on your behalf and that settlement is no later than 1.00 p.m. on the Unconditional Date.**
- (b) **If your IDS Shares are in certificated form, the Form of Acceptance must be completed, signed and returned as soon as possible (together with your share certificate(s) and/or other document(s) of title), and in any event so as to be received by the Receiving Agent at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom no later than 1.00 p.m. on the Unconditional Date.**
- (c) **If your IDS Shares are held via the Nominee Share Service, you must instruct the Nominee online at <https://idsoffer.shareview.info> as soon as possible and in any event so as to be received by the Nominee no later than 1.00 p.m. three Business Days prior to the Unconditional Date.**
- (d) **If your IDS Shares are held via the IDS SIP, you must instruct the SIP Trustee online at <https://idsoffer.shareview.info> as soon as possible and in any event so as to be received by the SIP Trustee no later than 1.00 p.m. three Business Days prior to the Unconditional Date.**

If you have any questions relating to acceptance of the Offer, please review the FAQs which can be found at <https://idsoffer.shareview.info> or contact the Shareholder Helpline operated by Equiniti, the Receiving Agent in respect of the Offer, on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). IDS SIP Participants who have any questions relating to acceptance of the Offer should review the letter sent to IDS SIP Participants and the FAQs which can both be found at <https://idsoffer.shareview.info> or contact the SIP Shareholder Helpline operated by Equiniti, the Receiving Agent in respect of the Offer, on +44 (0) 330 123 0058. For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Calls are charged at the standard geographic rate and will vary by provider. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Yours faithfully

EP UK Bidco Limited

PART 2
LETTER FROM THE CHAIR OF INTERNATIONAL
DISTRIBUTION SERVICES PLC

Directors:

Keith Williams (*Independent Non-Executive Chair*)
Baroness Sarah Hogg (*Senior Independent Non-Executive Director*)
Maria da Cunha (*Independent Non-Executive Director*)
Michael Findlay (*Independent Non-Executive Director*)
Lynne Peacock (*Independent Non-Executive Director*)
Shashi Verma (*Independent Non-Executive Director*)
Jourik Hooghe (*Independent Non-Executive Director*)
Ingrid Ebner (*Independent Non-Executive Director*)
Martin Seidenberg (*Group Chief Executive Officer*)
Michael Snape (*Group Chief Financial Officer*)

Registered Office:
185 Farringdon Road
London
United Kingdom
EC1A 1AA

Incorporated in England and Wales
with registration number 08680755

26 June 2024

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

Dear IDS Shareholder,

Recommended Cash Offer for International Distribution Services plc
by EP UK Bidco Limited

1. INTRODUCTION

On 29 May 2024, the board of directors of each of Bidco and IDS announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Bidco, a newly formed company owned indirectly by EP Corporate Group, a.s. and J&T Capital Partners, a.s., would acquire the entire issued and to be issued share capital of IDS, other than the IDS Shares owned or controlled by VESA Equity Investment S.à r.l. (“**VESA**”). The Acquisition is to be effected by means of a takeover offer for the purposes of Part 28 of the Companies Act.

I am writing to you today, on behalf of the IDS Directors to set out the background to the Acquisition, the reasons why the IDS Directors unanimously consider the terms of the Acquisition to be fair and reasonable, and why the IDS Directors are unanimously recommending that IDS Shareholders accept or procure the acceptance of the Offer (as the IDS Directors who hold IDS Shares have irrevocably undertaken to do in respect of their own beneficial holdings, as set out in paragraph 6 of this letter below).

The formal Offer, together with details of the procedure for acceptance, is contained in the letter from Bidco, which is set out in Part 1 (*Letter from EP UK Bidco Limited*) of this document.

2. THE ACQUISITION

Bidco is offering to acquire, subject to the Conditions and certain further terms set out in Part 3 (*Conditions to and further terms of the Acquisition*) of this document and, in respect of IDS Shares held in certificated form, the accompanying Form of Acceptance, all IDS Shares (other than the IDS Shares owned or controlled by VESA) on the following basis:

for each IDS Share: 370 pence

comprised of:

- cash consideration of 360 pence per IDS Share;

- the final dividend in respect of the Financial Year ended 31 March 2024 of 2 pence per IDS Share (the “**2024 Final Dividend**”) and which is not conditional upon the Acquisition becoming Unconditional; and
- a special dividend of 8 pence per IDS Share which will be conditional upon the Acquisition becoming Unconditional (the “**Special Dividend**”),

together, the “**Total Value**”.

In the event the Acquisition does not become Unconditional, there will be no Special Dividend. However, if approved by IDS Shareholders, the 2024 Final Dividend is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024.

The Total Value per IDS Share represents a premium of approximately:

- 72.7% to the IDS Closing Price of 214 pence on 16 April 2024 (being the last Business Day before the commencement of the Offer Period);
- 63.2% to the one-month volume-weighted average price as at close of business on 16 April 2024 (being the last Business Day before the commencement of the Offer Period); and
- 53.1% to the 12-month volume-weighted average price as at close of business on 16 April 2024 (being the last Business Day before the commencement of the Offer Period).

The Total Value values IDS’ entire issued, and to be issued ordinary share capital at approximately £3,587 million on a fully diluted basis, and implies an enterprise value of £5,303 million.

2024 Final Dividend

The IDS Directors have recommended the 2024 Final Dividend of 2 pence per IDS Share for the Financial Year ended 31 March 2024 for approval, in accordance with the existing dividend policy of IDS. **If approved by IDS Shareholders at the 2024 annual general meeting of IDS scheduled to be held on 25 September 2024, the 2024 Final Dividend is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024.**

Under the terms of the Acquisition, if approved by IDS Shareholders at the 2024 annual general meeting, all IDS Shareholders (including, if applicable, VESA) on the Register at the relevant record date will be entitled to receive the 2024 Final Dividend regardless of whether the Acquisition becomes Unconditional and without any reduction in the Total Value if the Acquisition becomes Unconditional. If the 2024 Final Dividend is not approved by IDS Shareholders, there shall be no increase to the Cash Consideration per IDS Share and the Total Value shall be an amount equal to 360 pence per IDS Share plus, if the Acquisition becomes Unconditional, the Special Dividend.

It is intended that IDS’ Dividend Reinvestment Programme (“**DRIP**”) will be terminated prior to the payment of the 2024 Final Dividend and no DRIP will be available in respect of, if approved, the 2024 Final Dividend, and, if declared, the Special Dividend. Participants in the DRIP will be notified separately.

Special Dividend

The IDS Directors also intend to declare the Special Dividend of 8 pence per IDS Share, which will be conditional upon the Acquisition becoming Unconditional. **Therefore, in the event that the Acquisition does not become Unconditional, there will be no Special Dividend.**

If the Acquisition becomes Unconditional, the Special Dividend is expected to be paid to all IDS Shareholders (including, if applicable, VESA) on the Register on the record date which is expected to be 6.00 p.m. on the Unconditional Date. It is intended that, subject to the Acquisition becoming Unconditional, settlement of the Special Dividend will take place within 14 days of the date on which the Acquisition becomes Unconditional. Under the terms of the Acquisition, IDS Shareholders on the Register at the relevant record date will be entitled to receive the Special Dividend without any reduction in the Total Value if the Acquisition becomes Unconditional.

IDS Shareholders who are not entitled to receive the 2024 Final Dividend and/or the Special Dividend shall receive the remainder of the Total Value.

The date on which IDS Shares will start trading without an entitlement to receive the Special Dividend (i.e. the ex-dividend date) is expected to be the Business Day after the date on which the Offer becomes or is declared Unconditional. Unless the counterparties specifically agree otherwise, a buyer of IDS Shares ahead of the ex-dividend date for the Special Dividend will assume the benefit of the Special Dividend.

Other terms

If, on or after the date of the Announcement, any dividend, distribution and/or other return of capital or value, other than the 2024 Final Dividend of 2 pence per IDS Share and the Special Dividend of 8 pence per IDS Share, is announced, declared, made or paid in respect of the IDS Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the IDS Shares by the aggregate amount of such dividend and/or distribution and/or other return of capital or value (but excluding the aggregate amount so payable in respect of the Excluded Shares), in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any such exercise by Bidco of its rights 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 Offer or the Acquisition. In such circumstances, IDS Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.

3. IDS BOARD'S VIEWS ON BIDCO'S UNDERTAKINGS TO THE UK GOVERNMENT AND CONTRACTUAL COMMITMENTS AND BIDCO'S INTENTIONS FOR IDS

Royal Mail performs critical functions in the markets where it operates, and the IDS Board is particularly mindful of Royal Mail's unique heritage and responsibilities as the designated Universal Service Provider in the UK and as a key part of national infrastructure.

In assessing the Offer, the IDS Board has also been very mindful of the impact on Royal Mail and its stakeholders and employees, as well as broader factors, as described in paragraph 4 below. In considering its recommendation of the Offer, the IDS Board has taken into account the Undertakings to be offered to the UK Government and other contractual commitments provided by EP and Bidco to IDS, as set out in paragraphs 4 and 5 of Part 1 (*Letter from EP UK Bidco Limited*), and the statements of intention regarding IDS, as set out in paragraph 6 of Part 1 (*Letter from EP UK Bidco Limited*).

Undertakings to the UK Government and Contractual Commitments

Your attention is drawn to the summary of the Undertakings to be offered to the UK Government and the other contractual commitments provided by EP and Bidco to IDS as set out in paragraphs 4 and 5 of Part 1 (*Letter from EP UK Bidco Limited*). The IDS Board believes that these Undertakings and the contractual commitments together constitute a comprehensive package of protections for IDS, Royal Mail and GLS, and provide the IDS Group's customers, employees, unions, regulators and broader stakeholders with safeguards for the provision of the Universal Service Obligation (the "USO"), the ongoing financial stability of Royal Mail, the maintenance of employee benefits for the IDS Group's employees, and Royal Mail's broader role in the United Kingdom.

Intentions for IDS

Your attention is also drawn to the statement of Bidco's intentions for the IDS Group on completion of the Acquisition as set out in paragraph 6 of Part 1 (*Letter from EP UK Bidco Limited*) of this document.

The IDS Board welcomes the statements made by Bidco regarding its intentions for the business and strategy of IDS, the Royal Mail name and brand, USO reform, IDS employees and the agreements with relevant unions, as well as the pension schemes, assets and sustainability goals of IDS, as set out in paragraph 6 of Part 1 (*Letter from EP UK Bidco Limited*) of this document. In particular, the IDS Directors have focused on the interests of the employees and

welcome Bidco's intention to fully safeguard existing contractual and statutory employment rights, including pension rights, of all IDS management and employees in accordance with applicable law, and not to make any material changes to IDS' overall headcount or make any reductions in the number of front-line workers, other than those reductions announced by management of IDS in connection with existing strategy or Royal Mail's proposals for reform of the USO, as set out in paragraph 6 of Part 1 (*Letter from EP UK Bidco Limited*) of this document. Further, the IDS Board also welcomes Bidco's statements that it does not intend to change the locations of material places of business (as supported by the Undertakings that IDS and Royal Mail will maintain their headquarters in the UK as described in paragraph 4 of Part 1 (*Letter from EP UK Bidco Limited*)).

4. BACKGROUND TO AND REASONS FOR THE RECOMMENDATION

The IDS Board firmly believes that IDS is a strong business with solid foundations and significant potential to become one of the leading postal logistics groups in Europe and internationally.

Royal Mail is the UK's designated Universal Service Provider with a strong brand and unparalleled scale and reach to all 32 million UK addresses. GLS is a leading international carrier operating one of the largest ground-based parcel delivery networks in Europe, with global reach and a strong position in the cross-border parcel segment. Both businesses are well positioned to build on these foundations with continued growth through operational excellence, digital transformation and the ongoing roll out of out-of-home solutions.

IDS' new management team is focused on delivering a modernisation and transformation programme for Royal Mail and further growing GLS to ensure both companies reach their potential. This is resulting in clear operational, service and financial improvements in spite of the challenging macro-economic backdrop: Royal Mail has successfully won back customers lost during past industrial action and delivered the best peak performance in four years; GLS has a proven track record of top line growth, strong margins and cash generation and has consistently been one of the most profitable players within the parcel delivery segment.

At the same time, the IDS Board recognises that financial performance at Royal Mail has been negatively impacted by a range of factors over a number of years, including a challenging macroeconomic environment, industrial action and the lack of action by the UK Government and Ofcom on USO reform.

Royal Mail remains the largest mail provider in the UK and is becoming better placed to compete in the parcel market as a result of material investment in parcel automation and two new parcel hubs. Despite this investment, Royal Mail has lost market share in recent years as new competitors have entered the market without the financial burden and high fixed costs associated with maintaining a network to deliver the current USO. This has contributed to material financial losses in recent years and limited Royal Mail's ability to invest and transform in step with the changing competitive environment. The proposal put forward by Royal Mail includes a net reduction of approximately 7,000 to 9,000 daily delivery routes, which is expected to lead to fewer than 1,000 voluntary redundancies. IDS has called on the UK Government and Ofcom to reform the universal service for more than four years. The IDS Board believes that the Acquisition would enable Royal Mail to meet these challenges and that EP is well placed to support Royal Mail in its discussion with its stakeholders regarding USO reform. Whilst Ofcom has now accepted that Universal Service reform is now required, it has not set out what reform will look like, nor a timetable for implementation.

Despite the lack of regulatory change, under Martin Seidenberg's leadership Royal Mail is now stabilised and is making good progress implementing the agreement reached with the CWU. The changes secured in the agreement with the CWU will enable a more flexible and efficient model and support Royal Mail's growth in next day and larger parcels. Royal Mail has also started to invest in its out-of-home strategy through partnerships with Quadrant lockers and Collect+ stores for parcel pick up and drop off. To deliver sustainable profitable growth, Royal Mail requires further significant investment in automation, network changes and rapid expansion of its out-of-home solutions, especially parcel lockers.

While the IDS Board is confident that IDS remains well positioned, with a standalone strategy which would deliver value for IDS Shareholders over the long term, significant uncertainty remains as to the speed of Royal Mail's transformation and USO reform, and the consequent

impact on the IDS Group's performance. IDS needs to make significant investment into strategic areas such as the network and out-of-home solutions. The ability for IDS to make significant investment at pace may be constrained given the current economic environment and increasing pressure on wage rates due to tight labour markets and upcoming pay deals from 2025. In light of growing competitive threats, an inability to make rapid and significant investment in strategic areas would potentially leave IDS restricted and exposed in these strategically important areas for too long. The IDS Board believes that exiting public markets would enable IDS to become more agile in responding to these pressures.

In this context, although the IDS Board did not solicit an offer and a number of lower proposals from EP were rejected, the IDS Board believes that the terms of the Acquisition are fair and reasonable and that the Acquisition would enable IDS to substantially accelerate and de-risk the delivery of its strategic plans, including through better access to further investment as a private company.

Financial terms of the Acquisition

In considering the financial terms of the Acquisition and determining whether they reflect an appropriate valuation of IDS and its future prospects, the IDS Board has taken into account a number of factors, including the following:

- the IDS Board has reviewed a full range of valuation methodologies, including analysis of the discounted future cash flows of the business, comparable company analysis and future share price analysis, in each case based on financial forecasts for the business approved by the IDS Board, and has taken advice from its three financial advisers;
- the IDS Board has also reviewed the Offer in the context of alternative strategic options, including the further potential disposal of real estate and the likely timing and nature of regulatory change to the USO, and associated risk-adjusted cost savings arising from such a change; and
- the terms of the Acquisition represent an immediate and significant premium to the undisturbed Closing Price of 214 pence per IDS Share on 16 April 2024 (being the last Business Day before the commencement of the Offer Period), providing IDS Shareholders the opportunity to realise the value inherent in the IDS business in cash without the execution risk associated with delivering IDS' current strategy in the absence of USO reform;
- the terms of the Acquisition represent a premium of approximately 72.7% to the Closing Price of 214 pence per IDS Share on 16 April 2024, the last Business Day before the commencement of the Offer Period, which represents a top quartile premium across each of the previous 10 years for acquisitions of UK public companies with an offer equity value in excess of £1 billion;
- the terms of the Acquisition represent a premium of approximately 63.2% to the volume-weighted average price of 227 pence per IDS Share for the one-month period ended on 16 April 2024, the last Business Day before the commencement of the Offer Period; and
- the terms of the Acquisition represent a premium of approximately 53.1% to the volume-weighted average price of 242 pence per IDS Share for the 12-month period ended on 16 April 2024, the last Business Day before the commencement of the Offer Period.

Interests of the broader stakeholders

Royal Mail performs critical functions in the markets where it operates, and the IDS Board is particularly mindful of Royal Mail's unique heritage and responsibilities as the designated Universal Service Provider in the United Kingdom and a key part of national infrastructure. In assessing the terms of the Acquisition and its recommendation, the IDS Board has also been very mindful of the impact on Royal Mail and its stakeholders and employees, as well as broader factors.

To this end, the IDS Board has sought, and EP has agreed as part of the Offer, a set of legally binding Undertakings to be offered to the UK Government and contractual commitments from Bidco to IDS to protect broader interests and recognise Royal Mail's status as a key part of national infrastructure, which are described in detail in paragraphs 4 and 5 of Part 1 (*Letter from EP UK Bidco Limited*) above.

IDS Board's conclusions

The IDS Board believes that EP, with its significant knowledge of the postal, logistics and distribution sectors and as a long-term investor in infrastructure, has both the expertise and access to capital to accelerate and de-risk the delivery of IDS' strategic plans over the long-term.

The IDS Board considers the offer to be fair and reasonable and that it reflects the value of GLS' current growth plans and the progress being made on change at Royal Mail, as well as the execution risks associated with delivering longer term value for shareholders in light of uncertainty over the nature and timing of USO reform and the need for significant strategic investments.

Accordingly, following careful consideration (in line with their fiduciary duties) of both the financial terms of the Acquisition and the commitments and Undertakings that EP has agreed to offer and EP's plans for IDS, the IDS Board is recommending unanimously the Acquisition to IDS Shareholders.

5. IDS CURRENT TRADING AND PROSPECTS

On 24 May 2024, IDS announced its results for the Financial Year ended 31 March 2024 (the "**IDS 2024 Results**"), which included the following information in relation to its operating and financial performance:

- **IDS**
 - Revenue of £12,679 million, up £635 million year-on-year, driven by GLS and strong H2 2024 in Royal Mail.
 - Reported operating profit of £26 million (2022-23: loss of £742 million); adjusted operating loss¹ reduced to £28 million (2022-23: loss of £71 million).
 - Adjusted operating profit¹ in GLS of £320 million and adjusted loss¹ of £348 million in Royal Mail.
 - Excluding voluntary redundancy charges, Royal Mail adjusted operating loss¹ was £336 million, broadly offset by GLS adjusted operating profit¹, as expected.
 - Strong balance sheet retained with ample liquidity.
- **Royal Mail**
 - Strong letter revenue growth and parcels recovery in H2 2024.
 - Royal Mail close to breakeven in H2 2024 at the adjusted operating level¹, excluding voluntary redundancy charges.
- **GLS**
 - Good revenue growth of 4.6% year-on-year driven by B2C and cross-border.
 - Adjusted operating profit¹ of €371 million at upper end of guidance, albeit lower year-on-year (2022-23: €403 million) reflecting inflationary pressures and the impact of strategic investments.

¹ Reported results are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS). In addition, the IDS Group's performance is explained through the use of alternative performance measures (APMs) that are not defined under IFRS. A full list of the IDS Group's APMs is set out in the section titled 'Presentation of results and alternative performance measures' in the 2023-2024 IDS Annual Report on pages 238 to 243 (both inclusive). One of the APMs is 'adjusted operating profit' which is the measure adopted in the Royal Mail Profit Forecast. See page 240 of the 2023-2024 IDS Annual Report for the definition of 'adjusted operating (loss)/profit'.

As at the date of this document, current trading for IDS continues in line with expectations. In the first nine weeks of the current financial year ending March 2025, both Royal Mail and GLS have continued to deliver a good performance against a challenging macroeconomic backdrop.

Royal Mail has maintained its positive momentum from the second half of the Financial Year ended 31 March 2024, with good parcel volume growth supported by improvements in quality of service and revenue growth in both letters and parcels.

Royal Mail has also continued to accelerate its operational turnaround. The business is making good progress with the actions it is taking to deliver its modernisation agenda. Examples include:

- o **Quality of service:** First-class quality of service improved to 82.1% in May 2024 (which included two bank holidays), a 7.1% improvement on the same period last year.
- o **Customer complaints:** Improved focus on quality of service leading to a reduction in USO delivery failure complaints, down 45% compared to the same period last year.
- o **Network changes:** Royal Mail has improved its network setup with later start times rolled-out to delivery offices across the country, creating greater capacity for more next day parcels and letters and reducing reliance on domestic flights. The first wave of the withdrawal of 18 domestic flights took place on 17 June 2024 with 11 flights stopped, improving reliability, increasing capacity for next day delivery and reducing emissions.

GLS continues to build on its track record of growth and strategic delivery with higher volumes, driven by B2C (Business to Consumer) and cross border, higher freight revenues and improved pricing.

A new facility opened in Regina in Western Canada in April 2024, together with the ramp-up of operations at the Vancouver facility which became operational in March 2024. Several new depots have also opened in Italy and the Czech Republic. GLS has continued to roll-out automatic sorters in various locations to drive productivity improvements, support its out of home strategy and gain further efficiency in the last mile. The GLS locker network continues to grow, and the new Paris and Berlin hubs remain on track to be operational in advance of peak this year.

Financial information relating to the IDS Group is set out in Part 5 (*Information on the IDS Group*) of this document.

Royal Mail Profit Forecast

As referenced in Part A of Part 7 (*Profit Forecasts*) of this document, IDS has repeated the profit forecast for Royal Mail for the current financial year ending March 2025 of a return to adjusted operating profit (before voluntary redundancy costs)¹. The Royal Mail Profit Forecast, the assumptions and basis of preparation on which the Royal Mail Profit Forecast is based and the IDS Directors' confirmation, as required by Rule 28.1 of the Takeover Code, are set out in Part A of Part 7 (*Profit Forecasts*) of this document.

6. IRREVOCABLE UNDERTAKINGS

Bidco has received irrevocable undertakings from each of the IDS Directors who are interested in IDS Shares in relation to the Acquisition in respect of, in aggregate, 183,236 IDS Shares representing approximately 0.019% of the issued share capital of IDS (excluding treasury shares).

¹ Reported results are prepared in accordance with UK adopted International Financial Reporting Standards (IFRS). In addition, the IDS Group's performance is explained through the use of alternative performance measures (APMs) that are not defined under IFRS. A full list of the IDS Group's APMs is set out in the section titled 'Presentation of results and alternative performance measures' in the 2023-2024 IDS Annual Report on pages 238 to 243 (both inclusive). One of the APMs is 'adjusted operating profit' which is the measure adopted in the Royal Mail Profit Forecast. See page 240 of the 2023-2024 IDS Annual Report for the definition of 'adjusted operating (loss)/profit'.

These irrevocable undertakings will cease to bind if:

- (i) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code at the same time;
- (ii) the Offer does not become or is not declared Unconditional, is withdrawn or lapses in accordance with its terms unless, by such time, Bidco publicly announces its intention to proceed with the Offer or to implement the Offer by way of a Scheme;
- (iii) the Offer does not become, or is not declared Unconditional by 11.59 p.m. on the Long Stop Date (or such later time and/or date as may be agreed between Bidco and IDS, with the approval of the Panel if required) (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Scheme and announced the same in accordance with the Takeover Code, and such Scheme has not lapsed or been withdrawn); or
- (iv) a competing offer for the entire issued and to be issued share capital of IDS becomes or is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

Further details of these irrevocable undertakings are set out in paragraph 4 of Part A of Part 6 (*Additional Information*) of this document.

7. CANCELLATION OF TRADING OF IDS SHARES AND COMPULSORY ACQUISITION

Your attention is drawn to paragraph 16 of the letter from Bidco in Part 1 (*Letter from EP UK Bidco Limited*) of this document in relation to Bidco's intentions with regard to the delisting of, and cancellation of trading in, IDS Shares from the London Stock Exchange.

Your attention is drawn to paragraph 16 of the letter from Bidco in Part 1 (*Letter from EP UK Bidco Limited*) of this document with regard to the squeeze-out of IDS Shareholders.

8. UNITED KINGDOM TAXATION

A summary of relevant UK taxation, which is intended as a general guide only, is set out in Part C of Part 6 (*Additional Information*) of this document. If you are in any doubt as to your tax position, or you are subject to taxation in any jurisdiction other than the United Kingdom, you are strongly advised to consult an appropriate independent professional adviser.

9. ACTION TO BE TAKEN

Your attention is drawn to the information in this document, and in particular the letter from Bidco in Part 1 (*Letter from EP UK Bidco Limited*) of this document, and the accompanying Form of Acceptance. The procedure for acceptance of the Offer is set out in paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) of this document and, if you hold your shares in certificated form, in the Form of Acceptance.

Your decision as to whether to accept the Offer will depend upon your individual circumstances. If you are in any doubt as to the action you should take, you should seek your own independent financial advice.

If you wish to accept the Offer in respect of IDS Shares held in uncertificated form (that is, shares held in CREST) your acceptance should be made electronically through CREST by following the procedure set out in paragraph 17.2 of Part 1 (*Letter from EP UK Bidco Limited*) of this document, so that the TTE instruction settles as soon as possible and, in any event, no later than 1.00 p.m. (London time) on the Unconditional Date.

If you wish to accept the Offer in respect of IDS Shares held in certificated form, you should complete, sign and return the Form of Acceptance in accordance with the instructions printed on it and set out in paragraph 17.1 of Part 1 (*Letter from EP UK Bidco Limited*) of this document, together with any appropriate document(s) of title, so as to be received by post at the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom as soon as possible and in any event so as to be received by no later than 1.00 p.m.

(London time) on the Unconditional Date. A reply-paid envelope for use in the United Kingdom only is enclosed for your convenience. It is recommended to allow four Business Days for delivery.

If you wish to accept the Offer and your IDS Shares are held via the Nominee Share Service, you must register your acceptance instruction to the Nominee online at <https://idsoffer.shareview.info> as soon as possible and in any event so as to be received by the Nominee no later than 1.00 p.m. three Business Days prior to the Unconditional Date. Your login details will have been posted to you with a personalised letter sent to your registered address on or shortly after 26 June 2024. For those Qualifying Participants who have elected to receive electronic communications, your login details will have been emailed to you, in addition to the letter. If, however, the email address Equiniti holds is invalid or returned as undelivered you will receive the same information in the post.

If you wish to accept the Offer and your IDS Shares are held via the IDS SIP, you must register your acceptance instruction to the SIP Trustee online at <https://idsoffer.shareview.info> as soon as possible and in any event so as to be received by the SIP Trustee no later than 1.00 p.m. three Business Days prior to the Unconditional Date. Your login details will have been posted to you at your registered address on or shortly after 26 June 2024.

10. OVERSEAS SHAREHOLDERS

The attention of Overseas Shareholders is drawn to paragraph 19 of Part 1 (*Letter from EP UK Bidco Limited*), paragraph 7 of Part C of Part 3 (*Conditions to and further terms of the Acquisition*) and Part B of Part 6 (*Additional Information*) of this document, and to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

11. FURTHER INFORMATION

Please note that the information contained in this letter is not a substitute for reading the remainder of this document.

The attention of IDS Shareholders is drawn to the letter from Bidco set out in Part 1 (*Letter from EP UK Bidco Limited*) of this document. Your attention is also drawn to the further information contained in this document and, in particular, to the Conditions in Part 3 (*Conditions to and further terms of the Acquisition*), the information on the information on Bidco in Part 4 (*Information on EP, J&T and Bidco*), the IDS Group in Part 5 (*Information on the IDS Group*) and the additional information in Part 6 (*Additional Information*) (including the information on United Kingdom taxation in Part C of Part 6 (*Additional Information*)) of this document.

12. RECOMMENDATION

The IDS Directors, who have been so advised by Barclays, BofA Securities and Goldman Sachs as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the IDS Directors, Barclays, BofA Securities and Goldman Sachs have taken into account the commercial assessments of the IDS Directors. Barclays, BofA Securities and Goldman Sachs are providing independent financial advice to the IDS Directors for the purposes of Rule 3 of the Takeover Code.

For the reasons set out above, the IDS Directors recommend unanimously that IDS Shareholders accept or procure acceptance of the Offer, as the IDS Directors who hold IDS Shares have irrevocably undertaken to do so in respect of their own beneficial holdings totalling in aggregate 183,236 IDS Shares, representing approximately 0.019% of the issued share capital of IDS (excluding treasury shares) as at the Latest Practicable Date.

Yours faithfully

Keith Williams
Independent Non-Executive Chair

PART 3

CONDITIONS TO AND FURTHER TERMS OF THE ACQUISITION

PART A

CONDITIONS TO THE ACQUISITION

Conditions of the Offer

1. The Offer will be conditional on, among other things, valid acceptances being received (and not validly withdrawn) by not later than 1.00 p.m. (London time) on the Unconditional Date (or such later time(s) and/or date(s) as Bidco may, with the consent of the Panel, decide) in respect of such number of IDS Shares as shall, when aggregated with both (i) any IDS Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) and (ii) any IDS Shares acquired or agreed to be acquired under the VESA SPA by Bidco, represent IDS Shares carrying not less than 75% of the voting rights then normally exercisable at a general meeting of IDS Shareholders (or such lower percentage as Bidco may, with the consent of IDS, decide, provided that Bidco shall hold or have acquired or agreed to acquire (whether pursuant to the Offer, the VESA SPA or otherwise), directly or indirectly, IDS Shares carrying in aggregate more than 50% of the voting rights then normally exercisable at a general meeting of IDS Shareholders) (the "**Acceptance Condition**"). Unless the Panel agrees otherwise, the Acceptance Condition shall only be capable of being satisfied when all other Conditions have been satisfied or, if applicable, waived.

For the purposes of this Condition 1:

- (a) IDS Shares which have been unconditionally allotted but not issued before the Offer becomes or is declared Unconditional, whether pursuant to the exercise of any outstanding subscription, option or conversion rights or otherwise, shall be deemed to carry the voting rights they will carry upon issue;
- (b) valid acceptances shall be deemed to have been received in respect of:
 - (i) all IDS Shares already held by Bidco as at the date of the Offer (if any); and
 - (ii) all IDS Shares which are treated for the purposes of Part 28 of the Companies Act as having been acquired or contracted to be acquired by Bidco by virtue of acceptances of the Offer or otherwise; and
- (c) all percentages of voting rights and share capital are to be calculated by reference to the percentage held in issue excluding any and all shares held as treasury shares by IDS from time to time.

General Conditions

2. In addition, subject as stated in Part B of this Part 3, Bidco and IDS have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to complete the Acquisition will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Antitrust Conditions

Canada

- (a) in relation to Canada, one of the following having occurred:
 - (i) the Commissioner of Competition appointed under subsection 7(1) of the Competition Act (Canada) or any person designated to act on behalf of the Commissioner of Competition (collectively, the "**Commissioner**") having issued an Advance Ruling Certificate (as defined in the Competition Act (Canada)) in respect of the Acquisition pursuant to subsection 102(1) of the Competition Act (Canada); or

- (ii) both of (i) the applicable waiting period under Section 123 of the Competition Act (Canada) having expired or having been earlier terminated or the obligation to make a pre-merger notification under Part IX of the Competition Act (Canada) having been waived by the Commissioner and (ii) the Commissioner having confirmed in writing that he or she does not, at the time of such confirmation, intend to make an application under section 92 of the Competition Act (Canada);

U.S. HSR

- (b) in relation to the U.S., any applicable waiting period, together with any extensions thereof, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, relating to the transactions contemplated by this document having expired or having been terminated;

UK CMA

- (c) in relation to the UK, one of the following having occurred:
 - (i) the CMA indicating in response to a briefing paper that it has no further questions at that stage in relation to the Acquisition; or
 - (ii) the CMA confirming that the Acquisition or any matter arising therefrom or relating thereto or any part of it, will not be subject to a Phase 2 CMA Reference under section 33 of the Enterprise Act 2002, such confirmation being either unconditional or conditional on the CMA's acceptance of undertakings in lieu under section 73 of the Enterprise Act, or the applicable time period for the CMA to make a Phase 2 CMA Reference having expired without the CMA having made such a Phase 2 CMA Reference; or
 - (iii) in the event that a Phase 2 CMA Reference is made, the CMA confirming that the Acquisition, and any matter arising therefrom or related thereto may proceed;

Serbia

- (d) in relation to Serbia, one of the following having occurred:
 - (i) the Commission for Protection of Competition of the Republic of Serbia ("**Serbian Antitrust Authority**") issuing a decision clearing the Acquisition, either unconditionally or conditionally, within the meaning of Article 65, paragraph 3 of the Law on Protection of Competition of the Republic of Serbia ("**Serbian Antitrust Act**"); or
 - (ii) within one month of receipt of a complete notification of concentration, the Serbian Antitrust Authority having failed to either (i) issue a decision on the notification or (ii) open an in-depth investigation into the Acquisition, within the meaning of Article 65, paragraph 2 of the Serbian Antitrust Act; or
 - (iii) within four months of opening an in-depth investigation into the Acquisition, the Serbian Antitrust Authority having failed to issue a decision clearing the Acquisition, within the meaning of Article 62, paragraph 4 of the Serbian Antitrust Act; or
 - (iv) the Serbian Antitrust Authority having dismissed the notification of concentration on the basis that the Acquisition does not represent a notifiable concentration within the meaning of Articles 17 or 61 of the Serbian Antitrust Act;

European Commission Merger Control

- (e) insofar as the Acquisition constitutes, or is deemed to constitute, a concentration with an EU dimension within the scope of the EU Merger Regulation (the "**EUMR**"), one of the following having occurred:
 - (i) the European Commission having issued a decision declaring the Acquisition compatible with the internal market under Articles 6(1)(b), 8(1) or 8(2) of the EUMR, or being deemed to have done so pursuant to Article 10(6) of the EUMR; or

- (ii) in the event that the European Commission makes a referral to one or more competent national competition authorities under Article 9(1) of the EUMR in connection with the Acquisition, either in whole or in part, or is deemed to have made such a reference, such competent national competition authorities (and, where relevant, the European Commission) having adopted, or having been deemed under the EUMR or relevant national competition laws to have adopted, a decision, finding or declaration with equivalent effect to that referred to in paragraph (e)(i) with respect to those parts of the Acquisition referred to it or them, as the case may be, and to the extent relevant, the European Commission issuing a decision referred to in paragraph 2(e)(i) above with respect to any part of the Acquisition retained by it;

Regulatory conditions

UK

- (f) a notification relating to the Acquisition having been made and accepted under the National Security and Investment Act 2021 (the “**NSI Act**”), and the Secretary of State responsible for decisions under the NSI Act in the Cabinet Office or in any other such government department as may be the case from time to time, having either: (i) notified Bidco that no further action will be taken in relation to the Acquisition, or (ii) if the Secretary of State issues a call-in in relation to the Acquisition under section 1(1) of the NSI Act; either the Secretary of State giving a final notification pursuant to section 26(1)(b) of the NSI Act confirming that no further action will be taken in relation to the call-in notice and the Acquisition under the NSI Act; or the Secretary of State making a final order pursuant to section 26(1)(a) of the NSI Act permitting the Acquisition to proceed either conditionally or unconditionally;

Foreign direct investment

- (g) to the extent required under relevant foreign direct investment laws, regulation or executive orders in the US, Denmark, Austria, Germany and Romania, or pursuant to the Canada Transportation Act (Canada), the Relevant Authority having authorised the Acquisition, including by issuing a decision, declaration or other notice of approval (whether conditional or unconditional) (or having been deemed to issue such approval), declining to open a further investigation or inquiry or confirming no further questions in relation to the Acquisition, or by the expiry of any relevant waiting periods;

UK FCA

- (h) in respect of Bidco and any other person who would, as a result of completion of the Acquisition, acquire or increase control (within the meaning of sections 181 or 182 FSMA, read alongside, where necessary, other relevant provisions of FSMA, the Payment Services Regulations 2017, the Electronic Money Regulations 2011 and the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009) over Revisecatch Limited, the FCA:
 - (i) having given notice under section 189(4)(a) FSMA that it has determined to approve unconditionally such acquisition of, or increase in, control; or
 - (ii) having given notice under section 189(7) FSMA that it has determined to approve, with conditions, such acquisition of, or increase in, control provided that such conditions are reasonable (as determined by Bidco, in its sole discretion) and have been satisfied in full where such conditions are required to be satisfied prior to completion of the Acquisition; or
 - (iii) being treated as having approved such acquisition of, or increase in, control by virtue of section 189(6) FSMA;

Guernsey GFSC

- (i) in respect of Bidco and any other person who would, as a result of completion of the Acquisition, become a holder of an "approved supervised role" (as defined in the 2002 Law) in respect of PostCap Guernsey Limited:
 - (i) Bidco and any such other person having notified the GFSC in writing of its intention to become the holder of an "approved supervised role" in accordance with section 25 of the 2002 Law; and
 - (ii) the GFSC having confirmed (with no conditions, or with conditions which are reasonable (as determined by Bidco, in its sole discretion)) in writing that it has either no objection to or approved (as applicable) (or the GFSC being deemed to have provided its confirmation of no objection or approval, to the extent applicable) to the appointment of Bidco and any such other person to an "approved supervised role" for the purposes of section 25 of the 2002 Law;

EU Foreign Subsidies Regulation

- (j) insofar as a notification pursuant to Regulation (EU) 2022/2560 of the European Parliament and of the Council on foreign subsidies distorting the internal market (the "EU FSR") is made to the European Commission, the European Commission having issued a decision under Article 10(4), 11(3) or 11(4) of the EU FSR or the European Commission having not initiated either an in-depth investigation within 25 working days of receipt of a complete notification calculated in accordance with Article 24 of the EU FSR (including any suspension of the relevant time period pursuant to Article 24(5)) or having not adopted a decision pursuant to Article 25(3) of the EU FSR within the time period specified in Article 25(4), including, if applicable, expiry of any interim measures adopted under Article 12;

Other Third Party clearances

- (k) other than in respect of or in connection with the Conditions set out in paragraphs 2(a) to 2(j) (inclusive) above, no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and, in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would:
 - (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider IDS Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent, prohibit, or restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose material additional conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider IDS Group by any member of the Wider Bidco Group;
 - (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider IDS Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;

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

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

- (I) other than in respect of or in connection with the Conditions set out in paragraphs 2(a) to 2(j) (inclusive) above, all notifications, filings or applications which are deemed by Bidco, acting reasonably, to be necessary or reasonably considered to be advisable in any relevant jurisdiction having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco, acting reasonably, to be necessary or reasonably considered to be advisable in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, IDS by any member of the Wider Bidco Group having been obtained from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider IDS Group or the Wider Bidco Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or

obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider IDS Group, any member of the Bidco Group or the ability of Bidco to implement the Offer and all such Authorisations remaining in full force and effect at the time at which the Offer becomes or is declared Unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

(m) other than in respect of or in connection with the Conditions set out in paragraphs 2(a) to 2(j) (inclusive) above, no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider IDS Group by any member of the Wider Bidco Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider IDS Group by any member of the Wider Bidco Group;

Confirmation of absence of adverse circumstances

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

- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider IDS Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) the rights, liabilities, obligations, interests or business of any member of the Wider IDS Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider IDS Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any member of the Wider IDS Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the IDS Group taken as a whole or in the context of the Acquisition;
- (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider IDS Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider IDS Group otherwise than in the ordinary course of business;
- (v) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider IDS Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;

- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider IDS Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider IDS Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider IDS Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

No material transactions, claims or changes in the conduct of the business of the IDS Group

- (o) except as Disclosed, no member of the Wider IDS Group having since 31 March 2024:
 - (i) save as between IDS and its wholly owned subsidiaries or between such wholly owned subsidiaries and save for the issue or transfer out of treasury of IDS Shares on the exercise of options or vesting of awards granted in the ordinary course under the IDS Share Plans, or the grant of options or awards in the ordinary course under the IDS Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of IDS Shares out of treasury;
 - (ii) recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to IDS or one of its wholly owned subsidiaries, other than the 2024 Final Dividend and the Special Dividend;
 - (iii) save as between IDS and its wholly owned subsidiaries or between such wholly owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider IDS Group taken as a whole;
 - (iv) save as between IDS and its wholly owned subsidiaries or between such wholly owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider IDS Group taken as a whole;
 - (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between IDS and its wholly owned subsidiaries or between such wholly owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;
 - (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long-term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the

business of any member of the Wider IDS Group to an extent which is or is reasonably likely to be material to the Wider IDS Group taken as a whole;

- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider IDS Group which are material in the context of the Wider IDS Group and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider IDS Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider IDS Group which, taken as a whole, are material in the context of the Wider IDS Group taken as a whole;
- (x) (excluding the trustee of any pension scheme(s) established by a member of the Wider IDS Group other than IDS itself) (i) made, agreed or consented to or procured any significant change to: (a) the terms of any existing trust deeds, rules, policy or other governing documents, or entered into or established any new trust deeds, rules, policy or other governing documents, constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider IDS Group or their dependants and established by a member of the Wider IDS Group (a **“Relevant Pension Plan”**); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (ii) entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (iii) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Offer) otherwise than in the ordinary course of business which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;

- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub paragraph 2(o)(i) above, made any other change to any part of its share capital to an extent which (other than in the case of IDS) is material in the context of the Wider IDS Group taken as a whole;
- (xiv) other than with respect to claims between IDS and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;
- (xv) made any alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Offer) which is material in the context of the Acquisition;
- (xvi) (other than in respect of a member of the Wider IDS Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider IDS Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider IDS Group taken as a whole; or
- (xx) (in relation to the Offer Period only) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of IDS Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

- (p) since 31 March 2024, and except as Disclosed, there having been:
 - (i) no adverse change and no circumstance having arisen which would reasonably be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider IDS Group to an extent which is material to the Wider IDS Group taken as a whole or to the financing of the Acquisition;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the

Wider IDS Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider IDS Group or to which any member of the Wider IDS Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might be expected to have a material adverse effect on the Wider IDS Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider IDS Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider IDS Group which, in any such case, might be expected to have a material adverse effect on the Wider IDS Group taken as a whole;

- (iii) no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider IDS Group to an extent which is material to the Wider IDS Group taken as a whole;
- (iv) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider IDS Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider IDS Group taken as a whole; and
- (v) no member of the Wider IDS Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider IDS Group taken as a whole.

(q) since 31 March 2024, and except as Disclosed, Bidco not having discovered:

- (i) that any financial, business or other information concerning the Wider IDS Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to the date of the Announcement by or on behalf of any member of the Wider IDS Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider IDS Group taken as a whole or in the context of the Acquisition;
- (ii) that any member of the Wider IDS Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider IDS Group taken as a whole; or
- (iii) any information which affects the import of any information disclosed to Bidco at any time prior to the date of the Announcement by or on behalf of any member of the Wider IDS Group which is material in the context of the Wider IDS Group taken as a whole;

Environmental liabilities

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

Intellectual Property

(s) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider IDS Group which would have a material adverse effect on the Wider IDS Group taken as a whole or is otherwise material in the context of the Acquisition, including:

- (i) any member of the Wider IDS Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider IDS Group and material to its business being revoked, cancelled or declared invalid;
- (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider IDS Group to, or the validity or effectiveness of, any of its intellectual property; or
- (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider IDS Group being terminated or varied;

Anti corruption and sanctions

(t) except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider IDS Group taken as a whole):

- (i) any past or present member of the Wider IDS Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
- (ii) any member of the Wider IDS Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
- (iii) any past or present member of the Wider IDS Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
- (iv) a member of the IDS Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; and

No criminal property

(u) except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider IDS Group as a whole) any asset of any member of the Wider IDS Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

PART B

FURTHER TERMS OF THE ACQUISITION

1. Subject to the requirements of the Panel, Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of Part 3 above, except Condition 1 which cannot be waived.
2. The Acquisition is subject to the satisfaction (or waiver, if permitted) of the Conditions set out in Part A of Part 3 above, certain further terms which are set out in this Part B and those terms which are set out in this document and (in respect of the IDS Shares in certificated form) the Form of Acceptance and such further terms as may be required to comply with the Takeover Code.
3. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of Part 3 above that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of 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 of such Conditions may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 5 below, Bidco may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse 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 Bidco 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. Condition 1 in Part A of Part 3 above is not subject to Rule 13.5(a) of the Takeover Code.
6. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
7. Save as may otherwise be required by the Panel, the Offer shall not proceed, shall lapse or shall be withdrawn on the Long Stop Date if:
 - (a) sufficient acceptances have not been received so as to enable the Acceptance Condition to be satisfied; or
 - (b) where sufficient acceptances have been received so as to enable the Acceptance Condition to be satisfied, if a Condition relating to a material official authorisation or regulatory clearance has not been satisfied or waived and the Panel consents to the Offer not proceeding, lapsing or being withdrawn.
8. If the Panel requires Bidco to make an offer or offers for IDS Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
9. Bidco reserves the right to implement the Acquisition by way of a Scheme as an alternative to the Offer, subject to the Panel's consent and the consent of IDS in accordance with the terms of the Cooperation Agreement. In such an event, such Scheme will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Offer (subject to appropriate amendments).
10. The Acquisition will be subject, inter alia, to the Conditions and certain further terms which are set out in this Part 3 and to the full terms which are set out in this document and such further terms as may be required to comply with the provisions of the UK Listing Rules, the provisions of the Takeover Code and the applicable requirements of the Panel and the London Stock Exchange.
11. IDS Shares will be acquired by Bidco pursuant to the Acquisition fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at completion of the Acquisition, including the right to receive and retain all dividends (other than the 2024 Final Dividend and the Special Dividend) and

distributions (if any) declared, made or paid following the Acquisition becoming or being declared Unconditional, excluding any amount in respect of the Excluded Shares.

12. If, on or after the date of the Announcement, any dividend, distribution and/or other return of capital or value, other than the 2024 Final Dividend of 2 pence per IDS Share and the Special Dividend of 8 pence per IDS Share, is announced, declared, made or paid in respect of the IDS Shares, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the IDS Shares by the aggregate amount of such dividend and/or distribution and/or other return of capital or value (but excluding the aggregate amount so payable in respect of the Excluded Shares), in which case any reference in this document to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. In such circumstances, IDS Shareholders would be entitled to retain any such dividend, distribution and/or return of capital or value. Any exercise by Bidco of its rights referred to in this paragraph 12 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 Acquisition. In such circumstances, IDS Shareholders would be entitled to retain any such dividend, distribution and/or other return of capital or value.
13. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are located. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements. Any failure to comply with such requirements 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.
14. The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means (including, but not limited to, facsimile, e-mail, or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of, a national, state or other securities exchange, of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means or from within any Restricted Jurisdiction.
15. The Acquisition will be governed by English law and be subject to the Conditions set out above and the full terms set out in this document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the UK Listing Rules and applicable securities laws.
16. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART C

CERTAIN FURTHER TERMS OF THE OFFER

The following further terms and conditions apply to the Offer, unless the contrary is expressed or the context requires otherwise.

Unless the context requires otherwise, any reference in Part C to Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) and in the Form of Acceptance:

- (a) to the "**Acceptance Condition being satisfied**" means the Acceptance Condition becoming or being declared satisfied and references to "**satisfaction of the Acceptance Condition**" shall be construed accordingly;
- (b) to "**acceptances of the Offer**" includes deemed acceptances of the Offer;
- (c) to an "**ACIN**" means a notice in which Bidco gives notice of its intention to invoke the Acceptance Condition so as to cause the Offer to lapse in accordance with Rule 31.6 of the Takeover Code and subject to the terms of the Cooperation Agreement;
- (d) to "**acting in concert with Bidco**" means any such person acting or deemed to be acting in concert with Bidco for the purposes of the Takeover Code and the Offer;
- (e) to "**as may be required by the Takeover Code**" includes as may be required by the Panel;
- (f) to the "**Offer**" includes any revision, variation, renewal or extension of the Offer and includes any election available in connection with the Offer; and
- (g) to a "**material official authorisation or regulatory clearance**" shall be to that term as referred to in the Takeover Code.

1. Offer timetable and acceptance period

- (a) Save as provided in this paragraph 1 of Part C, the Offer will initially be open for acceptance until 1.00 p.m. (London time) on the Unconditional Date.
- (b) Subject to the terms of the Cooperation Agreement, Bidco reserves the right (but shall not be obliged) to bring forward the Unconditional Date, being the date by which the Conditions must be satisfied or waived (and therefore shorten the period for which the Offer is open for acceptance), by publishing an Acceleration Statement in accordance with the requirements of the Takeover Code specifying a new Unconditional Date, provided always that such Unconditional Date will not be (i) earlier than 17 July 2024 or (ii) fewer than 14 days from the date on which the Acceleration Statement is published.
- (c) Subject to the terms of the Cooperation Agreement, Bidco reserves the right (but shall not be obliged) to seek to invoke the Acceptance Condition so as to cause the Offer to lapse by publishing an ACIN in accordance with the requirements of Rule 31.6 of the Takeover Code. The ACIN will specify the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse (provided always that such date will not be (i) earlier than 17 July 2024 or (ii) fewer than 14 days after the date on which the ACIN is published) and the level of acceptances which must be received in order for the Offer not to lapse on such date. Except with the Panel's consent, an ACIN shall be irrevocable. If the required level of acceptances has not been received by 1.00 p.m. on the date specified in the ACIN, the Acceptance Condition will be regarded as being incapable of satisfaction and the Offer will lapse. If the required level of acceptances has been received by 1.00 p.m. on the date specified in the ACIN, the Acceptance Condition will not be regarded as having been satisfied at that time unless all other Conditions to the Offer have been either satisfied or waived.
- (d) If Bidco publishes an Acceleration Statement or an ACIN, it will make an announcement of the new Unconditional Date, or the date on which it intends to seek to invoke the Acceptance Condition, as applicable, in the manner described in paragraph 2 of this Part C and give oral or written notice of such date to the Receiving Agent.

- (e) Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code and the terms of the Cooperation Agreement) to request at any time that the Panel extends Day 60 (and therefore the period for which the Offer is open for acceptance), including (without limitation) by requesting that the Panel suspends the timetable for the Offer under Rule 31.4 of the Takeover Code (i) jointly with IDS (provided each of IDS and Bidco agree), if one or more Conditions relating to an official authorisation or regulatory clearance has not been satisfied or waived (which right is also reserved); or (ii) solely, if one or more outstanding Conditions relating to a material official authorisation or regulatory clearance has not been satisfied or waived (which right is also reserved).
- (f) If: (i) Day 60 is extended; (ii) the timetable for the Offer is suspended; or (iii) the timetable for the Offer resumes following a suspension of the timetable for the Offer, Bidco will, if required by the Panel, make an announcement of such extension, suspension or resumption (as applicable) in the manner described in paragraph 2 of this Part C and give oral or written notice of such extension, suspension or resumption (as applicable) to the Receiving Agent (and, in any announcement of an extension of Day 60 or resumption of the timetable for the Offer, will also specify, to the extent applicable, the new Day 39, Day 46 and Day 60 of the timetable for the Offer).
- (g) If the timetable for the Offer is suspended by the Panel and a revised date is not immediately specified for any or all of Day 39, Day 46 and/or Day 60 then any relevant requirement under Part C or Part D or Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) or the Form of Acceptance relating to Day 39, Day 46, Day 60 or the Unconditional Date (as applicable) or to any date and/or time specified by reference to such date shall also be suspended pending resumption of the timetable for the Offer.
- (h) Although no revision is envisaged, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as the Panel may permit or as may be required by the Takeover Code) from the date on which the revised offer document is published. Except with the Panel's consent, no revised offer document may be published after Day 46 or, where Bidco has made an Acceleration Statement, after the date which is 14 days prior to the Unconditional Date.
- (i) Bidco may, if it has reserved the right to do so at the time such "no increase" statement (as referred to in the Takeover Code) and/or Acceleration Statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside a "no increase" statement (as referred to in the Takeover Code) and/or an Acceleration Statement if it would otherwise prevent the publication of an increased or improved offer (as to the value or nature of the consideration offered or otherwise) which is recommended for acceptance by the IDS Board or in other circumstances permitted by the Panel.
- (j) If a competitive situation (as determined by the Panel) arises or further develops after Bidco has made a "no increase" statement (as referred to in the Takeover Code) and/or an Acceleration Statement, in relation to the Offer, Bidco may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) choose not to be bound by the terms of and set aside that statement, and revise the Offer or extend the Unconditional Date (as appropriate), provided that Bidco complies with the requirements of the Takeover Code and, in particular, it announces that the statement is set aside and that it is free to revise the Offer or extend the Unconditional Date (as appropriate) as soon as possible (and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation).
- (k) If Bidco makes a "no increase" statement (as referred to in the Takeover Code) and/or an Acceleration Statement after Day 39, and IDS subsequently makes an announcement of material new information of the kind referred to in Rule 31.8 of the Takeover Code after Day 39, Bidco may, if it has reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of and set aside such "no increase" statement (as referred to in the Takeover Code) and/or an Acceleration Statement, and revise the Offer or extend the Unconditional Date (as appropriate) provided that Bidco complies with the requirements of the Takeover Code and, in particular, it announces that the statement is set aside and that it is free to revise

the Offer or extend the Unconditional Date (as appropriate) as soon as possible (and in any event within four Business Days of the date of IDS' announcement).

- (l) If a competitive situation (as determined by the Panel) is continuing on the Business Day immediately preceding Day 60 and the Offer has not been withdrawn or lapsed, Bidco will enable holders of IDS Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted a competing offer to accept the Offer by a special form of acceptance to take effect on Day 60 (or such other date as may be consented to by the Panel). It shall be a condition of such special form of acceptance being a valid acceptance of the Offer that: (i) it is received by the Receiving Agent on or before Day 60 (or such other date as may be consented to by the Panel); (ii) the relevant IDS Shareholder shall have withdrawn its acceptance of the competing offer but that the IDS Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to a competing offer before Day 60 (or such other date as may be consented to by the Panel) by the escrow agent to the competing offer; (iii) the IDS Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in this document on or before Day 60 (or such other date as may be consented to by the Panel), but an undertaking is given that they will be so transferred as soon as possible thereafter; and (iv) such acceptance may be treated as a valid acceptance of the Offer in accordance with the Offer and the Takeover Code. IDS Shareholders wishing to use such forms of acceptance should apply to the Receiving Agent, Equiniti on +44 (0) 333 207 6505 between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales), on or before the Business Day immediately preceding Day 60 in order that such forms can be dispatched. Calls are charged at the standard geographic rate and will vary by provider. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notwithstanding the right to use such special form of acceptance, holders of IDS Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purposes of accepting the Offer in respect of such shares.
- (m) Save as may otherwise be required or consented to by the Panel, the Offer shall lapse unless all of the Conditions have been satisfied or, where permitted, waived or, where appropriate, have been determined by Bidco to be or remain satisfied, by midnight on the earlier of the Unconditional Date and the Long Stop Date, provided that Bidco reserves the right to extend the Unconditional Date and/or the Long Stop Date to a later time(s) and/or date(s) in accordance with paragraphs 1(e) and 1(o) of this Part C respectively.
- (n) If, as a result of a Takeover Code matter remaining outstanding on the Unconditional Date, the Panel consents to the latest time at which the Offer may become Unconditional being extended beyond midnight on the Unconditional Date pending the final determination of that outstanding Takeover Code matter, for the purpose of determining whether the Acceptance Condition has been satisfied, acceptances received or purchases of IDS Shares made after 1.00 p.m. (London time) on the Unconditional Date may not be taken into account except with the Panel's consent.
- (o) Subject to the terms of the Cooperation Agreement, Bidco reserves the right (but shall not be obliged, other than as may be required by the Takeover Code), with the consent of the Panel, at any time to extend the Long Stop Date. In such event, Bidco will make an announcement in the manner described in paragraph 2 of this Part C and give oral or written notice of such extension to the Receiving Agent.
- (p) Except with the Panel's consent, Bidco may not, for the purpose of determining whether the Acceptance Condition has been satisfied, take into account acceptances received or purchases of IDS Shares made after 1.00 p.m. (London time) on the Unconditional Date or the Long Stop Date (as applicable) or, in the context of an ACIN published by Bidco, 1.00 p.m. on the date specified in the ACIN as being the date on which Bidco intends to seek to invoke the Acceptance Condition so as to cause the Offer to lapse. If Day 60 is extended in circumstances other than those set out in paragraphs (a) to (d) of Rule 31.3 of the Takeover Code, acceptances received and purchases of IDS Shares made in respect of which relevant electronic instructions or documents are received by the

Receiving Agent after 1.00 p.m. on the relevant date may (except where the Takeover Code permits otherwise) only be taken into account with the Panel's consent.

(q) If the Offer becomes or is declared Unconditional, it will remain open for acceptance for not less than 14 days from the date on which it became Unconditional and in any case, not less than 21 days from the date of this document, and Bidco will give at least 14 days' notice before the Offer is closed. If the Offer has become Unconditional and it is stated by or on behalf of Bidco that the Offer will remain open until further notice, then not less than 14 days' notice will be given, before closing the Offer, to those IDS Shareholders who have not accepted the Offer (and to persons with information rights).

2. Announcements

(a) Except with the Panel's consent, Bidco shall, during the Offer Period, make an announcement as described in paragraph 2(b) of this Part C by 8.00 a.m. on the Business Day following each of the following dates (or such other time(s) or date(s) as the Panel may require or consent to), to the extent applicable:

- (i) 17 July 2024 and every seventh day thereafter (save to the extent that the Panel determines that such announcements are not required for the duration of any suspension of the timetable for the Offer pursuant to Rule 31.4(a) of the Takeover Code);
- (ii) any day on which the Offer is revised;
- (iii) each day in the period of seven consecutive days leading up to, and including, the Unconditional Date or the Long Stop Date;
- (iv) any day on which an ACIN expires;
- (v) any day on which the Offer becomes or is declared Unconditional or lapses;
- (vi) any day on which, as at 5.00 p.m., the total percentage of shares which Bidco may count towards satisfaction of the Acceptance Condition has increased or decreased to, or through, any of the following thresholds:
 - (A) the percentage threshold to which the Acceptance Condition is at that time subject;
 - (B) 75% of the shares carrying voting rights in IDS; and
 - (C) if the threshold in (A) can be reduced to a specified minimum threshold, that threshold.

(b) The announcements referred to in paragraph 2(a) of this Part C will state (unless otherwise permitted by the Panel):

- (i) the number of IDS Shares for which acceptances of the Offer have been received (specifying the extent, if any, to which such acceptances have been received from persons acting in concert with Bidco or in respect of IDS Shares which were subject to an irrevocable undertaking or a letter of intent procured by Bidco or any person acting in concert with Bidco);
- (ii) details of any relevant securities of IDS in which Bidco or any person acting in concert with it has an interest (including pursuant to the VESA SPA) or in respect of which either of them has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (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, will also be stated;
- (iii) details of any relevant securities of IDS in respect of which Bidco or any person acting in concert with it has an outstanding irrevocable undertaking or letter of intent; and

- (iv) details of any relevant securities of IDS which Bidco or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either onlent or sold,

and will in each case specify the percentage of each class of relevant securities of IDS represented by each of these figures. Any such announcement shall include a prominent statement of the total number of IDS Shares which Bidco may count towards the satisfaction of the Acceptance Condition and the percentage of IDS Shares represented by this figure.

- (c) In calculating the number of IDS Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 5 of this Part C, acceptances and purchases which are not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title or not accompanied by the relevant TTE instruction or which are subject to verification, save that those which could not be counted towards satisfaction of the Acceptance Condition under Notes 4, 5 and 6 on Rule 10.1 of the Takeover Code shall not (unless otherwise consented to by the Panel) be included.
- (d) In this Part 3 (*Conditions to and further terms of the Acquisition*), references to the making of an announcement or the giving of notice by or on behalf of Bidco include the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service.
- (e) Unless otherwise consented to by the Panel: (i) an announcement made otherwise than to a Regulatory Information Service shall be notified simultaneously to a Regulatory Information Service; and (ii) an announcement which is published at a time when the relevant Regulatory Information Service is not open for business shall be distributed to not less than two newswire services operating in the United Kingdom and submitted for publication as soon as the relevant Regulatory Information Service re-opens.
- (f) A copy of any announcement made by Bidco in accordance with this paragraph 2 of this Part C will be available, subject to certain restrictions relating to persons outside the United Kingdom, for inspection on IDS' website at www.internationaldistributionservices.com promptly after the making of such announcement and in any event by no later than 12.00 p.m. (London time) on the Business Day following the announcement.
- (g) Without limiting the manner in which Bidco may choose to make any public statement and subject to Bidco's obligations under applicable law and regulation and paragraph 2(e) of this Part C, Bidco will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

3. Rights of withdrawal

- (a) Acceptances and elections under the Offer are final and binding unless withdrawn in accordance with paragraph 3 of this Part C or save as agreed in writing between Bidco and any particular IDS Shareholder or as otherwise permitted by Bidco (either generally or for any particular IDS Shareholder).
- (b) An accepting IDS Shareholder may withdraw its acceptance of the Offer by written notice received by post to the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom (or, in the case of IDS Shares held in uncertificated form, in the manner referred to in paragraph 3(f) of this Part C), at any time before the earlier of:
 - (i) the time when the Acceptance Condition is satisfied; and
 - (ii) the latest time for the receipt of acceptances on the Unconditional Date.
- (c) If an accepting IDS Shareholder withdraws its acceptance in accordance with this paragraph 3 of this Part C, all document(s) of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the

withdrawal (and in any event within 14 days) and the Receiving Agent will immediately give instructions for the release of securities held in escrow.

(d) In this paragraph 3 of this Part C, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting IDS Shareholder(s) or their agent(s) duly appointed in writing (evidence of whose appointment is produced with the notice in a form reasonably satisfactory to Bidco) given by post to the Receiving Agent, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom. Email or facsimile or other electronic transmission or copies will not be sufficient to constitute written notice. No notice which is postmarked in, or otherwise appears to Bidco or its agents to have been sent from a jurisdiction where the giving of written notice or the withdrawal of an acceptance of the Offer in accordance with the provisions of this paragraph 3 of this Part C would constitute a violation of the relevant laws of such jurisdiction will be treated as valid.

(e) To be effective, a written notice of withdrawal must be received by the Receiving Agent and must specify the name of the person who has tendered the IDS Shares to be withdrawn and (if share certificates have been tendered) the name of the holder of the relevant IDS Shares if different from the name of the person who tendered the IDS Shares.

(f) In the case of IDS Shares held in uncertificated form, an accepting IDS Shareholder may withdraw their acceptance through CREST by sending (or, if a CREST sponsored member, procuring that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of IDS Shares to be withdrawn;
- your member account ID;
- your participant ID;
- the participant ID of the escrow agent, Equiniti, in its capacity as a CREST receiving agent, being 6RA07;
- the member account ID(s) of the escrow agent, Equiniti, in its capacity as a CREST receiving agent, being IDSEPSUK;
- the CREST transaction ID of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
- the ISIN of the relevant IDS Shares (this is “GB00BDVXYZ77”);
- the intended settlement date for the withdrawal. This should be as soon as possible and, in any event not later than 1.00 p.m. (London time) on the Unconditional Date;
- the corporate action number for the transaction; this is allocated by Euroclear and can be found by viewing the relevant corporate action details on screen in CREST;
- CREST standard delivery instructions priority of 80; and
- a contact name and telephone number (inserted in the shared note field).

In the case of IDS Shares held in uncertificated form, any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Bidco either reject the withdrawal by transmitting in CREST a Receiving Agent reject (AEAD) message or accept the withdrawal by transmitting in CREST a Receiving Agent accept (AEAN) message.

(g) IDS Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 3 of this Part C may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 17 of Part 1 (*Letter from EP UK Bidco Limited*) of this document at any time while the Offer remains open for acceptance.

- (h) Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by Bidco whose determination (save as the Panel otherwise determines) will be final and binding. None of Bidco, IDS, BNP Paribas, Citi, J.P. Morgan, Barclays, BofA Securities, Goldman Sachs, the Receiving Agent or any other person will be under any duty to give notification of any defect or irregularity in any notice of withdrawal or will incur any liability for failure to do so.
- (i) In the case of IDS Shares held via the Nominee Share Service or via the IDS SIP, an accepting Qualifying Participant or an IDS SIP Participant (as applicable) may withdraw their acceptance by logging into the election website to amend their instruction. Any such amendment must be registered with the Nominee or the SIP Trustee (as applicable) by no later than 1.00 p.m. three Business Days prior to the Unconditional Date.

4. **Revisions of the Offer**

- (a) Although no revision of the Offer is envisaged, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms and conditions or in the value or nature of the consideration offered or otherwise) and such revision represents on the date on which it is announced (on such basis as BNP Paribas, Citi and J.P. Morgan may consider appropriate) an improvement or no diminution in the value of the revised Offer compared with the consideration or terms previously offered or in the overall value received and/or retained by an IDS Shareholder (under the Offer or otherwise) the benefit of the revised Offer will, subject to paragraphs 4(c), 4(d) and 7, of this Part C, be made available to any IDS Shareholder who has accepted the Offer in its original or any previously revised form(s) and not validly withdrawn such acceptance in accordance with paragraph 3 of this Part C (“**Previous Acceptor**”). The acceptance of the Offer by or on behalf of a Previous Acceptor in its original or any previously revised form(s) shall, subject as provided in paragraphs 4(c), 4(d) and 7 of this Part C, be treated as an acceptance of the Offer as so revised and shall also constitute the irrevocable and separate appointment of Bidco, the Receiving Agent, BNP Paribas, Citi and J.P. Morgan, and each of their directors as such Previous Acceptor’s attorney and/or agent with authority:

- (i) to accept any such revised Offer on behalf of such Previous Acceptor;
- (ii) if such revised Offer includes alternative forms of consideration, to make on behalf of such Previous Acceptor such elections for and/or accept such alternative forms of consideration in the proportions such attorney and/or agent in their absolute discretion thinks fit; and
- (iii) to execute on behalf of and in the name of such Previous Acceptor all such further documents (if any) and to do all such further things (if any) as may be required to give effect to such acceptances and/or elections.

In making any such election and/or acceptance, such attorney and/or agent shall be able to take into account the nature of any previous acceptances made by or on behalf of the Previous Acceptor and such other facts or matters as the attorney and/or agent may reasonably consider relevant. The attorney and/or agent shall not be liable to any IDS Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- (b) Subject to paragraphs 4(c) and 4(d) of this Part C, the powers of attorney and authorities conferred by this paragraph 4 of this Part C and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the Previous Acceptor duly and validly withdraws their acceptance under paragraph 3 of this Part C.
- (c) The deemed acceptance referred to in paragraph 4(a) of this Part C shall not apply, and the authorities conferred by that paragraph shall not be exercised, to the extent that a Previous Acceptor:
 - (i) in respect of IDS Shares in certificated form, lodges with the Receiving Agent at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom, within 14 days of the posting of the document containing the

revised offer, a Form of Acceptance (or other form validly issued by or on behalf of Bidco) in which the Previous Acceptor validly elects to receive the consideration receivable by them under such revised Offer in some other manner than that set out in their original or any previous acceptance; or

(ii) in respect of IDS Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that their CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA instruction must, in order for it to be valid and settle, include the following details:

- the number of IDS Shares in respect of which the changed election is made, together with their ISIN number (this is "GB00BDVXYZ77");
- the member account ID of the Previous Acceptor, together with their participant ID;
- the member account ID(s) of the escrow agent, Equiniti, in its capacity as a CREST receiving agent, being IDSEPSUK;
- the Receiving Agent's participant ID, being 6RA07;
- the CREST transaction ID of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
- the intended settlement date for the changed election;
- the corporate action number for the Offer allocated by Euroclear which can be found by viewing the relevant corporate action details in CREST,

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Receiving Agent relevant to the new election; and
- input with a standard delivery instruction priority of 80.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly the Receiving Agent will on behalf of Bidco reject or accept the requested change of election by transmitting in CREST a Receiving Agent reject (AEAD) or Receiving Agent accept (AEAN) message as appropriate.

(d) The deemed acceptance referred to in paragraph 4(a) of this Part C shall not apply, and the authorities conferred by that paragraph shall not be exercised if, as a result thereof, the Previous Acceptor would (on such basis as BNP Paribas, Citi and J.P. Morgan may consider appropriate) thereby receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer than they would have received and/or retained (as appropriate) in aggregate as a result of acceptance of the Offer in the form in which it was previously accepted by them or on their behalf (unless the Previous Acceptor has previously agreed in writing to receive and/or retain (as appropriate) less in aggregate consideration). The authorities conferred by paragraph 4(a) of this Part C shall not be exercised in respect of any election available under the revised Offer save in accordance with this paragraph 4(d).

(e) Bidco and the Receiving Agent reserve the right to treat an executed Form of Acceptance, Electronic Acceptance or TTE instruction (in respect of the Offer in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 4(a) of this Part C, *mutatis mutandis*, on behalf of the relevant IDS Shareholder.

- (f) Subject to the terms of the Cooperation Agreement, Bidco may (with the consent of the Panel) extend or revise the Offer provided it complies with the requirements of the Takeover Code.
- (g) The Nominee and the SIP Trustee reserve the right to treat an online instruction from Qualifying Participants or SIP Participants (as applicable) (in respect of the Offer in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer and/or, where applicable, a valid election for or acceptance of any of the alternative forms of consideration made available pursuant thereto. Such acceptances shall constitute an authority in the terms of paragraph 4(a) of this Part C, *mutatis mutandis*, on behalf of the relevant IDS Shareholder.

5. Acceptances and purchases

- (a) Notwithstanding the right reserved by Bidco to treat an acceptance of the Offer as valid (even though, in the case of IDS Shares held in certificated form, the relevant Form of Acceptance is not entirely in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title), except as otherwise consented to by the Panel:
 - (i) an acceptance of the Offer shall not be treated as valid for the purposes of the Acceptance Condition unless the requirements of Note 4 and, if applicable, Note 5 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the IDS Shares to which such acceptance relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);
 - (ii) a purchase of IDS Shares by Bidco or its wholly owned subsidiaries or their nominees or, in the case of an offer under Rule 9 of the Takeover Code, by any person acting or deemed to be acting in concert with Bidco (or such person's nominee) will only be treated as valid for the purposes of the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10.1 of the Takeover Code are satisfied in respect of it (and the IDS Shares to which such purchase relates do not fall within Note 8 on Rule 10.1 of the Takeover Code);
 - (iii) IDS Shares which have been borrowed by Bidco may not be counted towards satisfying the Acceptance Condition; and
 - (iv) before the Acceptance Condition can be satisfied or the Offer can lapse as a result of the Acceptance Condition not having been satisfied (or being regarded as incapable of satisfaction), the Receiving Agent must have issued a certificate to Bidco or BNP Paribas, Citi or J.P. Morgan which states:
 - (A) the number of IDS Shares in respect of which acceptances have been received and which are to be treated as valid for the purposes of paragraph 5(a)(i) of this Part C; and
 - (B) the number of IDS Shares otherwise acquired, whether before or during the Offer Period, which are to be treated as valid for the purposes of paragraph 5(a)(ii) of this Part C.

Copies of such certificate will be sent to the Panel and to Barclays, BofA Securities and Goldman Sachs as soon as possible after it is issued.

- (b) For the purpose of determining at any particular time whether the Acceptance Condition has been satisfied, Bidco is not bound (unless otherwise required by the Takeover Code) to take into account any IDS Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of subscription or conversion rights before the determination takes place unless written notice of such allotment, issue, subscription or conversion, containing all the relevant details, has been received before that time by the Receiving Agent from IDS or its agents at the address specified in paragraph 3(b) of this Part C.

6. General

(a) It is intended that the Acquisition will be implemented by way of a takeover offer for the purposes of Chapter 3 of Part 28 of the Companies Act. However, Bidco reserves the right to elect, with the consent of the Panel and the consent of IDS in accordance with the terms of the Cooperation Agreement, to implement the Acquisition by way of a Court-sanctioned Scheme in accordance with Part 26 of the Companies Act. If the Acquisition is implemented by way of a Scheme, such Scheme will be implemented on the same terms, so far as applicable, as those that would apply to the Offer, subject to appropriate amendments to reflect the change in method of effecting the Acquisition, including (without limitation and subject to the consent of the Panel) such amendments as may be required by law or regulation. In particular: the Long Stop Date may cease to apply (and Bidco may, in accordance with the Takeover Code, specify a new long stop date by which the Scheme must become effective and specific dates by which the Meetings and the Sanction Hearing must be held); and the Acceptance Condition would not apply and instead the Scheme would become effective and binding following:

- (i) its approval by a majority in number representing 75% or more in value of the relevant IDS Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
- (ii) the Resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting; and
- (iii) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Bidco) and the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

(b) In addition, if the Acquisition is implemented by way of a Scheme, the Scheme will be conditional upon the Conditions set out in Part A of this Part 3 (*Conditions to and further terms of the Acquisition*) (other than the Acceptance Condition) and, accordingly, the necessary actions to make the Scheme effective will not be taken unless such Conditions have either been waived (if permitted) or satisfied.

(c) IDS Shares will be acquired by Bidco pursuant to the Acquisition fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at completion of the Acquisition, including the right to receive and retain all dividends (other than the 2024 Final Dividend and the Special Dividend) and distributions (if any) declared, made or paid following the Acquisition becoming or being declared Unconditional, excluding any amount in respect of the Excluded Shares.

(d) If, on or after the date of the Announcement and prior to the Offer becoming or being declared Unconditional, any dividend, distribution or other return of value (other than the 2024 Final Dividend and the Special Dividend) is declared, paid or made or becomes payable by IDS in respect of the IDS Shares, Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Offer for the IDS Shares by an amount up to the amount of such dividend, distribution or return of value. If (but only to the extent) Bidco exercises that right to make such a reduction in respect of a dividend, distribution or return of value, IDS Shareholders will be entitled to receive and retain such dividend, distribution or return of value and references in this document to the Cash Consideration payable under the terms of the Offer will be deemed to be references to the Cash Consideration as so reduced. If and to the extent that any such dividend or distribution or return of value has been announced or declared, made or paid or is payable (i) transferred pursuant to the Offer on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled before payment, the Cash Consideration payable under the terms of the Offer shall not be subject to change in accordance with this paragraph (d).

Any exercise by Bidco of its rights referred to in this paragraph (d) shall not be regarded as constituting any revision or variation of the Offer.

- (e) Except with the consent of the Panel, settlement of the consideration to which any accepting IDS Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer free of any lien, right of set-off, counterclaim or other analogous right to which any person may otherwise be, or claim to be, entitled against such IDS Shareholder, and will be effected in the manner described in this document.
- (f) The Offer is made on 26 June 2024 and is capable of acceptance from that date. Copies of this document, a specimen Form of Acceptance, and any related documents are available (subject to certain restrictions relating to persons outside the United Kingdom) for inspection on IDS' website at www.internationaldistributionservices.com and from the Receiving Agent at the address set out in paragraph 3(b) of this Part C.
- (g) In respect of IDS Shares in certificated form, the terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. The provisions of this Part 3 (*Conditions to and further terms of the Acquisition*) shall be deemed to be incorporated in and form part of each Form of Acceptance. Words and expressions defined in this document have the same meanings when used in the Form of Acceptance, unless the context otherwise requires.
- (h) The Offer, all acceptances of it and all elections pursuant to it, the Form of Acceptance and Electronic Acceptances, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between an IDS Shareholder and Bidco, BNP Paribas, Citi, J.P. Morgan, Barclays, BofA Securities, Goldman Sachs or the Receiving Agent shall be governed by and interpreted in accordance with English law.
- (i) Subject to paragraph 6(j) of this Part C, the Courts of England have exclusive jurisdiction to decide any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of an IDS Shareholder constitutes such IDS Shareholder's irrevocable submission to the jurisdiction of the Courts of England.
- (j) The agreement in paragraph 6(i) of this Part C is included for the benefit of Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in that paragraph, Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction. The execution of a Form of Acceptance or making of an Electronic Acceptance by or on behalf of an IDS Shareholder constitutes such IDS Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.
- (k) Any omission or failure to despatch this document or (where relevant) the Form of Acceptance or any other document relating to the Offer or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to paragraph 7 of this Part C, the Offer extends to any such person and to all IDS Shareholders to whom this document, (where relevant) the Form of Acceptance and any related documents may not be despatched and who may not receive such documents, and such persons may (subject to certain restrictions relating to persons outside the United Kingdom) collect copies of those documents from the Receiving Agent at the address set out in paragraph 3(b) of this Part C or inspect this document on IDS' website at www.internationaldistributionservices.com while the Offer remains open for acceptances.

- (l) If the Offer lapses for any reason or is withdrawn:
 - (i) it will cease to be capable of further acceptance;
 - (ii) Bidco and accepting IDS Shareholders will cease to be bound by: (A) in the case of IDS Shares held in certificated form, the Forms of Acceptance submitted; and (B) in the case of IDS Shares held in uncertificated form, the Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
 - (iii) in respect of IDS Shares held in certificated form, the Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as the Panel may approve) within 14 days of the Offer lapsing, at the risk of the IDS Shareholder concerned, to the person or agent whose name and address is set out in the relevant Box of the Form of Acceptance or, if none is set out, to the first-named holder at such holder's registered address. No such documents will be sent to an address in any Restricted Jurisdiction; and
 - (iv) in respect of IDS Shares held in uncertificated form, the Receiving Agent will, immediately after the Offer lapses (or within such longer period as the Panel may permit not exceeding 14 days from the date on which the Offer lapses), arrange TFE instructions to Euroclear to transfer all IDS Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Offer to the original available balances of the IDS Shareholders concerned.
- (m) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Part 3 (*Conditions to and further terms of the Acquisition*) or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the IDS Shareholder concerned and are irrevocable (in respect of powers of attorney in accordance with Section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw their acceptance in accordance with paragraph 3 of this Part C and duly and validly does so.
- (n) Without prejudice to any other provisions of this Part C and subject to the requirements of the Takeover Code, Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent reserve the right to treat acceptances of the Offer as valid (in whole or in part) if not entirely in order or not accompanied by the relevant TTE instruction or (as applicable) relevant share certificate(s) and/or other document(s) of title or if received by or on behalf of any of them at any place or places or in any manner determined by any of them or otherwise than as set out in this document or, in respect of IDS Shares held in certificated form, in the Form of Acceptance. In that event, subject to the provisions of the Takeover Code, no settlement of consideration of the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Bidco have been received by the Receiving Agent.
- (o) All communications, notices, certificates, document(s) of title and remittances to be delivered by or sent to or from any IDS Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk. No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) and/or other document(s) of title will be given by or on behalf of Bidco.
- (p) If Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 90% or more in value of the IDS Shares to which the Offer relates and 90% or more of the voting rights carried by those shares, and assuming that all of the other Conditions of the Offer have been satisfied or waived (if capable of being waived), Bidco intends to exercise its rights in accordance with Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining IDS Shares on the same terms as the Offer.

- (q) Following the Offer becoming or being declared Unconditional, if Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 75% or more of the voting rights carried by the IDS Shares or the appropriate special resolutions are otherwise passed, and subject to any applicable requirements of the London Stock Exchange, it is intended that Bidco will procure that IDS makes applications to cancel the listing of IDS Shares on the Official List, to cancel trading in IDS Shares on the Main Market and to re-register IDS as a private limited company. A notice period of not less than 20 business days (as such term is defined in the UK Listing Rules) before the cancellation will commence on: (i) the date on which Bidco has announced that it has acquired or agreed to acquire 75% of the voting rights attaching to the IDS Shares or (ii) the first date of issue of compulsory acquisition notices under section 979 of the Companies Act. Bidco will notify IDS Shareholders when the required percentage has been attained or the compulsory acquisition notices have been issued and confirm that the notice period has commenced and the anticipated date of cancellation.
- (r) Any reference in this Part 3 (*Conditions to and further terms of the Acquisition*) to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this document).
- (s) In relation to any acceptance of the Offer in respect of a holding of IDS Shares which are in uncertificated form, Bidco reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Takeover Code or are otherwise made with the Panel's consent.
- (t) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (u) Neither Bidco, nor any person acting on behalf of Bidco, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith.
- (v) The Offer is subject to applicable requirements of the FCA, the London Stock Exchange, the UK Listing Rules and the Takeover Code. In the event of any conflict or inconsistency between the terms and Conditions of the Offer and the Takeover Code, the provisions of the Takeover Code shall prevail, and Bidco reserves the right to (and shall if required by the Panel) make such alterations, additions or modifications to the terms and Conditions of the Offer so that any such conflict or inconsistency is removed.
- (w) Any question as to the validity (including time of receipt) of any acceptance of the Offer and any question as to, or the acceptance of, any words or markings on a Form of Acceptance will be determined by Bidco, whose determination (save as the Panel otherwise determines) will be final and binding. None of Bidco, BNP Paribas, Citi, J.P. Morgan, the Receiving Agent or any other person will be under any duty to give notification of any defect or irregularity in any purported acceptance of the Offer or will incur any liability for failure to do so or for any determination under this paragraph 6(w) of this Part C.

7. Overseas Shareholders

- (a) The making and availability of the Offer outside the United Kingdom and/or to Overseas Shareholders (or to nominees, custodians or trustees of such persons) may be prohibited or affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. No person receiving a copy of this document and/or a Form of Acceptance in any jurisdiction other than the United Kingdom may treat the same as constituting an invitation or offer to them, nor should they in any event use such Form of Acceptance if, in the relevant jurisdiction,

such invitation or offer cannot lawfully be made to them or such Form of Acceptance cannot lawfully be used without contravention of any relevant or other legal requirements. In such circumstances, this document and/or the Form of Acceptance are sent for information only. It is the responsibility of such Overseas Shareholder receiving a copy of this document and/or the Form of Acceptance and wishing to accept the Offer to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or compliance with other necessary formalities needing to be observed and payment of any issue, transfer or other taxes or duties due in such jurisdiction. Any such Overseas Shareholder will be responsible for any such issue, transfer or other taxes or other payments by whomsoever payable and Bidco and BNP Paribas, Citi and J.P. Morgan (and any person acting on behalf of either of them) shall be fully indemnified and held harmless by such Overseas Shareholder for any such issue, transfer or other taxes or duties as Bidco or BNP Paribas, Citi or J.P. Morgan (and any person acting on behalf of either of them) may be required to pay.

If you are an Overseas Shareholder and you are in doubt about your position, you should consult your independent professional adviser in the relevant jurisdiction.

(b) In particular, unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and the Offer may not be made directly or indirectly, in or into, or by the use of any means (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use or means. Accordingly, 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.

Persons receiving such documents (including without limitation, custodians, trustees and nominees) must not mail or otherwise forward, distribute or send them, directly or indirectly, in, into or from any Restricted Jurisdiction or use Restricted Jurisdiction mails or any such means for any purpose, directly or indirectly, in connection with the Offer. Doing so may invalidate any purported acceptance of the Offer. Persons wishing to accept the Offer must not use such mails or any such means, directly or indirectly, for any purpose, directly or indirectly, related to acceptance of the Offer.

Envelopes containing a Form of Acceptance, evidence of title or any other document relating to the Offer should not be postmarked in a Restricted Jurisdiction or otherwise despatched from a Restricted Jurisdiction and all accepting IDS Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of consideration or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

(c) An IDS Shareholder may be deemed not to have validly accepted the Offer if:

- (i) such IDS Shareholder puts "NO" in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (b) of Part D of this Part 3 (*Conditions to and further terms of the Acquisition*);
- (ii) having inserted in or having completed Box 6 of the Form of Acceptance with a registered address in a Restricted Jurisdiction, such IDS Shareholder does not insert in Box 6 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom such IDS Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;
- (iii) such IDS Shareholder inserts in Box 6 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom such IDS

Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;

- (iv) in any case, the Form of Acceptance is received in an envelope postmarked in, or which otherwise appears to Bidco or its agent to have been sent from, a Restricted Jurisdiction;
- (v) such IDS Shareholder inserts in the Form of Acceptance a telephone number in a Restricted Jurisdiction; or
- (vi) such IDS Shareholder makes a Restricted Escrow Transfer (as defined in paragraph 7(h)(i) of this Part C) pursuant to paragraph 7(h) of this Part C unless they also make a related Restricted ESA instruction (as defined in paragraph 7(h)(ii) of this Part C) which is accepted by the Receiving Agent.

Bidco reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part D of this Part 3 (*Conditions to and further terms of the Acquisition*) or (as the case may be) paragraph (b) of Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) could have been truthfully given by the relevant IDS Shareholder and, if such investigation is made and, as a result, Bidco cannot satisfy itself that such representation and warranty was true and correct, the acceptance shall not be valid.

- (d) If, in connection with the making of the Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction or uses any means (including without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national securities exchange of any Restricted Jurisdiction in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 7 of this Part C.
- (e) If any written notice from an IDS Shareholder withdrawing such IDS Shareholder's acceptance in accordance with paragraph 3 of this Part C is received in an envelope postmarked in, or which otherwise appears to Bidco or its agents to have been sent from, a Restricted Jurisdiction, Bidco reserves the right in its absolute discretion to treat that notice as invalid.
- (f) **Any acceptance of the Offer by IDS Shareholders who are unable to give the representations and warranties set out in paragraph (b) of Part D of this Part 3 (*Conditions to and further terms of the Acquisition*) or (as the case may be) paragraph (b) of Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) is liable to be disregarded.**
- (g) Bidco reserves the right, in its absolute discretion, to treat any acceptance as invalid if it believes that such acceptance may violate applicable legal or regulatory requirements.
- (h) If an IDS Shareholder holding IDS Shares in uncertificated form cannot give the representations and warranties set out in paragraph (b) of Part E of this Part 3 (*Conditions to and further terms of the Acquisition*), but nevertheless can provide evidence satisfactory to Bidco that they can accept the Offer in compliance with all relevant legal and regulatory requirements, such IDS Shareholder may only purport to accept the Offer by sending (or if a CREST sponsored member, procuring that their CREST sponsor sends) both:
 - (i) a TTE instruction to a designated escrow balance detailed below (a "**Restricted Escrow Transfer**"); and

- (ii) one or more valid ESA instructions (a “**Restricted ESA instruction**”) which specify the form of consideration which such IDS Shareholder wishes to receive (consistent with the alternatives offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Bidco decides, in its absolute discretion, to exercise its right described in paragraph 7(i) of this Part C to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the period for which the Offer is open for acceptance. If Bidco accordingly decides to permit such acceptance to be made, the Receiving Agent will, on behalf of Bidco, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a Receiving Agent accept (AEAN) message. Otherwise, the Receiving Agent will, on behalf of Bidco, reject the purported acceptance by transmitting in CREST a Receiving Agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:

- the ISIN number for the IDS Shares (this is “GB00BDVXYZ77”);
- the number of IDS Shares in uncertificated form in respect of which you wish to accept the Offer (i.e. the number of IDS Shares to be transferred to escrow);
- the member account ID and participant ID of the accepting IDS Shareholder;
- the participant ID of the Receiving Agent specific to a Restricted Escrow Transfer, being 6RA07;
- the member account ID of the Receiving Agent for the Offer, being RESTRICT;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on the Unconditional Date;
- the corporate action reference of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

Each Restricted ESA instruction must, in order for it to be valid and settle, include the following details:

- the ISIN number for the IDS Shares (this is “GB00BDVXYZ77”);
- the number of IDS Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting IDS Shareholder;
- the member account ID and participant ID of the Receiving Agent set out in the Restricted Escrow Transfer;
- the participant ID (being 6RA07) and the member account ID (being RESTRICT) of the Receiving Agent relevant to the form of consideration required;
- the CREST transaction ID of the Restricted Escrow Transfer to which the Restricted ESA instruction relates to be inserted at the beginning of the shared note field;
- the intended settlement date. This should be as soon as possible and in any event not later than 1.00 p.m. (London time) on the Unconditional Date;
- the corporate action reference of the Offer. This is allocated by Euroclear and will be available on screen from Euroclear;

- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number inserted in the shared note field.

(i) These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific IDS Shareholders or on a general basis by Bidco in its absolute discretion. Subject thereto, the provisions of this paragraph 7 of this Part C supersede any terms of the Offer inconsistent with them. References in this paragraph 7 of this Part C to an IDS Shareholder include references to the person or persons executing a Form of Acceptance and, if more than one person executes the Form of Acceptance, the provisions of this paragraph 7 of this Part C shall apply to them jointly and severally.

(j) Bidco reserves the right to notify any matter, including the making of the Offer, to all or any IDS Shareholders:

- (i) with a registered address outside the United Kingdom; or
- (ii) whom Bidco knows to be a custodian, trustee or nominee holding IDS Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom,

by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such IDS Shareholder to receive or see that notice.

(k) A reference in this document to a notice or the provision of information in writing by or on behalf of Bidco is to be construed accordingly. No such document shall be sent to an address in a Restricted Jurisdiction.

PART D

FORM OF ACCEPTANCE

This Part D applies only to IDS Shares held in certificated form. If you hold all of your IDS Shares in uncertificated form, you should ignore this Part D and instead read Part E of this Part 3 (Conditions to and further terms of the Acquisition). If you hold IDS Shares via the Nominee Share Service or via the IDS SIP, you should ignore this Part D and instead read the separate letter sent to you explaining how to accept the Offer.

For the purposes of Part D of this Part 3 (*Conditions to and further terms of the Acquisition*) and the Form of Acceptance, the phrase "**IDS Shares in certificated form comprised in the acceptance**" shall mean the number of IDS Shares inserted in Box 3 of the Form of Acceptance or, if no number is inserted (or a number greater than the relevant IDS Shareholder's holding of IDS Shares), the greater of:

- the relevant IDS Shareholder's entire holding of IDS Shares in certificated form as disclosed by details of the Register made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;
- the relevant IDS Shareholder's entire holding of IDS Shares in certificated form as disclosed by details of the Register made available to the Receiving Agent prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is Unconditional; and
- the number of IDS Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Each IDS Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to the Receiving Agent (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent (so as to bind such IDS Shareholder and such IDS Shareholder's personal or legal representatives, heirs, successors and assigns) to the following effect:

(a) that the execution of the Form of Acceptance (whether or not any Boxes are completed and whether or not the Form of Acceptance is validly executed as a deed) shall constitute:

- (i) an acceptance of the Offer in respect of the number of IDS Shares in certificated form inserted or deemed to be inserted in Box 3 of the Form of Acceptance; and
- (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part D of this Part 3 (*Conditions to and further terms of the Acquisition*) and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with such IDS Shareholder's acceptance of the Offer,

in each case on and subject to the terms and Conditions set out or referred to in this document and in the Form of Acceptance and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*), each such acceptance shall be irrevocable provided that if:

- (A) Box 3 or any other Box is not completed; or
- (B) the total number of IDS Shares inserted in Box 3 is greater than the relevant IDS Shareholder's holding of IDS Shares; or
- (C) the acceptance is otherwise completed incorrectly or the number included is illegible,

but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all of the IDS Shares in certificated form comprised in the acceptance;

- (b) unless "NO" is put in Box 5 of the Form of Acceptance, that such IDS Shareholder:
 - (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents in, into or from a Restricted Jurisdiction;
 - (ii) has not, in connection with the Offer or the execution or delivery of the Form of Acceptance, used, directly or indirectly, any means (including, without limitation, facsimile transmission email, telephone, internet or otherwise) of interstate or foreign commerce of, or any facility of a national securities exchange of any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was executed, mailed, sent or delivered;
 - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - (v) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Bidco, BNP Paribas, Citi, J.P. Morgan or any other person acting on behalf of them being in breach of the legal or regulatory requirements of, or be liable for any issue, transfer or other taxes or duties or other payments in, any such jurisdiction in connection with the Offer or such IDS Shareholder's acceptance thereof;
- (c) that, in relation to IDS Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes (subject to the Offer becoming Unconditional in accordance with its terms and to an accepting IDS Shareholder not having validly withdrawn their acceptance) the irrevocable and separate appointment of each of Bidco, BNP Paribas, Citi, J.P. Morgan, the Receiving Agent and any director of, or any person authorised by, any of them as such shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney to:
 - (i) complete and execute all or any form(s) of transfer and/or other document(s) at the discretion of the attorney in relation to the IDS Shares in certificated form comprised in the acceptance in favour of Bidco or such other person or persons as Bidco or its agent may direct in connection with the acceptance of the Offer;
 - (ii) deliver such form(s) of transfer, renunciation and/or other document(s) in the attorney's discretion and/or the certificate(s) and/or other document(s) of title relating to such IDS Shares for registration within six months of the offer becoming Unconditional; and
 - (iii) execute all such other documents and do all such other acts and things as may, in the attorney's opinion, be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Bidco (or its nominee) the IDS Shares in certificated form comprised in the acceptance;
- (d) that, in relation to IDS Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes (subject to the Offer becoming Unconditional and to an accepting IDS Shareholder not having validly withdrawn their acceptance) an irrevocable authority and request, subject to the provisions of paragraph 7 of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*):
 - (i) to IDS and/or its agents to procure the registration of the transfer of the IDS Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and/or other document(s) of title, or satisfactory indemnities, in respect of the IDS Shares to Bidco or as it may direct; and
 - (ii) to Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent or their respective agents to procure the despatch by post (or by such other method as the Panel may

approve) of the cheque for the Cash Consideration to which an accepting IDS Shareholder is entitled to under the Offer, at the risk of such shareholder, to the person or agent whose name and address is set out in Box 1 or Box 6 of the Form of Acceptance (outside a Restricted Jurisdiction), or if none is set out, to the first-named or sole holder at such holder's registered address (outside a Restricted Jurisdiction);

- (e) that the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes the giving of a separate authority to each of Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent and any director or agent of, or any person authorised by, any of them as their agent and/or attorney within the terms set out in paragraph 4 of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*) in respect of the IDS Shares in certificated form comprised in the acceptance;
- (f) that, unless the Panel otherwise consents, subject to the Offer becoming or being declared Unconditional (or if the Offer will become Unconditional or lapse immediately upon the outcome of the resolution in question), in respect of IDS Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Bidco or as it may direct:
 - (i) Bidco and its agent shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of IDS or of any class of its shareholders) attaching to the IDS Shares in certificated form comprised or deemed to be comprised in such acceptance; and
 - (ii) the execution of a Form of Acceptance by an IDS Shareholder shall constitute with regard to such IDS Shares in certificated form comprised in the acceptance:
 - (A) an authority to IDS and its agents to send any notice, circular, warrant, document or other communication which may be required to be sent to such IDS Shareholder as a member of IDS (including any share certificate(s) or other document(s) of title) to Bidco at its registered office;
 - (B) an irrevocable authority to Bidco and the directors of and any other person authorised by Bidco, to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the IDS Shares held by such IDS Shareholder in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such IDS Shareholder's attorney and/or agent and on such IDS Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such IDS Shares appointing any person nominated by Bidco to attend general and separate class meetings of IDS (and any adjournments thereof) and to exercise the votes attaching to such shares on such IDS Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and
 - (C) the agreement of such IDS Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such IDS Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting of IDS,
- save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (g) that such IDS Shareholder will deliver to the Receiving Agent, or procure the delivery to the Receiving Agent at the address referred to in paragraph 3(b) of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*) of, share certificate(s) or other document(s) of title in respect of those IDS Shares in certificated form comprised in the acceptance and not validly withdrawn, or an indemnity acceptable to Bidco in lieu thereof, as soon as possible, and in any event so as to arrive by no later than the Unconditional Date;
- (h) that such IDS Shareholder is the sole legal and beneficial owner of the IDS Shares comprised or deemed to be comprised in such acceptance or is the legal owner of such IDS Shares and has the necessary capacity and authority to execute the Form of Acceptance;

- (i) that such IDS Shareholder is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the IDS Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid up and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends (other than the 2024 Final Dividend and the Special Dividend) and other distributions (if any) announced, declared, made or paid or any other return of value on or after the Offer becoming or being declared Unconditional;
- (j) that the terms and Conditions of the Offer contained in this document shall be deemed to be incorporated in, and form part of, the Form of Acceptance which shall be read and construed accordingly;
- (k) that, if such IDS Shareholder accepts the Offer, they will do all such acts and things as shall be necessary or expedient to vest the IDS Shares in certificated form comprised in the acceptance in Bidco or its nominee(s) or such other persons as Bidco may decide;
- (l) that such IDS Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent or any of their respective directors or agents or persons authorised by them, as the case may be, in the exercise of any of any such person's powers and/or authorities under this document;
- (m) that the execution of the Form of Acceptance constitutes such IDS Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*);
- (n) that the Form of Acceptance shall be deemed to be delivered on its date of execution and shall take effect as a deed on such date;
- (o) that if any provision of Part C or Part D of this Part 3 (*Conditions to and further terms of the Acquisition*) shall be unenforceable or invalid or shall not operate so as to afford Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit or authority expressed to be given therein, such IDS Shareholder shall, with all practicable speed, do all such acts and things and execute all such documents as may be required to enable Bidco, BNP Paribas, Citi, J.P. Morgan and/or the Receiving Agent and any of their respective directors, agents or persons authorised by them to secure the full benefits of Part C and Part D of this Part 3 (*Conditions to and further terms of the Acquisition*); and
- (p) that such IDS Shareholder is not a customer (as defined by the FCA Handbook) of BNP Paribas, Citi or J.P. Morgan in connection with the Offer.

References in this Part D to an IDS Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part D shall apply to them jointly and to each of them.

PART E ELECTRONIC ACCEPTANCE

This Part E applies only to IDS Shares held in uncertificated form, that is in CREST. If you hold all of your IDS Shares in certificated form, you should ignore this Part E and instead read Part D of this Part 3 (Conditions to and further terms of the Acquisition). If you hold IDS Shares via the Nominee Share Service or via the IDS SIP, you should ignore this Part E and instead read the separate letter sent to you explaining how to accept the Offer.

For the purposes of this Part E of this Part 3 (*Conditions to and further terms of the Acquisition*), the phrase "**IDS Shares in uncertificated form comprised in the acceptance**" shall mean the number of IDS Shares which are transferred by the relevant IDS Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Each IDS Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document) irrevocably undertakes, represents, warrants and agrees to and with Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent (so as to bind such IDS Shareholder and such IDS Shareholder's personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of IDS Shares in uncertificated form to which a TTE instruction relates; and
 - (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable Bidco to obtain the full benefit of this Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,
in each case on and subject to the terms and Conditions set out or referred to in this document and that, subject only to the rights of withdrawal set out or referred to in paragraph 3 of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*), each such acceptance and election shall be irrevocable;
- (b) that such IDS Shareholder:
 - (i) has not, directly or indirectly, received or sent copies or originals of this document, the Form of Acceptance or any related offering documents, in, into or from a Restricted Jurisdiction;
 - (ii) has not otherwise used in connection with the Offer, directly or indirectly, any means (including, without limitation, facsimile transmission email, TTE instruction, telephone, internet or otherwise) of interstate or foreign commerce of, or any facility of a national securities exchange of any Restricted Jurisdiction;
 - (iii) is accepting the offer from outside any Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s);
 - (iv) in respect of the IDS Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given all instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - (v) if an Overseas Shareholder, has observed the laws of the relevant jurisdiction, obtained all requisite governmental, exchange control and other required consents, complied with all necessary formalities and paid any issue, transfer or other taxes or other requisite payments due in any such jurisdiction in connection with such acceptance and has not taken or omitted to take any action that will or may result in Bidco, BNP Paribas, Citi, J.P. Morgan or any other person acting on behalf of them being in breach of the legal or

regulatory requirements of any such jurisdiction in connection with the Offer or such IDS Shareholder's acceptance thereof;

- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming Unconditional in accordance with its terms and subject to an accepting IDS Shareholder not having validly withdrawn their acceptance, the irrevocable appointment of each of Bidco, BNP Paribas, Citi, J.P. Morgan and any director of, or any person authorised by, any of them as such shareholder's attorney and/or agent and an irrevocable instruction and authorisation to the attorney to execute all such documents and do all such acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in Bidco (or its nominee) the full legal title and beneficial ownership of IDS Shares in uncertificated form comprised in the acceptance;
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as escrow agent for the purposes of the Offer and an irrevocable instruction and authorisation:
 - (i) subject to the Offer becoming Unconditional in accordance with its terms and to an accepting IDS Shareholder not having validly withdrawn their acceptance, to transfer to Bidco (or to such other person or persons as it or its agent may direct) by means of CREST all or any of the IDS Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and
 - (ii) if the Offer does not become Unconditional, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit), to transfer all such IDS Shares to the original available balance of the accepting IDS Shareholder;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming Unconditional and to an accepting IDS Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request to Bidco, the Receiving Agent or their respective agents to procure the making of a CREST payment obligation in favour of the IDS Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any Cash Consideration to which such shareholder is entitled, provided that:
 - (i) Bidco may (if, for reasons, outside its reasonable control, it is not able to effect settlement through CREST) determine that all or any part of any such Cash Consideration shall be paid by cheque despatched by post; and
 - (ii) if the IDS Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any Cash Consideration to which such shareholder is entitled may be paid by cheque despatched by post,

in any case at the risk of such shareholder, and such cheque shall be despatched to the first named holder at such holder's registered address outside a Restricted Jurisdiction or as otherwise determined by Bidco;
- (f) that the Electronic Acceptance constitutes the giving of a separate authority to each of Bidco, BNP Paribas, Citi, J.P. Morgan and the Receiving Agent and their respective directors, agents and authorised persons within the terms of paragraph 4 of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*) in respect of the IDS Shares in uncertificated form comprised in the acceptance;
- (g) that, unless the Panel otherwise consents, subject to the Offer becoming or being declared Unconditional (or if the Offer will become Unconditional or lapse immediately upon the outcome of the resolution in question), in respect of IDS Shares in relation to which the Offer has been accepted or deemed to be accepted (which acceptance has not been validly withdrawn) and pending registration in the name of Bidco or as it may direct:
 - (i) Bidco and its agent shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of IDS or of any class of its shareholders) attaching to the IDS Shares in uncertificated form comprised or deemed to be comprised in the acceptance; and

- (ii) an Electronic Acceptance by an IDS Shareholder shall constitute with regard to such IDS Shares in uncertificated form comprised in the acceptance:
 - (A) an authority to IDS and its agents to send any notice, circular, warrant, document or other communication which may be required to be sent to such IDS Shareholder as a member of IDS (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such IDS Shares into certificated form) to Bidco at its registered office;
 - (B) an irrevocable authority to each of Bidco and the directors of and any other person authorised by Bidco to sign any document and to do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the IDS Shares held by such IDS Shareholder in uncertificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such IDS Shareholder's attorney and/or agent and on such IDS Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such IDS Shares appointing any person nominated by Bidco to attend general and separate class meetings of IDS (and any adjournments thereof) and to exercise the votes attaching to such shares on such IDS Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
 - (C) the agreement of such IDS Shareholder not to exercise any of such rights without the consent of Bidco and the irrevocable undertaking of such IDS Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting, save that this authority will cease to be valid if the acceptance is validly withdrawn;
- (h) that such IDS Shareholder is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the IDS Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid up and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends (other than the 2024 Final Dividend and the Special Dividend) and other distributions (if any) announced, declared, made or paid or any other return of value on or after the Offer becoming or being declared Unconditional;
- (i) that such IDS Shareholder is the sole legal and beneficial owner of the IDS Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such IDS Shares and has the necessary capacity and authority to effect an Electronic Acceptance;
- (j) that such IDS Shareholder will do all such acts and things as shall, in the opinion of Bidco, be necessary or expedient to vest in Bidco (or its nominee(s)) the IDS Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable the Receiving Agent to perform its function as escrow agent for the purposes of the Offer;
- (k) that such IDS Shareholder agrees to ratify each and every act or thing which may be done or effected by Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent or any of their respective directors, agents or persons authorised by them, as the case may be, in the exercise of any of such person's powers and/or authorities under this document;
- (l) that if, for any reason, any IDS Shares in respect of which a TTE instruction has been effected in accordance with paragraph 17.2 of Part 1 (*Letter from EP UK Bidco Limited*) of this document are converted to certificated form, such IDS Shareholder will (without prejudice to paragraph (g)(ii)(A) of this Part E) immediately deliver, or procure the immediate delivery of, the share certificate(s) or other document(s) of title in respect of all such IDS Shares as so converted to the Receiving Agent at the address referred to in paragraph 3(b) of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*) or to Bidco at its registered office or as Bidco or its agents may direct; and such IDS Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Part 3 (*Conditions*)

to and further terms of the Acquisition) in relation to such IDS Shares without prejudice to the application of this Part E as far as Bidco deems appropriate;

- (m) that the creation of a CREST payment obligation in favour of such IDS Shareholder's payment bank in accordance with the CREST payment arrangements referred to in paragraph (e) of this Part E shall, to the extent of the obligation so created, discharge in full any obligation of Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent to pay such IDS Shareholder the Cash Consideration to which they are entitled pursuant to the Offer;
- (n) that the making of an Electronic Acceptance constitutes such IDS Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part C of this Part 3 (*Conditions to and further terms of the Acquisition*);
- (o) that, by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant IDS Shareholder in the terms of all the powers and authorities expressed to be given by Part C, Part D (where applicable by virtue of paragraph (I) of this Part E) and this Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) to Bidco, the Receiving Agent and BNP Paribas, Citi and J.P. Morgan and any of their respective directors or agents;
- (p) that if any provision of Part C or this Part E of this Part 3 (*Conditions to and further terms of the Acquisition*) shall be unenforceable or invalid or shall not operate so as to afford Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit or authority expressed to be given therein, such IDS Shareholder shall, with all practicable speed, do all such acts and things and execute all such documents that may be required to enable Bidco, BNP Paribas, Citi, J.P. Morgan or the Receiving Agent or any of their respective directors, agents or persons authorised by them to secure the full benefits of Part C and this Part E of this Part 3 (*Conditions to and further terms of the Acquisition*); and
- (q) that such IDS Shareholder is not a customer (as defined by the FCA Handbook) of BNP Paribas, Citi or J.P. Morgan in connection with the Offer.

References in this Part E to an IDS Shareholder shall include references to the person or persons making an Electronic Acceptance and, if more than one makes an Electronic Acceptance, the provisions of this Part E shall apply to them jointly and to each of them.

PART 4

INFORMATION ON EP, J&T AND BIDCO

1. GENERAL INFORMATION

Bidco was incorporated on 6 March 2024 in England and Wales as a limited company with company registration number 15542876. Bidco's principal place of business and registered office is Byron House, 7-9 St. James's Street, London, United Kingdom SW1A 1EE. The principal legislation under which Bidco operates is the Companies Act.

Bidco is a private limited company incorporated in England and Wales. Bidco is a newly formed vehicle, indirectly owned by (i) EP and (ii) J&T. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition. As at completion of the Acquisition, it is intended that Bidco will be indirectly owned in the following proportions (i) EP will own 56% plus one share and (ii) J&T will own 44% less one share.

The current directors of Bidco are Pavel Horský, Marek Spurný, Roman Šilha and Jan Bílek.

EP was incorporated on 30 October 2019 in the Czech Republic with its seat at Pařížská 130/26, Josefov, 110 00 Prague 1, Czech Republic, and which is registered in the commercial register by the Municipal Court in Prague, Section B, Insert 24846 with identification number 086 49 197. EP is owned 89.29% by EP Investment S.à r.l. which is turn is wholly owned by Daniel Křetínský. The remaining 10.71% in EP is owned by Tiliacordata Ltd, a Cypriot company held by multiple companies owned and controlled by former and current managers within the EP group.

The current directors of EP Corporate Group, a.s. are Daniel Křetínský, Marek Spurný, Pavel Horský and Jan Špringl.

EP has an extensive portfolio of significant industrial assets across Europe and is a long-term investor in the UK, founded on energy and infrastructure and later diversified into other sectors including food wholesale, food and other consumer retail, logistics, media and e-commerce. Companies in which EP or its affiliates are the controlling shareholders or exercise the majority of voting rights have revenues of around €100 billion and annual EBITDA of around €8 billion. Across the UK and Europe, EP operates vital energy and infrastructure assets with unionised workforces including gas pipelines and gas storage facilities, power plants and electricity networks.

EP Equity Investment S.à r.l., the 100% direct shareholder of VESA and controlling shareholder of Casino Guichard-Perrachon, S.A., is the EP group's investment arm focused on strategic long-term investments in publicly traded companies across Western Europe and the United States. EP Equity Investment S.à r.l. concentrates its attention on sectors where it can match structural growth opportunities with its specific expertise and experience, in particular in food wholesale, food and other consumer retail, logistics, media, and e-commerce. The current market value of the portfolio owned by EP Equity Investment S.à r.l. and VESA is approximately €3.3 billion. The EP group views the UK as an attractive and dynamic market for investment. The EP group has a long-term outlook and is proud to support the businesses in which it invests, including Royal Mail through VESA's shareholding in IDS.

J&T was incorporated on 12 June 2021 in the Czech Republic with its registered address at Sokolovská 700/113a, Prague, Karlín, 18600 Czech Republic with identification number 10942092. J&T is a private investment company, ultimately controlled by J&T Private Equity Group Limited. It invests on behalf of a group of private investors from Slovakia and the Czech Republic in businesses in various sectors in Europe, including energy, infrastructure and real estate. As at 31 December 2023, the total value of assets in which J&T is invested was approximately €3.4 billion. J&T has been a long-term business partner of EP and its founder and controlling shareholder, Daniel Křetínský. Consistent with the approach taken for other investments in which both EP and J&T have participated, J&T is in the position of a financial investor; it has no co-management role and has no joint control in relation to Bidco.

The current members of the board of directors of J&T Capital Partners, a.s. are Patrik Tkáč, Adam Tomis and Libor Kaiser.

Except as expressly referred to in paragraph 2 of this Part 4 (*Information on EP, J&T and Bidco*) and paragraph 19 of Part 6 (*Additional Information*), the contents of EP's website are not incorporated into and do not form part of this document.

2. FINANCIAL INFORMATION

Bidco is a newly formed company owned indirectly by EP Corporate Group, a.s. and J&T Capital Partners, a.s. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition and as such there is no financial information available or published in respect of Bidco and it has no material assets or liabilities, in each case other than those described in this document in connection with the Acquisition.

The following sets out financial information in respect of EP as required by Rule 24.3 of the Takeover Code. Whilst EP does not have consolidated accounts, Energetický a průmyslový holding, a.s. ("EPH"), a subsidiary of EPH, accounted for more than 95% of the EBITDA of EP in 2023. There are no interim accounts available for H1 2024. The documents referred to below (or parts thereof), are incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code:

- the audited consolidated accounts of EPH for the financial year ended 31 December 2023 which are set out on pages 66-225 (both inclusive) of EPH's Consolidated Annual Report for the year 2023 available from EPH's website at www.epholding.cz/en/results-centre; and
- the audited consolidated accounts of EPH for the financial year ended 31 December 2022 which are set out on pages 47-163 (both inclusive) of EPH's Consolidated Annual Report for the year 2022 available from EPH's website at www.epholding.cz/en/results-centre.

The above documents are available, free of charge, in "read-only" format and can be printed from the web addresses detailed above. Further, Bidco will provide, without charge to each person to whom a copy of this document has been delivered, upon the oral or written request of such person pursuant to the instructions as set out on page 6 in the section titled 'Publication on website and availability of hard copies', a hard copy of any or all of the documents which are incorporated by reference herein as soon as possible and in any event within two Business Days of the receipt of such request. Hard copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

Following the Offer becoming Unconditional, the earnings, assets and liabilities of EP will include the consolidated earnings, assets and liabilities of the IDS Group.

3. RATINGS

Prior to the Offer Period, EPH, of which EP holds 56% plus one share, has been assigned a BBB- long-term issuer credit rating (with a stable outlook) by S&P Global Ratings ("S&P") and a BBB- long-term issuer default rating (with a stable outlook) by Fitch Ratings.

EP itself is not an entity that is rated directly, but as part of the rating assessment of EPH (which is a core subsidiary of EP), S&P assesses EP's group credit profile as bbb-.

As at the Latest Practicable Date, there has been no change to these ratings during the Offer Period.

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

PART 5

INFORMATION ON THE IDS GROUP

1. GENERAL INFORMATION

IDS was incorporated on 6 September 2013 in England and Wales as a limited company with company registration number 08680755. IDS' principal place of business and registered office is 185 Farringdon Road, London, United Kingdom EC1A 1AA.

IDS is a leading provider of postal and delivery services in the UK, with significant operations in continental Europe. IDS is a holding company, which includes two separate operations: its UK-based operations under Royal Mail and its international operations under GLS.

Royal Mail's origins date back nearly 508 years to the time of King Henry VIII. Today, IDS' core business is the collection, sorting, transportation and delivery of parcels and letters in the UK, leveraging its broad networks and powerful brands, which underpin strong positions in the UK's parcel and letter delivery markets. Royal Mail is the UK's designated Universal Service Provider with a strong brand and unparalleled scale and reach to all 32 million UK addresses. GLS is a leading international carrier operating one of the largest ground-based parcel delivery networks in Europe, with global reach and a strong position in the cross-border parcel segment.

IDS Shares are publicly traded on the Main Market (symbol: IDS). IDS is headquartered in London and its registered office is at 185 Farringdon Road, London, United Kingdom, EC1A 1AA. The principal legislation under which IDS operates is the Companies Act and the Postal Services Act 2011.

IDS' website is www.internationaldistributionservices.com. Except as expressly referred to in paragraph 2 of this Part 5 (*Information on the IDS Group*) and paragraph 19 of Part 6 (*Additional Information*), the contents of IDS' website are not incorporated into and do not form part of this document.

2. FINANCIAL INFORMATION

The following sets out financial information in respect of IDS as required by Rule 24.3 of the Takeover Code. The documents referred to below (or parts thereof), the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code:

- the audited accounts of IDS for the financial year ended 26 March 2023 set out on pages 142 to 242 (both inclusive) of the 2022-2023 IDS Annual Report, available on IDS' website at <https://www.internationaldistributionservices.com/en/investors/annual-reports/>;
- the audited accounts of IDS for the financial year ended 31 March 2024 set out on pages 145 to 243 (both inclusive) of the 2023-2024 IDS Annual Report, available on IDS' website at <https://www.internationaldistributionservices.com/en/investors/annual-reports/>;

The above documents are available, free of charge, in "read-only" format and can be printed from the web addresses detailed above. Further, IDS will provide, without charge to each person to whom a copy of this document has been delivered, upon the oral or written request of such person pursuant to the instructions as set out on page 6 in the section titled 'Publication on website and availability of hard copies', a hard copy of any or all of the documents which are incorporated by reference herein as soon as possible and in any event within two Business Days of the receipt of such request. Hard copies of any documents or information incorporated by reference into this document will not be provided unless such a request is made.

3. RATINGS

Prior to the Offer Period, IDS had been assigned a BBB long-term issuer credit rating (with a negative outlook) and short-term rating of A-2 on 15 August 2023 by S&P.

During the Offer Period and prior to the Latest Practicable Date, this rating was affirmed by S&P on 12 June 2024, together with the observation that S&P would likely lower the rating on IDS by one notch to BBB- if the Acquisition was completed. This is because, upon completion of the Acquisition, S&P is expected to regard IDS as a highly strategic subsidiary of EP, whose affiliate has been assigned a BBB- long-term credit rating, and in accordance with S&P's group rating methodology, S&P have noted they will likely cap their rating of IDS at the BBB- group credit profile for EP following the Acquisition.

Both BBB and BBB- credit ratings are investment grade ratings.

PART 6 ADDITIONAL INFORMATION

PART A ADDITIONAL INFORMATION ON EP, J&T, BIDCO AND IDS

1. RESPONSIBILITY

- (a) The EP Responsible Person, whose name is set out in paragraph 2 of this Part A of Part 6 (*Additional Information*), accepts responsibility for all the information contained in this document (including any expressions of opinion) including, without limitation, information relating to Bidco's strategy and future intentions for IDS, except for that information for which the J&T Responsible Persons accept responsibility under paragraph 1(b) below and the IDS Directors accept responsibility under paragraph 1(d) below and the information contained in the opinions of CMA Unite and Royal Mail Pensions Trustees Limited, which are appended to this document at Part 9. To the best of the knowledge and belief of the EP Responsible Person (who has taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The J&T Responsible Persons, whose names are set out in paragraph 2 of this Part A of Part 6 (*Additional Information*), accept responsibility for all the information contained in this document (including any expressions of opinion), relating to them (and their close relatives, related trusts and controlled companies) and J&T. To the best of the knowledge and belief of the J&T Responsible Persons (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.
- (c) Each Bidco Director, whose name is set out in paragraph 2 of this Part A of Part 6 (*Additional Information*), accepts responsibility for all the information contained in this document (including any expressions of opinion) including, without limitation, information relating to Bidco's strategy and future intentions for IDS except for that information (i) in respect of EP, the EP Responsible Person and their immediate family and the related trusts of, and persons connected with, the EP Responsible Person; (ii) for which the J&T Responsible Persons accept responsibility under paragraph 1(b) above; (iii) for which the IDS Directors accept responsibility under paragraph 1(d) below; and (iv) contained in the opinions of CMA Unite and Royal Mail Pensions Trustees Limited, which are appended to this document at Part 9. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, save as provided otherwise in this document, the Bidco Directors do not accept responsibility for any information (or expressions of opinion) contained in this document relating to EP or J&T.
- (d) Each IDS Director, whose name is set out in paragraph 2 of this Part A of Part 6 (*Additional Information*), accepts responsibility for the information contained in this document (including any expressions of opinion), relating to IDS, the Wider IDS Group and the IDS Directors and their close relatives, related trusts and other persons connected with them, except for that information (i) for which the EP Responsible Person, the J&T Responsible Persons and the Bidco Directors accept responsibility under paragraphs 1(a), 1(b) and 1(c) above and (ii) contained in the opinions of CMA Unite and Royal Mail Pensions Trustees Limited, which are appended to this document at Part 9. To the best of the knowledge and belief of the IDS Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of that information.

2. EP RESPONSIBLE PERSONS, J&T RESPONSIBLE PERSONS, BIDCO DIRECTORS AND IDS DIRECTORS

(a) The EP Responsible Person and their position is set out below:

Daniel Křetínský	<i>Chairman of the board of directors and Chief Executive Officer of the EP group</i>
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The registered address of EP and the business address of the EP Responsible Person is Kostelní 1102/12, 17000 Prague 7, Czech Republic.

(b) The J&T Responsible Persons and their respective positions are set out below:

Patrik Tkáč	<i>Chairman of the board of directors of J&T</i>
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Adam Tomis	<i>Member of the board of directors of J&T</i>
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Libor Kaiser	<i>Member of the board of directors of J&T</i>
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The registered address of J&T and the business address of the J&T Responsible Persons is Sokolovská 700/113a, Prague, Karlín, 18600 Czech Republic.

(c) The Bidco Directors and their respective positions are set out below:

Roman Šilha	<i>Director of Bidco</i>
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Pavel Horský	<i>Director of Bidco</i>
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Jan Bílek	<i>Director of Bidco</i>
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Marek Spurný	<i>Director of Bidco</i>
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The registered office of Bidco and the business address of the Bidco Directors is Byron House, 7-9 St. James's Street, London, United Kingdom SW1A 1EE.

(d) The IDS Directors and their respective functions are:

Keith Williams	<i>Chair and Independent Non-Executive Director of IDS</i>
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Baroness Sarah Hogg	<i>Senior Independent Non-Executive Director of IDS</i>
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Maria da Cunha	<i>Independent Non-Executive Director of IDS</i>
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Michael Findlay	<i>Independent Non-Executive Director of IDS</i>
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Lynne Peacock	<i>Independent Non-Executive Director of IDS</i>
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Shashi Verma	<i>Independent Non-Executive Director of IDS</i>
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Jourik Hooghe	<i>Independent Non-Executive Director of IDS</i>
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Ingrid Ebner	<i>Independent Non-Executive Director of IDS</i>
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Martin Seidenberg	<i>IDS Group Chief Executive Officer and Director of IDS</i>
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Michael Snape	<i>IDS Group Chief Financial Officer and Director of IDS</i>
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The registered office of IDS, which is also the business address of each of the IDS Directors, is 185 Farringdon Road, London, United Kingdom EC1A 1AA.

3. DISCLOSURE OF INTERESTS AND DEALINGS

For the purposes of this paragraph 3:

“acting in concert” has the meaning given to it in the Takeover Code;

“arrangement” has the meaning given to it in Note 11 to the definition of “acting in concert” set out in the Takeover Code;

“Bidco Disclosure Period”	means the period commencing on 17 April 2023, being the date 12 months before the commencement of the Offer Period, and ending on the Latest Practicable Date;
“close relatives”	has the meaning given to it in the Takeover Code;
“dealing”	has the meaning given to it in the Takeover Code;
“derivative”	has the meaning given to it in the Takeover Code;
“IDS Disclosure Period”	means the period commencing on 17 April 2024, being the date of commencement of the Offer Period, and ending on the Latest Practicable Date;
“Interested Persons”	means, in relation to a director, other persons (including, without limitation, bodies corporate) whose interests that director is taken as having by virtue of the application of Part 22 of the Companies Act and related regulations;
“relevant securities”	means: (i) the IDS Shares, (ii) the equity share capital of Bidco and (iii) securities convertible into, rights to subscribe for, options (including traded options) in respect of and derivatives referenced to the IDS Shares and the equity share capital of Bidco (as appropriate); and “ relevant IDS securities ” and “ relevant Bidco securities ” shall be construed accordingly; and
“short positions”	means short positions, 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.

Interests in relevant IDS securities

(a) At the close of business on the Latest Practicable Date, the IDS Directors (together with their Interested Persons) were interested in, or had a right to subscribe for, the following relevant IDS securities (other than in respect of the IDS Share Plans, which are set out in paragraph 3(b) below):

Name	Nature of interest or right	Number of relevant IDS Shares	Percentage of total issued share capital (excluding treasury shares) as at the Latest Practicable Date (%)
Keith Williams	IDS Shares	56,800	0.006
Martin Seidenberg*	IDS Shares	71,437	0.007
Baroness Sarah Hogg	IDS Shares	12,000	0.001
Maria da Cunha	IDS Shares	15,000	0.002
Michael Findlay	IDS Shares	16,690	0.002
Lynne Peacock	IDS Shares	11,309	0.001

*This includes 9,800 IDS Shares held by Martin Seidenberg and his close relative.

(b) At the close of business on the Latest Practicable Date, the IDS Directors held the following options/awards in respect of the relevant IDS securities under the IDS Share Plans:

Name	Share plan	Grant date	Number of relevant IDS Shares	Exercise price (per IDS Share) (£)*	Vesting date	Expiry date*
Martin Seidenberg	IDS LTIP	12 August 2021	147,098	N/A	12 August 2024	N/A
	IDS DSBP	28 July 2022	79,870	N/A	28 July 2025	N/A
	IDS LTIP	1 September 2022	288,888	N/A	1 September 2025	N/A
	IDS DSBP	31 July 2023	83,332	N/A	31 July 2026	N/A
	IDS LTIP	31 July 2023	778,440	N/A	31 July 2026	N/A
	IDS LTIP	4 June 2024	426,103	N/A	4 June 2027	N/A
	IDS DSBP	4 June 2024	75,795	N/A	4 June 2027	N/A
Michael Snape	IDS LTIP	9 February 2024	199,808	N/A	31 July 2026	N/A
	IDS LTIP	4 June 2024	217,975	N/A	4 June 2027	N/A
	IDS DSBP	4 June 2024	11,035	N/A	4 June 2027	N/A

*IDS Directors' share awards are structured as conditional share awards (not options). These involve IDS Shares being transferred to the IDS Directors automatically following the vesting date without the need for the IDS Director to exercise before a separate expiry date and no payment will be required from the IDS Director at vesting. Exercise price and expiry date are, therefore, not applicable.

(c) At the close of business on the Latest Practicable Date, persons acting in concert (save as set out above) with IDS were interested in, or had a right to subscribe for, the following relevant IDS securities:

Name of IDS Shareholder	Nature of interest or right	Number of relevant IDS Shares	Percentage of IDS' issued share capital (%)
Goldman Sachs Bank Europe SE	Securities lent	484,161	0.051
Goldman Sachs Bank Europe SE	Securities borrowed	607,771	0.063

(d) At the close of business on the Latest Practicable Date, Bidco and persons acting in concert with Bidco, were interested in, or had a right to subscribe for, the following relevant IDS securities:

Name of IDS Shareholder	Nature of interest or right	Number of relevant IDS Shares	Percentage of IDS' issued share capital (%)
VESA	Interest in securities	264,138,365	27.563
Miloš Pařízek	Interest in securities	500	0.000

Dealings in relevant IDS securities

(a) During the IDS Disclosure Period the IDS Directors (together with their Interested Persons) and other persons acting in concert with IDS dealt in the following relevant IDS securities:

Name	Transaction type	Number of relevant IDS securities	Dealing date	Price per relevant IDS security (£)
Martin Seidenberg	Grant of new conditional share awards under the IDS LTIP	426,103	4 June 2024	–
	Grant of new conditional share awards under the IDS DSBP	75,795	4 June 2024	–
Michael Snape	Grant of new conditional share awards under the IDS LTIP	217,975	4 June 2024	–
	Grant of new conditional share awards under the IDS DSBP	11,035	4 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	708	10 May 2024	–
Goldman Sachs Bank Europe SE	Loans (New)	302,457	16 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	45,869	20 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	45,748	20 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	86,889	20 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	179,424	21 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	31,407	21 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	9	21 May 2024	–
Goldman Sachs Bank Europe SE	Loans (New)	307,108	22 May 2024	–
Goldman Sachs Bank Europe SE	Loans (New)	21,967	22 May 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	21,967	23 May 2024	–
Goldman Sachs Bank Europe SE	Purchase	233,821	31 May 2024	3.362
Goldman Sachs Bank Europe SE	Disposal	233,821	31 May 2024	3.362
Goldman Sachs Bank Europe SE	Loans (New)	90	4 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	90	5 June 2024	–
Goldman Sachs Bank Europe SE	Loans (New)	83	10 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	83	11 June 2024	–

Name	Transaction type	Number of relevant IDS securities	Dealing date	Price per relevant IDS security (£)
Goldman Sachs Bank Europe SE	Loans (Return)	3,942	14 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	10,638	17 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	682	17 June 2024	–
Goldman Sachs Bank Europe SE	Loans (Return)	2,683	17 June 2024	–

(b) During the Bidco Disclosure Period Bidco and other persons acting in concert with Bidco dealt in the following relevant IDS securities:

Name	Transaction type	Number of relevant IDS securities	Dealing date	Price per relevant IDS security (£)
VESA Equity Investment S.à r.l.	Purchases	12,830,782	17 April 2023 – 16 July 2023	1.9120 – 2.100
VESA Equity Investment S.à r.l.	Purchases	10,279,513	17 October 2023 – 16 January 2024	2.3490 – 2.4900
J&T Investiční Společnost, a.s. in its capacity as manager of J&T Opportunity otevřený podílový fond	Disposal	50,000	17 April 2023 – 16 July 2023	2.5558
J&T Investiční Společnost, a.s. in its capacity as manager of J&T Opportunity otevřený podílový fond	Disposals	100,000	17 July 2023 – 16 October 2023	2.6248 – 2.711
J&T Investiční Společnost, a.s. in its capacity as manager of J&T Opportunity otevřený podílový fond	Disposals	100,000	17 October 2023 – 16 January 2024	2.4666
J.P. Morgan	Disposal	9	17 February 2024 – 16 March 2024	2.43

General

- (a) Save as set out above, neither Bidco, the Bidco Directors, any persons acting in concert with Bidco, nor any of the close relatives or related trusts or other Interested Persons of the Bidco Directors are interested in, or have a right to subscribe for, or hold a short position in relation to, any relevant IDS securities, nor has any such person dealt in any relevant IDS securities during the Bidco Disclosure Period.
- (b) Save as set out above, no person with whom Bidco or any person acting in concert with Bidco has any arrangement relating to relevant IDS securities or has dealt in any relevant IDS securities during the Bidco Disclosure Period.
- (c) Neither Bidco nor any person acting in concert with Bidco has borrowed or lent any relevant IDS securities (save for any borrowed shares which have been either on-lent or sold).
- (d) Neither IDS nor any of the IDS Directors nor any of their Interested Persons is interested in, or has a right to subscribe for, or holds a short position in relation to, any relevant Bidco securities, nor has any such person dealt in any relevant Bidco securities or any relevant Bidco securities during the IDS Disclosure Period.
- (e) Save as set out above, neither IDS nor any of the IDS Directors nor any of their Interested Persons is interested in, or has a right to subscribe for, or holds a short position in relation to, any relevant IDS securities, nor has any such person dealt in any relevant IDS securities during the IDS Disclosure Period.
- (f) Save as set out above, no person acting in concert with IDS is interested in, or has a right to subscribe for, or holds a short position in relation to, relevant IDS securities, nor has any such person or IDS dealt in any relevant IDS securities during the IDS Disclosure Period.
- (g) Save as set out above, no person with whom IDS or any person acting in concert with IDS has any arrangement relating to relevant IDS securities dealt in any relevant IDS securities during the IDS Disclosure Period.
- (h) Neither IDS nor any person acting in concert with IDS has borrowed or lent any relevant IDS securities (save for any borrowed shares which have either been on-lent or sold).

4. IRREVOCABLE UNDERTAKINGS

(a) Bidco has procured irrevocable undertakings from the IDS Directors who hold IDS Shares to accept (or procure the acceptance of, as applicable) the Offer. Such irrevocable undertakings are in respect of the following relevant IDS securities:

Name of IDS Director	Number of IDS Shares in respect of which undertaking is given	Percentage of IDS issued share capital (excluding treasury shares) in respect of which undertaking is given as at the Latest Practicable Date (%)
Keith Williams	56,800	0.006
Martin Seidenberg**	71,437	0.007
Michael Snape*	–	–
Baroness Sarah Hogg	12,000	0.001
Maria da Cunha	15,000	0.002
Michael Findlay	16,690	0.002
Lynne Peacock	11,309	0.001

**These irrevocable undertakings extend to any IDS Shares acquired by the IDS Director as a result of the vesting of awards or the exercise of options under the IDS Share Plans.*

***This includes 9,800 IDS Shares held by Martin Seidenberg and his close relative.*

(b) These irrevocable undertakings concern 183,236 IDS Shares representing approximately 0.019% of the issued share capital of IDS (excluding treasury shares) at close of business on 21 June 2024 (being the Latest Practicable Date).

(c) These irrevocable undertakings remain binding in the event a higher competing offer is made for IDS and will only cease to be binding if:

- (i) Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code at the same time;
- (ii) the Offer does not become or is not declared Unconditional, is withdrawn or lapses in accordance with its terms unless, by such time, Bidco publicly announces its intention to proceed with the Offer or to implement the Offer by way of a Scheme;
- (iii) the Offer does not become, or is not declared Unconditional by 11.59 p.m. on the Long Stop Date (or such later time and/or date as may be agreed between Bidco and IDS, with the approval of the Panel if required) (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Scheme and announced the same in accordance with the Takeover Code, and such Scheme has not lapsed or been withdrawn); or
- (iv) a competing offer for the entire issued and to be issued share capital of IDS becomes or is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective.

5. MARKET QUOTATIONS

The following table sets out the middle market quotations for IDS Shares derived from Bloomberg, for: (i) the first Business Day in each of the six months before the date of this document, (ii) 16 April 2024 (the last Business Day before the commencement of the Offer Period), and (iii) the Latest Practicable Date:

Relevant date	IDS Share price (£)
2 January 2024	2.73
1 February 2024	2.73
1 March 2024	2.42
2 April 2024	2.26
16 April 2024	2.14
1 May 2024	2.72
3 June 2024	3.35
Latest Practicable Date	3.19

6. SERVICE CONTRACTS AND LETTERS OF APPOINTMENT OF IDS DIRECTORS

Certain details of the IDS Directors' service contracts, letters of appointment and the terms of their appointment with a member of the IDS Group are set out below.

(a) Executive Directors

Martin Seidenberg's employment with IDS commenced on 1 March 2015. He was appointed Chief Executive Officer of IDS on 1 August 2023 and is currently engaged under a service contract with Royal Mail dated 19 July 2023. His appointment as an IDS Director is subject to his re-election to the IDS Board at the next annual general meeting following his appointment, and as required thereafter. Martin Seidenberg's contract has no fixed expiry date and is terminable: (i) on six months' notice by him in writing; (ii) on 12 months' notice by Royal Mail in writing; (iii) on six months' notice by Royal Mail in writing in specific circumstances related to ill-health and incapacity; and (iv) with immediate effect by Royal Mail in specific circumstances such as gross misconduct. In addition, Martin Seidenberg's service contract enables Royal Mail to terminate his employment with immediate effect by making a payment in lieu of notice on either serving or receiving a notice to terminate his contract. The payment is made in monthly instalments of amounts equal to 1/12th of base salary (subject to the deduction of tax) less the gross amount (if any) which is earnt from any alternative employment during or in respect of the relevant period. Martin Seidenberg's base salary is £714,000 per annum (increased from £700,000 per annum with effect from 1 April 2024), payable in equal monthly instalments in arrears. He is eligible to participate in the IDS Short-term Incentive Plan ("STIP") for senior management. The current potential on-target annual STIP is 75% of base salary, up to a maximum of 150% of base salary for achievement of stretch targets. Two thirds of any STIP award are payable in cash and one third is deferred into shares for three years under the IDS DSBP. He is also eligible to participate in the IDS LTIP, with a potential maximum award of 150% of base salary (noting that IDS intends to seek shareholder approval at the 2024 annual general meeting of IDS scheduled to be held on 25 September 2024 to increase the maximum normal IDS LTIP award for the Chief Executive Officer of IDS to 200% of base salary, as explained in the 2023-2024 IDS Annual Report). The STIP, the IDS LTIP and the IDS DSBP include provisions regarding the treatment of outstanding awards on termination of employment, including provisions authorising good leavers to retain their awards. Martin Seidenberg is entitled to life insurance and a pension allowance of 13.6% of base salary. His other benefit entitlements include private healthcare cover and a non-pensionable annual car allowance. Martin Seidenberg is a statutory director of GLS and GLS Beteiligungs GmbH. These directorships are not remunerated.

Michael Snape's appointment as Chief Financial Officer of IDS commenced on 18 January 2024. He is currently engaged under a service contract with Royal Mail also dated 18 January 2024. His appointment as an IDS Director is subject to his election to the IDS Board at the next annual general meeting following his appointment, and re-election as required thereafter. Michael Snape's contract has no fixed expiry date and is terminable: (i) on six months' notice by him in writing; (ii) on 12 months' notice by Royal Mail in writing; (iii) on three months' notice by Royal Mail in writing in specific circumstances related to ill-health and incapacity; and (iv) with immediate effect by Royal Mail in specific circumstances such as gross misconduct. In addition, Michael Snape's service contract also enables Royal Mail to terminate his employment with immediate effect by making a payment in lieu of notice on either serving or receiving a notice to terminate his contract. The payment is made in monthly instalments of amounts equal to 1/12th of base salary (subject to the deduction of tax) less the gross amount (if any) which is earnt from any alternative employment during or in respect of the relevant period. Michael Snape's base salary is £487,000 per annum, payable in equal monthly instalments in arrears. He is eligible to participate in the STIP. The current potential on-target annual STIP is 75% of base salary, up to a maximum of 150% of base salary for achievement of stretch targets. Two thirds of any STIP award are payable in cash and one third is deferred into shares for three years under the IDS DSBP. He is also eligible to participate in the IDS LTIP, with a potential maximum award of 150% of base salary. The STIP, the IDS LTIP and the IDS DSBP include provisions regarding the treatment of outstanding awards on termination of employment, including provisions authorising good leavers to retain their awards. Michael Snape is entitled to life insurance and a pension allowance of 13.6% of base salary. His other benefit entitlements include private healthcare cover and a non-pensionable annual car allowance.

(b) Non-Executive Directors

Each of the non-executive IDS Directors has entered into a letter of appointment with IDS. Under their respective letters of appointment, each of the non-executive IDS Directors is appointed for a three-year term. Each non-executive IDS Director's letter of appointment is terminable by either party on the notice period set out in the table below. They may also cease to hold office as a director in accordance with the IDS articles of association. In the event that a non-executive IDS Director ceases to hold office under the IDS articles of association or is not re-elected, their appointment will terminate automatically with immediate effect. The letters of appointment are also terminable by IDS with immediate effect in certain circumstances such as the director committing a material breach of their obligations to IDS. The non-executive IDS Directors are not entitled to compensation upon loss of office in any circumstances.

The principal terms of these letters of appointment are as follows:

Name	Date of letters of appointment	Unexpired term remaining and unexpired term of annual renewal	Notice Period	Current fees (per annum) (£) ¹
Keith Williams	18 November 2022	15 months 3 months	4 months	317,016
Baroness Sarah Hogg	4 July 2023	27 months 3 months	1 month	80,310 ²
Maria da Cunha	23 November 2022	15 months 3 months	1 month	79,254 ³
Michael Findlay	23 November 2022	15 months 3 months	1 month	79,254 ⁴
Lynne Peacock	4 July 2023	27 months 3 months	1 month	85,594 ⁵
Ingrid Ebner	17 May 2023	27 months 3 months	1 month	73,970 ⁶
Jourik Hooghe	18 May 2022	15 months 3 months	1 month	63,403 ⁷
Shashi Verma	13 October 2021	3 months 3 months	1 month	63,403 ⁸

(c) Save as set out in this paragraph 6:

- (i) no IDS Director is entitled to commission or profit-sharing arrangements;
- (ii) other than statutory compensation (if applicable), accrued holiday pay, outstanding fees, expenses and any other emoluments due to the IDS Directors pursuant to their letters of appointment as at the Effective Date and payment in lieu of notice as set out in this paragraph 6, no other compensation is payable by IDS to any IDS Director upon early termination of their appointment; and
- (iii) there are no service contracts or letters of appointment between any member of the Wider IDS Group and any IDS Director and no such agreement has been entered into or amended within six months preceding the date of this document.

¹ Prior to the fee increases effective 1 January 2024, fees payable to non-executive IDS Directors were as follows: (a) Chair: £310,800; (b) base fee: £51,800; (c) Senior Independent Director: £10,360; (d) designated non-executive director for engagement with the workforce: £10,360; (e) Audit and Risk Committee, Remuneration Committee and Environmental, Social and Governance Committee: £15,540 (chair) and £6,216 (member); and (f) Nomination Committee member: £4,144.

² Includes a basic fee of £52,836 plus additional fees of £10,567 for acting as Senior Independent Non-Executive Director, £6,340 for membership of the Audit Committee, £6,340 for membership of the Environment, Social and Governance Committee, and £4,227 for membership of the Nomination Committee.

³ Includes a basic fee of £52,836 plus additional fees of £15,851 for acting as Chair of the Remuneration Committee, £6,340 for membership of the Environment, Social and Governance Committee and £4,227 for membership of the Nomination Committee.

⁴ Includes a basic fee of £52,836 plus additional fees of £15,851 for acting as Chair of the Audit and Risk Committee, £6,340 for membership of the Remuneration Committee and £4,227 for membership of the Nomination Committee.

⁵ Includes a basic fee of £52,836 plus additional fees of £15,851 for acting as Chair of the Environment, Social and Governance Committee, £6,340 for membership of the Audit and Risk Committee, £6,340 for membership of the Remuneration Committee and £4,227 for membership of the Nomination Committee.

⁶ Includes a basic fee of £52,836 plus additional fees of £10,567 for acting as designated non-executive director for engagement with the workforce (since 1 April 2024), £6,340 for membership of the Environment, Social and Governance Committee (since 3 June 2024) and £4,227 for membership of the Nomination Committee.

⁷ Includes a basic fee of £52,836 plus additional fees of £6,340 for membership of the Audit and Risk Committee and £4,227 for membership of the Nomination Committee.

⁸ Includes a basic fee of £52,836 plus additional fees of £6,340 for membership of the Environment, Social and Governance Committee and £4,227 for membership of the Nomination Committee.

(d) In addition to the current fees (per annum) that each of the IDS Directors is entitled to receive from IDS as set out in this paragraph 6, the IDS Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties.

7. MATERIAL CONTRACTS

(a) IDS

Save as set out below, neither IDS nor any of its subsidiaries has, during the period beginning on 17 April 2022 (being two years before 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 IDS or its subsidiaries in the period beginning on 17 April 2022 and ending on the Latest Practicable Date.

(i) **Confidentiality Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Confidentiality Agreement.

(ii) **Clean Team Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Clean Team Agreement.

(iii) **Confidentiality and Joint Defence Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Confidentiality and Joint Defence Agreement.

(iv) **Cooperation Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Cooperation Agreement.

(v) **2028 Notes Trust Deed**

The €500,000,000 5.250% guaranteed notes due 2028 (the “**2028 Notes**”) issued by IDS and guaranteed by Royal Mail are constituted pursuant to a trust deed dated 14 September 2023 made between IDS, Royal Mail and BNP Paribas Trust Corporation UK Limited (the “**2028 Notes Trust Deed**”). The 2028 Notes constitute direct, unconditional and (subject to the negative pledge provisions in the 2028 Notes Trust Deed) unsecured obligations of IDS as issuer and Royal Mail as guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of IDS and Royal Mail, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors’ rights. Interest accrues on the 2028 Notes at a rate of 5.250% per annum, which is payable annually in arrears on 14 September in each year. The 2028 Notes are subject to early redemption at the option of IDS (i) for tax reasons, (ii) in whole or in part, from 14 September 2023 up to (but excluding) 14 June 2028 at the relevant make-whole redemption amount, and (iii) in whole, between 14 June 2028 and 14 September 2028 at the outstanding principal amount of the 2028 Notes plus accrued interest. The 2028 Notes contain provisions such that, on a change of control that is combined with a credit rating downgrade in certain circumstances, the noteholders may require IDS to redeem or, at IDS’ option, purchase the 2028 Notes for their outstanding principal amount, together with interest accrued to (but excluding) the date of redemption or repurchase.

The 2028 Notes and the 2028 Notes Trust Deed are governed by English law.

(vi) **2030 Notes Trust Deed**

The £250,000,000 7.375% guaranteed notes due 2030 (the “**2030 Notes**”) issued by IDS and guaranteed by Royal Mail are constituted pursuant to a trust deed dated 14 September 2023 made between IDS, Royal Mail and BNP Paribas Trust Corporation UK Limited (the “**2030 Notes Trust Deed**”). The 2030 Notes constitute direct, unconditional and (subject to the negative pledge provisions in the 2030 Notes Trust Deed) unsecured obligations of IDS as issuer and Royal Mail as guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of IDS and Royal Mail, but in the event of insolvency, only to the extent permitted by applicable law relating to creditors’ rights. Interest accrues on the 2030 Notes at a rate of 7.375% per annum, which is payable annually in arrears on 14 September in each year. The 2030 Notes are subject to early redemption at the option of IDS (i) for tax reasons, (ii) in whole or in part, from 14 September 2023 up to (but excluding) 14 June 2030 at the relevant make-whole redemption amount, and (iii) in whole, between 14 June 2030 and 14 September 2030 at the outstanding principal amount of the 2030 Notes plus accrued interest. The 2030 Notes contain provisions such that, on a change of control that is combined with a credit rating downgrade in certain circumstances, the noteholders may require IDS to redeem or, at IDS’ option, purchase the 2030 Notes for their outstanding principal amount, together with interest accrued to (but excluding) the date of redemption or repurchase.

The 2030 Notes and the 2030 Notes Trust Deed are governed by English law.

(vii) **ISDAs and ISDA novations**

Between April and October 2023, IDS Holdco Limited entered into ISDA 2002 master agreements with NatWest Markets plc, Skandinaviska Enskilda Banken AB, UniCredit Bank GmbH, Commerzbank AG, Merrill Lynch International, BNP Paribas and ING Bank N.V. (together, the “**Hedge Counterparties**”). On 26 February 2024, IDS Holdco Limited, Royal Mail and each Hedge Counterparty entered into agreements to novate certain cross currency interest rates swaps (which collectively total €550,000,000) (the “**Swaps**”) from Royal Mail to IDS Holdco Limited. Royal Mail originally entered into the Swaps in October 2019 to hedge the foreign exchange risk in connection with the €550,000,000 1.25% guaranteed notes due 2026 (the “**2026 Notes**”) issued by IDS and guaranteed by Royal Mail. The termination date of each Swap is 8 October 2026, which is the maturity date of the 2026 Notes.

(b) **Bidco and the Bidco Group**

Save as set out below, neither Bidco nor any other member of the Bidco Group has, during the period beginning on 17 April 2022 (being two years before 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 Bidco or members of the Bidco Group in the period beginning on 17 April 2022 and ending on the Latest Practicable Date.

(i) **Cooperation Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Cooperation Agreement.

(ii) **VESA SPA**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the VESA SPA.

(iii) **Interim Facilities Agreement**

See paragraph 15 of Part A of this Part 6 for details of the Interim Facilities Agreement.

(c) **EP**

Save as set out below, EP and its subsidiaries have not, during the period beginning on 17 April 2022 (being two years before 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 EP and/or its subsidiaries in the period beginning on 17 April 2022 and ending on the Latest Practicable Date.

(i) **Confidentiality Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Confidentiality Agreement.

(ii) **Clean Team Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Clean Team Agreement.

(iii) **Confidentiality and Joint Defence Agreement**

See paragraph 11 of Part 1 (*Letter from EP UK Bidco Limited*) for details of the Confidentiality and Joint Defence Agreement.

(iv) **Agreement for the sale and purchase of the share capital of Camden B.V.**

Pursuant to an agreement dated 6 December 2022 for the sale and purchase of all of the shares in Camden B.V. (which indirectly holds interests in the MaasStroom Project and the EneCogen Project) between CCI EPAH GP LLC and EP Netherlands BV (“**EPN**”), an indirect subsidiary of EP (the “**Camden SPA**”), EPN acquired control over Sloe Power Plant and Rijnmond Power Plant. The acquisition was completed in January 2023. The Camden SPA provides for customary representations and warranties.

(v) **Investment Agreement with thyssenkrupp**

Pursuant to an investment agreement dated 26 April 2024 relating to the sale and purchase of certain of the shares in thyssenkrupp Dritte Beteiligungsgesellschaft mbH and in thyssenkrupp Vierte Beteiligungsgesellschaft mbH among thyssenkrupp AG (“**thyssenkrupp**”), thyssenkrupp Technologies Beteiligungen GmbH and EP (the “**tkSE SPA**”), EP has agreed to acquire a 20% stake in thyssenkrupp’s steel business. The acquisition is expected to complete in summer 2024. The tkSE SPA provides for customary representations and warranties.

(vi) **LEAG energy transition plan**

Pursuant to an agreement dated 10 October 2023 relating to the sale and purchase of certain of the shares in LEAG Holding, a.s. (“**LEAG**”) between Gemcol Limited and EP Energy Transition, a.s. (“**EPET**”, being a subsidiary of EP), EPET acquired a 20% stake in LEAG.

Separately, pursuant to agreements dated 29 September 2023 and 27 December 2023 relating to the sale and purchase of certain of the shares in LEAG between EPPE Germany, a.s. (a subsidiary of EPH) and EPET, EPET acquired an additional 50% stake in LEAG.

As a result of the above transactions, EPET currently holds 70% of LEAG and Gemcol Limited holds 30%.

(vii) **EPH Syndicated Facilities Agreement**

EPH is a party to a term and revolving facilities agreement dated 21 June 2023 with a syndicate of banks (the “**EPH Syndicated Facilities Agreement**”), pursuant to which EPH has available loan facilities in the total amount of approximately €3.5 billion (which are partially drawn) as of 20 June 2024. The obligations of EPH under the EPH Syndicated Facilities Agreement are general, senior unsecured obligations and rank equally in right of payment with EPH’s existing and future indebtedness that is not subordinated in right of payment.

(viii) **€3 billion EPH Financing International, a.s. EMTN Programme**

Pursuant to a base prospectus published on 12 October 2023 (and subsequently amended on 17 March 2024), EPH Financing International, a.s. (“**EPHFI**”, an indirect subsidiary of EP) established a €3 billion Euro Medium Term Note Programme guaranteed by EPH, under which EPHFI may issue notes from time to time. EPHFI has subsequently issued (i) €500 million 5.875% guaranteed loan notes due 2029 on 31 May 2024 and (ii) €500 million 6.651% guaranteed loan noted due 2028 on 13 November 2023.

8. CONCERT PARTIES

In addition to the Bidco Board (together with their close relatives and related trusts) and members of the Wider Bidco Group, the persons who, for the purposes of the Takeover Code, are acting, or deemed to be acting, in concert with Bidco, EP and J&T in respect of the Acquisition are:

Name	Type	Registered office	Relationship with Bidco
BNP Paribas	Public limited company (<i>société anonyme</i>)	16 Boulevard des Italiens, 75009 Paris, France	Connected Adviser
Citigroup Global Markets Europe AG	Stock corporation (<i>Aktiengesellschaft</i>)	Reuterweg 16, 60323 Frankfurt, Germany	Connected Adviser
J.P. Morgan Securities Plc, together with its affiliate: J.P. Morgan SE	Public limited company Public limited liability company	25 Bank Street, Canary Wharf, London E14 5JP	Connected Adviser
VESA Equity Investment S.à r.l.	Private limited liability company (<i>société à responsabilité limitée</i>)	2, Place de Paris L-2314 Luxembourg	Associated company to Bidco
Miloš Pařízek	Individual	Sokolovská 700/113a, Prague, Karlín, 18600 Czech Republic	Director of associated company to Bidco

In addition to the IDS Directors (together with their close relatives and related trusts) and members of the Wider IDS Group, the persons who, for the purposes of the Takeover Code, are acting, or are deemed to be acting, in concert with IDS in respect of the Acquisition are:

Name	Type	Registered or principal office	Relationship with IDS
Barclays Bank PLC	Public limited company	1 Churchill Place, Canary Wharf, London E14 5HP	Financial adviser and corporate broker; Rule 3 adviser
Merrill Lynch International	Private unlimited company	2 King Edward Street, London EC1A 1HQ	Financial adviser and corporate broker; Rule 3 adviser
Goldman Sachs International	Private unlimited company	Plumtree Court, 25 Shoe Lane, London EC4A 4AU	Financial adviser and Rule 3 adviser

9. GOVERNING LAW

The Offer shall be governed by and construed in accordance with English law. The Court shall have exclusive jurisdiction for determining any matter which may arise under or in connection with the Offer.

10. POST-OFFER UNDERTAKINGS OR POST-OFFER INTENTION STATEMENTS

No statements in this document constitute “post-offer undertakings” for the purposes of Rule 19.5 of the Takeover Code.

11. OFFER-RELATED ARRANGEMENTS

(a) Confidentiality Agreement

On 15 May 2024, EP, on behalf of Bidco, and IDS entered into a Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, each of EP and IDS have undertaken to: (i) subject to certain exceptions, keep information relating to each other and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of: (a) completion of the Acquisition; and (b) 15 May 2026. The Confidentiality Agreement also contains undertakings from EP, that for a period of 12 months after the date of the Confidentiality Agreement, neither EP nor any person acting in concert with EP who has received confidential information, will solicit or offer to employ any senior employee of the IDS Group or other IDS employees involved in negotiations relating to the Acquisition (subject to customary carve-outs). The standstill provisions contained in the Confidentiality Agreement ceased to apply on the date of the Announcement.

(b) Clean Team Agreement

On 18 May 2024, EP and IDS entered into a Clean Team Agreement, which sets out, among other things, how any confidential information that is competitively sensitive can be disclosed, used or shared between EP’s clean team employees and/or external advisers and IDS’ clean team individuals and/or external advisers.

(c) Confidentiality and Joint Defence Agreement

On 18 May 2024, EP, on behalf of Bidco, IDS and their respective external counsel entered into a Confidentiality and Joint Defence Agreement, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective external counsel and external experts, and does not diminish in any way the

confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

(d) **Cooperation Agreement**

On 29 May 2024, Bidco, EP and IDS entered into a Cooperation Agreement pursuant to which:

- EP and Bidco have agreed to take all required or necessary steps as promptly as reasonably practicable to obtain the relevant antitrust clearances and satisfy, or procure the satisfaction of, the antitrust conditions prior to the Long Stop Date; and
- EP and Bidco have also agreed to take commercially reasonable endeavours, as promptly as reasonably practicable, to obtain the regulatory clearances, and satisfy, or procure the satisfaction of, the relevant regulatory conditions prior to the Long Stop Date, provided that no member of the Bidco Group (or any other person) will be required to offer, agree or implement any remedy in relation thereto that is commercially unreasonable. Further details of the facts and circumstances that are considered commercially unreasonable are set out in the Cooperation Agreement and include making material amendments to the capital structure of Bidco or IDS, extending the duration of the three-year undertaking relating to no change in control of the Royal Mail Group and the GLS Group, taking any steps that would have a material adverse effect on the value or operations of the Royal Mail Group or implementing any measure that would prevent Bidco or EP from exercising control over the Royal Mail business or the GLS business.

The Cooperation Agreement will terminate in certain circumstances, including: (i) if the Acquisition is withdrawn, terminated or lapses prior to the Long Stop Date, (ii) if a third party announces a firm intention to make an offer for IDS which is recommended by the IDS Board or the IDS Directors withdraw their recommendation of the Acquisition, (iii) if, prior to the Long Stop Date, any Condition has been invoked by Bidco (with the consent of the Panel), (iv) if, prior to the Long Stop Date, a third party announces a firm offer for IDS which completes, becomes effective or is declared or becomes unconditional, (v) if the Offer is implemented by way of a Scheme, the Scheme is not approved by the holders of IDS Shares to which the Scheme applies or the Court refuses to sanction the Scheme, (vi) if the Offer does not become or is not declared Unconditional by the Long Stop Date or (vii) otherwise as agreed between Bidco and IDS.

Schedule 1 to the Cooperation Agreement records Bidco's agreement with IDS to offer the Undertakings to the UK Government. Schedule 2 contains provisions that shall apply in respect of the IDS Share Plans, other incentive arrangements and employee-related matters. Schedule 3 contains provisions relating to the pension arrangements of IDS, including Bidco's commitments to instruct Royal Mail to maintain levels of contributions or (as the case may be) rates of accrual in the RMDCP or RMPP/DBCBS and, once established, to pay the agreed level of contributions to the RMCPP.

(e) **VESA SPA**

On 29 May 2024, Bidco, and VESA entered into a share purchase agreement pursuant to which VESA's existing shareholding of 264,138,365 IDS Shares and any additional IDS Shares held by VESA at the Unconditional Date (the "**VESA SPA Shares**") will be sold to Bidco (the "**VESA Sale**"). Completion of the VESA Sale is subject only to a sufficient number of valid acceptances in respect of the Offer having been received (and not validly withdrawn) that would, when aggregated with the VESA SPA Shares and any other IDS Shares acquired or unconditionally agreed to be acquired by Bidco (either pursuant to the Offer or otherwise), result in the Acceptance Condition being satisfied.

If the Acquisition is withdrawn or lapses or the condition contained in the VESA SPA is not satisfied or waived by 29 August 2025 (or such later date as may be agreed by the parties to the VESA SPA), the VESA Sale will not occur.

The consideration payable by Bidco for each IDS Share in respect of the VESA Sale will be equal to the price per share received by the IDS Shareholders pursuant to the Offer (with such consideration being left outstanding). The VESA SPA will be amended and restated on or around the date of this document to specify that any further IDS Shares acquired by VESA during the Offer Period shall be treated in the same manner.

12. SOURCES AND BASES

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

- (a) All references to IDS Shares are to ordinary shares of 1 pence each in IDS.
- (b) The fully diluted issued ordinary share capital of 969,557,103 IDS Shares is based on:
 - (i) 958,293,475 IDS Shares in issue as at the Latest Practicable Date;
 - (ii) 11,263,628 IDS Shares which may be issued on or after the date of this document, representing options and awards pursuant to the IDS Share Plans and share awards in respect of 12,477,713 IDS Shares as at the Latest Practicable Date, less 1,214,085 IDS Shares held in the IDS employee benefit trusts (as at the Latest Practicable Date) which can be used to satisfy the exercise of options and vesting of awards under the IDS Share Plans;
- (c) A value of approximately £3,587 million for the entire issued and to be issued share capital of IDS is calculated on the basis of:
 - (i) IDS' fully diluted issued ordinary share capital of 969,557,103 IDS Shares, as set out in paragraph (b) above;
 - (ii) in respect of each IDS Share which is listed on the Register on 23 August 2024, a Total Value of 370 pence (assuming the 2024 Final Dividend is approved by IDS Shareholders at the 2024 annual general meeting of IDS scheduled to be held on 25 September 2024); and
 - (iii) for each IDS Share which may be issued after 23 August 2024, 368 pence per IDS Share (comprised of 360 pence of Cash Consideration and the Special Dividend of 8 pence per IDS Share).
- (d) The implied enterprise value for IDS of £5,303 million is calculated by reference to the valuation of the Acquisition referenced in paragraph (c) above plus reported net debt of £1,716 million as at 31 March 2024.
- (e) Unless otherwise stated, the financial information of IDS is extracted (without material adjustment) from the 2023-2024 IDS Annual Report.
- (f) Unless otherwise specified: (A) all prices quoted for IDS Shares are Closing Prices; and (B) the volume weighted average prices of IDS Shares have been derived from Bloomberg.
- (g) Please see Part A of Part 7 repeating the Royal Mail Profit Forecast and setting out the source, basis of preparation and assumptions thereto.
- (h) Please see Part B of Part 7 withdrawing the GLS Profit Forecast and setting out the source and reasons for such withdrawal.
- (i) Certain figures included in this document have been subject to rounding adjustments.

13. GENERAL

- (a) Save as otherwise disclosed elsewhere in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between Bidco or any party acting in concert with Bidco and any of the directors, recent directors, shareholders

or recent shareholders of IDS or any person interested or recently interested in shares of IDS, having any connection with or dependence on the Offer.

- (b) There is no agreement, arrangement or understanding under which any securities acquired pursuant to the Acquisition will be transferred to any other person, save that Bidco reserves the right to transfer any such securities to any other member of the Wider Bidco Group.
- (c) Save for the irrevocable undertakings described in paragraph 4 of Part A of Part 6 (*Additional Information*) of this document neither:
 - (i) Bidco, nor any person acting in concert with Bidco; nor
 - (ii) IDS, nor any person acting in concert with IDS,has any arrangement (including any indemnity or option arrangement), agreement or understanding, formal or informal, of whatever nature relating to relevant IDS securities, which may be an inducement to deal or refrain from dealing, with any other person.
- (d) Save as disclosed in this document, there is no agreement to which Bidco is a party which relates to the circumstances in which it may, or may not, invoke a Condition to the Acquisition.
- (e) The financial information on Bidco, EP and the IDS Group contained in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act.

14. FEES AND EXPENSES

- (a) The aggregate fees and expenses expected to be incurred by Bidco in connection with the Acquisition are estimated to amount to £89.1 million plus applicable VAT and other taxes. The following are estimates expected to comprise the aggregate figure (in each case exclusive of VAT):
 - (i) Financing arrangements⁽¹⁾ £48 million
 - (ii) Financial and corporate broking advice⁽¹⁾ £22 million
 - (iii) Legal advice⁽²⁾ £12.3 million
 - (iv) Accounting advice⁽²⁾ £0.4 million
 - (v) Public relations advice £2 million
 - (vi) Other professional services £3.8 million
 - (vii) Other costs and expenses £0.6 million

(1) *The total amount payable in respect of the aggregate fees and expenses for these services includes a discretionary element or otherwise depends on whether the Offer becomes Unconditional.*

(2) *These services include services charged by reference to hourly or daily rates. The amounts included here reflect the services incurred up to the Latest Practicable Date and an estimate of the residual amount of time required until the Effective Date.*

(b) The aggregate fees and expenses expected to be incurred by IDS in connection with the Acquisition are estimated to amount to £56.9 million (including the aggregate discretionary fees described in note 3 below) plus applicable VAT and other taxes. The following are estimates expected to comprise the aggregate figure (in each case exclusive of VAT):

(i)	Financial and corporate broking advice ⁽¹⁾⁽³⁾	£36 million
(ii)	Legal advice ⁽²⁾⁽³⁾	£12.3 million
(iii)	Accounting advice	—
(iv)	Public relations advice ⁽³⁾	£1.3 million
(v)	Other professional services ⁽³⁾	£1.3 million
(vi)	Other costs and expenses	£0.5 million

(1) *The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition proceeds to completion.*

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

(3) *In addition, IDS has agreed with its professional advisers that it may pay discretionary fees of up to £5.5 million collectively to its professional advisers.*

15. FINANCING OF THE ACQUISITION

Interim Facilities Agreement

The Cash Consideration payable to IDS Shareholders under the terms of the Acquisition will be financed by a combination of new equity from EP, as well as fully underwritten debt facilities to be provided under the Interim Facilities Agreement and arranged by BNP Paribas S.A., Citibank N.A. London Branch, Societe Generale, London Branch, UniCredit Bank GmbH and UniCredit Bank Czech Republic and Slovakia, a.s. In addition to the equity contribution, following completion of the Acquisition EP will provide an equity commitment letter to Bidco to ensure a minimum level of available liquidity at IDS during the six month period following completion of the Acquisition.

Under the terms of the Interim Facilities Agreement, the Interim Lenders agree to make available to Bidco: (a) an interim term loan facility in an aggregate amount equal to £1,100 million (equivalent) (“**Interim Facility A**”); (b) an interim bridge term loan facility in an aggregate amount equal to £750 million (equivalent) (“**Interim Bridge Facility 1**”); (c) an interim bridge term loan facility in an aggregate amount equal to £500 million (equivalent) (“**Interim Bridge Facility 2**”, together with Interim Facility A and Interim Bridge Facility 2, the “**Interim Term Facilities**” and each an “**Interim Term Facility**”); and (d) an interim multi-currency revolving facility in an aggregate amount equal to £500 million (the “**Interim Revolving Facility**” and together with the Interim Term Facilities, the “**Interim Facilities**” and each an “**Interim Facility**”).

Terms defined in, or incorporated by reference to, the Interim Facilities Agreement, have the same meaning in this section of paragraph 15 unless otherwise defined.

The proceeds of the interim loans drawn by Bidco under the Interim Facilities are to be applied, among other things, towards financing or refinancing part of the aggregate Cash Consideration payable by Bidco pursuant to the Offer.

The Interim Facilities are available to be drawn in the following currencies: (a) the Interim Term Facilities are originally committed in sterling with a certain proportion of commitments of each Interim Term Facility which can be redenominated in euros on the Redenomination Date; and (b) the Interim Revolving Facility is available to be utilised in sterling, euro, US dollars and such other currencies as may be agreed with the Interim Lenders under the Interim Revolving Facility.

The Interim Term Facilities are available to be drawn, subject to satisfaction of the conditions precedent set forth in the Interim Facilities Agreement, from the date of the Interim Facilities Agreement to: (a) (in respect of commitments under the Interim Facilities other than in respect of the Reserve Funding Amount (which shall be cancelled in inverse order to the order in which the

Interim Term Facilities must be drawn under the Interim Facilities Agreement) 11.59 p.m. on the last day of the Certain Funds Period; and (b) (in respect of the amounts not cancelled by operation of paragraph (a) above on such date) 11.59 p.m. on the Reserve Funding Amount Availability Period End Date.

The Interim Revolving Facility is available to be drawn, subject to satisfaction of the conditions precedent set forth in the Interim Facilities Agreement, from the date of the Interim Facilities Agreement to 11.59 p.m. on the earlier of: (a) the last day of the Interim Revolving Facility Availability Period; and (b) if the Interim Closing Date has not occurred on or prior to the last day of the Certain Funds Period, the last day of the Certain Funds Period.

The final maturity date of the Interim Facilities is the date which falls 90 days after: (a) (if the Acquisition is being effected by way of a Scheme) the Interim Closing Date; or (b) (if the Acquisition is being effected by way of an Offer) the last day of the Certain Funds Period (the “**Final Repayment Date**”) (by which date the Interim Facilities would need to be replaced and refinanced) provided that to the extent that there are undrawn commitments under the Interim Facilities after the effect of paragraph (a)(i) of clause 2.2 of the Interim Facilities Agreement, the Final Repayment Date shall be extended to the date that falls 90 days after the date on which no commitments under the Interim Term Facilities remain available to be drawn (whether by the operation of paragraph (a)(ii) of clause 2.2 of the Interim Facilities Agreement or otherwise) provided further that the Final Repayment Date shall never extend beyond the date falling 364 days after the Interim Closing Date. The Interim Term Facilities may also be voluntarily prepaid and/or cancelled at any time on five Business Days’ prior notice.

The Interim Facilities Agreement contains customary representations and warranties, affirmative and negative covenants (including covenants in respect of financial indebtedness, disposals, security, dividends, mergers and conduct of the takeover offer and/or scheme of arrangement), indemnities and events of default, each with appropriate carve-outs and materiality thresholds and applicable to Bidco and each other Obligor (as applicable).

The rate of interest payable on each loan drawn under the Interim Facilities is the aggregate of the applicable margin plus (a) (in the case of any Interim Term Rate Loan) the applicable Funding Cost or (b) (in the case of any Interim Compounded Rate Loan) the applicable Compounded Reference Rate for that day. The applicable margin in respect of (a) any Interim Loan under Interim Facility A which is: (i) GBP-denominated, 2.20% per annum and (ii) EUR-denominated, 2.00% per annum, (b) any Interim Loan under Interim Bridge Facility 1 which is: (i) GBP-denominated, 1.45% per annum and (ii) EUR-denominated, 1.25% per annum; (c) any Interim Loan under Interim Bridge Facility 2 which is: (i) GBP-denominated, 1.70% per annum and (ii) EUR-denominated, 1.50% per annum; and (d) any Interim Revolving Facility Loan which is: (i) GBP-denominated, 2.20% per annum and (ii) denominated in EUR, USD or any other currency agreed between the Interim Lenders under the Interim Revolving Facility (each acting reasonably) and Bidco, 2.00% per annum.

Certain fees (including commitment fees, ticking fees and underwriting fees) are also payable under the terms of the Interim Facilities Agreement and ancillary documentation.

As a condition precedent to the first drawdown of the Interim Facilities, the secured parties under the Interim Facilities Agreement receive the benefit of the following security: (a) an English law security assignment deed granting a security assignment of Bidco’s rights under the VESA SPA; and (b) an English law limited recourse share charge granting security over the VESA SPA Shares.

Under the Interim Facilities Agreement:

“**Certain Funds Period**” is defined as the period from (and including) the date of the Interim Facilities Agreement to (and including) 11.59 p.m. on the earliest to occur of:

- (a) if the Acquisition is intended to be completed pursuant to a Scheme, the date falling 20 Business Days after (and excluding) the date on which the Scheme lapses (including, subject to exhausting any rights of appeal, if a relevant court refuses to sanction the Scheme), terminates or is withdrawn in writing with the consent of the Panel, in each case, in accordance with its terms in the Announcement or Scheme Document (other than

- (i) where such lapse, termination or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Scheme to an Offer and (ii) it is otherwise to be followed within such 20 Business Days by an Announcement by Bidco to implement the Acquisition by a different offer or scheme (as applicable);
- (b) if the Acquisition is intended to be completed pursuant to an Offer, the date falling 20 Business Days after (and excluding) the date on which the Offer lapses, terminates or is withdrawn in writing with the consent of the Panel, in each case, in accordance with its terms in the Announcement or Offer Document (other than (i) where such lapse, termination or withdrawal is as a result of the exercise of Bidco's right to effect a switch from the Offer to a Scheme and (ii) it is otherwise to be followed within such 20 Business Days by an Announcement by Bidco to implement the Acquisition by a different offer or scheme (as applicable));
- (c) the date falling eight weeks after the date falling 15 months after the date of the Announcement (the "**Long Stop Date**"); or
- (d) 19 June 2024 (the "**Applicable Date**"), to the extent the first public Announcement has not been made on or prior to such date provided that the Applicable Date shall automatically be extended to 12 July 2024 to the extent that Bidco has not irrevocably terminated its negotiations with the Target and its intention to proceed with a transaction in respect of the Target on such date (and Bidco shall promptly notify the Interim Facility Agent to the extent that it has so terminated its negotiations and intentions),

or, in each case, such later time and date as agreed by the Arrangers (acting reasonably and in good faith) provided that:

- (i) a switch from a Scheme to an Offer or from an Offer to a Scheme (or, for the avoidance of doubt, any amendments to the terms or conditions of a Scheme or an Offer) shall not constitute a lapse, termination or withdrawal for the purposes of paragraphs (a) or (b) (as applicable) above provided that switch is completed within the time period contemplated by paragraph (a) or (b) (as applicable);
- (ii) if the Interim Closing Date has occurred, the Long Stop Date shall automatically be extended to the later of:
 - (A) (solely to the extent that the Acquisition is to be completed pursuant to an Offer and a settlement date under the Offer has occurred (or will occur with the proceeds to be drawn on the Interim Closing Date)), the date falling 120 days after (and excluding) the Interim Closing Date; and
 - (B) (in any event) if an initial drawdown has occurred under the Interim Facilities Agreement, the Long Stop Date shall automatically be extended to 11.59 p.m. on the Final Repayment Date, to the extent that the Final Repayment Date would otherwise fall after the Long Stop Date.

"Compounded Rate Currency" means sterling and any other currency in respect of which there are compounded rate terms for such currency.

"Interim Closing Date" is defined as the date on which first payment is made to the shareholders of the Target as required by the Offer or Scheme (as applicable) in accordance with the Takeover Code; **provided that** the Interim Closing Date shall, for the purposes of the Interim Facilities Agreement, be deemed not to have occurred unless first drawdown under the Interim Term Facilities under the Interim Facilities Agreement has occurred on or prior to such date.

"Interim Compounded Rate Loan" means in relation to a Compounded Rate Currency, any Interim Loan or, if applicable, unpaid sum which is denominated in that Compounded Rate Currency.

"Interim Facility Agent" means U.S. Bank Global Corporate Trust Limited, a private limited liability company incorporated under the laws of England and Wales, having its registered office at 125 Old Broad Street, Fifth Floor, London, EC2N 1AR, United Kingdom with company number 05521133.

“Interim Lender” means:

- (a) an Arranger; and
- (b) any other bank or financial institution, trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets or other person which has become a party to the Interim Facilities Agreement as an Interim Lender,

which, in each case, has not ceased to be an Interim Lender in accordance with the terms of the Interim Facilities Agreement.

“Interim Loan” means an Interim Term Loan or an Interim Revolving Facility Loan.

“Interim Revolving Facility Availability Period” is defined as the period from (and including) the date of the Interim Facilities Agreement to and including the last Business Day prior to the Final Repayment Date.

“Interim Revolving Facility Loan” means the principal amount of each borrowing under the Interim Revolving Facility or the principal amount outstanding of that borrowing at any time.

“Interim Term Loan” means an Interim Loan under an Interim Term Facility.

“Interim Term Rate Loan” means an Interim Loan, or, if applicable, unpaid sum which is not (or has not become, following a compounded rate supplement or benchmark rate change in relation thereto taking effect) an Interim Compounded Rate Loan.

“Redenominated Commitments” means the commitments specified as such in any drawdown request.

“Redenominated Utilisation” means any interim utilisation of Redenominated Commitments.

“Redenomination Date” means the date falling two Business Days prior to the drawdown date relating to any Redenominated Utilisation.

“Reserve Funding Amount” is defined as an aggregate principal amount of commitments under the Interim Facilities (other than commitments under the Interim Revolving Facility) not to exceed £330,000,000 provided that the Unconditional Date has occurred.

“Reserve Funding Amount Availability Period End Date” means:

- (a) to the extent that Bidco is entitled to exercise a squeeze-out, the date falling three months and 20 Business Days after (and excluding) the last day of the Certain Funds Period; and
- (b) otherwise, the date falling six months after (and excluding) the last day of the Certain Funds Period.

Cash Confirmation

J.P. Morgan, in its capacity as financial adviser to Bidco, is satisfied that sufficient cash resources are available to Bidco to satisfy in full the Cash Consideration payable to IDS Shareholders under the terms of the Acquisition.

Investment Grade Credit Rating

The financing of the Acquisition is structured so that the investment grade credit rating of IDS is expected to be maintained. Following completion of the Acquisition, IDS is expected to be considered a highly strategic subsidiary of EP by the relevant ratings agencies. It is EP’s intention to elevate IDS to a core subsidiary of EP, meaning that the rating of IDS would not be lower than the rating of EP, allowing IDS to benefit from being part of a group with an extensive portfolio of significant industrial assets with a long-term investment grade rating profile. EP takes a conservative approach to its capital structure and intends to continue operating EP on the basis that its current investment grade rating profile is maintained.

16. NO SIGNIFICANT CHANGE

The IDS Directors are not aware of any significant change in the financial or trading position of IDS since 31 March 2024, being the date to which the IDS Group's latest audited annual financial statements were prepared.

17. CONSENT

Each of BNP Paribas, Citi and J.P. Morgan (as financial advisers to Bidco) have given and not withdrawn their written consent to the issue of this document with the inclusion of their respective names and the references to them in the form and context in which they are included.

Each of Barclays, BofA Securities and Goldman Sachs (as financial advisers to IDS) have given and not withdrawn their written consent to the issue of this document with the inclusion herein of the references to their respective names and the advice it has given to IDS in the form and context in which they appear.

18. DOCUMENTS AVAILABLE ON WEBSITE

Copies of the following documents will be made available on IDS' website at www.internationaldistributionservices.com during the period from the date on which this document is published up to and including the Effective Date (or the date on which the Offer lapses or is withdrawn):

- (a) this document;
- (b) the Form of Acceptance and other documents in relation to the Offer sent to the IDS Shareholders, persons with information rights and other relevant persons;
- (c) any announcements issued by IDS in connection with the Offer;
- (d) the memorandum and articles of association of IDS;
- (e) the memorandum and articles of association of Bidco;
- (f) the financial information relating to EP and IDS referred to in Part 4 (*Information on EP, J&T and Bidco*) and Part 5 (*Information on the IDS Group*) (as relevant) of this document;
- (g) a full list of dealings by Bidco and persons acting in concert with Bidco in relevant IDS securities during the Bidco Disclosure Period, aggregated in paragraph 3 of Part A of Part 6 (*Additional Information*) of this document;
- (h) the letters of consent referred to in paragraph 17 of Part A of Part 6 (*Additional Information*) of this document;
- (i) the opinions of the employee representative and pension scheme trustee of the IDS Group;
- (j) the Interim Facilities Agreement;
- (k) the Confidentiality Agreement;
- (l) the Clean Team Agreement;
- (m) the Confidentiality and Joint Defence Agreement;
- (n) the Cooperation Agreement;
- (o) the VESA SPA;
- (p) the deed of amendment between Bidco and VESA amending and restating the VESA SPA to be entered into on or around the date of this document; and
- (q) the irrevocable undertakings referred to in paragraph 4 of Part A of Part 6 (*Additional Information*) of this document.

Except as otherwise expressly referred to in this document, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into or forms part of this document.

19. INFORMATION INCORPORATED BY REFERENCE

The following documents (or parts thereof, where specified) are incorporated by reference in, and form part of, this document:

Information incorporated by reference	Link	Page(s)
2022-2023 IDS Annual Report	https://www.internationaldistributionservices.com/en/investors/annual-reports/	142 to 242 (both inclusive)
2023-2024 IDS Annual Report	https://www.internationaldistributionservices.com/en/investors/annual-reports/	145 to 243 (both inclusive)
IDS 2024 Results	https://www.internationaldistributionservices.com/media/12274/ids-plc-fy-2023-24-results-24-5-24.pdf	In its entirety
Audited consolidated accounts of EPH for the financial year ended 31 December 2023	www.eholding.cz/en/results-centre	47-163 (both inclusive)
Audited consolidated accounts of EPH for the financial year ended 31 December 2022	www.eholding.cz/en/results-centre	66-225 (both inclusive)

A person who has received this document may request a copy of the documents incorporated by reference and referred to in the table above. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from the Receiving Agent at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom or on the Shareholder Helpline on +44 (0) 333 207 6505. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate. The Shareholder Helpline is open between 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). For deaf and speech impaired shareholders, calls can be made via Relay UK. Please see www.relayuk.bt.com for more information. Please note that Equiniti cannot provide any financial, legal or tax advice and that calls may be recorded and monitored for security and training purposes.

PART B

ADDITIONAL INFORMATION FOR OVERSEAS SHAREHOLDERS

1. GENERAL

- (a) This document and the accompanying Form of Acceptance have been prepared for the purposes of complying with English law, the applicable requirements of the Companies Act, the Takeover Code, the Panel, the FCA and the London Stock Exchange and applicable securities law 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 any other jurisdiction.
- (b) The release, publication or distribution of this document and any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. The availability of the Offer to IDS Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens and therefore persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Any failure to comply with such requirements 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 Offer disclaim any responsibility or liability for the violation of such restrictions by any person.
- (c) Unless otherwise determined by Bidco or required by the Takeover Code and permitted by applicable law and regulation, the Offer is not being, and will not be, made available, in whole or in part, directly or indirectly, in or into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer 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 Offer 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, without limitation, agents, 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 acceptance of the Offer. Unless otherwise permitted by applicable law and regulation, the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.
- (d) This document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.
- (e) The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA and the UK Listing Rules.
- (f) **Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Offer.**

2. NOTICE TO U.S. HOLDERS OF IDS SHARES

- (a) The Offer is being made for the securities of an English company that is listed on the London Stock Exchange by means of a contractual takeover offer under the Takeover Code and English law and is subject to disclosure requirements and practices that are different, in some cases materially, from the tender offer rules of the United States. The financial information included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.
- (b) For U.S. holders of IDS Shares, the receipt of cash pursuant to the terms of the Acquisition as consideration for the transfer of their IDS Shares, may be treated as a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. The receipt of the 2024 Final Dividend and the Special Dividend may also give rise to taxable income. Each holder of IDS Shares is urged to consult with its own legal, tax and financial advisers in connection with making a decision regarding this transaction and as to the U.S. federal, and applicable U.S. state, local, and foreign, tax consequences to it of the transaction contemplated hereby in light of such holders' specific circumstances.
- (c) For purposes of the U.S. Exchange Act, it is intended that the Offer be made pursuant to Section 14(e) and Regulation 14E under the U.S. Exchange Act and benefitting from exemptions available to "Tier I" cross-border tender offers. Accordingly, the Offer will be subject to disclosure and other procedural requirements under the applicable laws of the United Kingdom, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that may be materially different from those applicable under U.S. domestic tender offer procedures and law, and certain rules applicable to tender offers made into the United States, including rules promulgated under Section 14(d), Section 14(e)(1) and Section 14(e)(2) of the U.S. Exchange Act, do not apply.
- (d) Once the Offer is declared Unconditional, Bidco will acquire all IDS Shares that have by that time been validly tendered (or deemed to have been validly tendered) in acceptance of the Offer and will, in accordance with the Takeover Code, settle the relevant consideration for all such accepted IDS Shares (other than (A) in respect of the 2024 Final Dividend which, if approved by IDS Shareholders, is expected to be paid on 30 September 2024 to IDS Shareholders on the Register on 23 August 2024 and (B) in respect of participants in the IDS Share Plans, in respect of whom settlement will be effected through payroll or such other method as may be determined by IDS): (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes or is declared Unconditional, within 14 days of such date; or (ii) in the case of acceptances of the Offer received, valid and complete in all respects, after the date on which the Offer becomes or is declared Unconditional but while it remains open for acceptance, within 14 days of the date of such receipt, in each case, rather than the three trading days that U.S. investors may be accustomed to in U.S. domestic tender offers. Similarly, if the Offer is terminated or withdrawn, all document(s) of title will be returned to IDS Shareholders within 14 days of such termination or withdrawal. U.S. investors should closely read Part B of Part 6 (*Additional Information*) of this document for further details.
- (e) In accordance with normal UK practice and Rule 14e-5(b) under the U.S. Exchange Act, Bidco and its nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, IDS Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, BNP Paribas, Citigroup Global Markets Limited and J.P. Morgan will continue to act as exempt principal traders in IDS Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service of the FCA and will be available on the London Stock Exchange website: www.londonstockexchange.com.

- (f) This document does not constitute or form part of a public offer of securities in the United States or an offer to the public in the United States to acquire or exchange securities. Except pursuant to an applicable exemption, each of this document and the Form of Acceptance do not constitute or form part of an offer of any securities to, or for the account or benefit of, any U.S. Person.
- (g) Bidco is a private limited company incorporated under English law. The Bidco Directors are citizens of the Czech Republic and all such persons are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Bidco Directors or otherwise compel Bidco, IDS or their respective directors, officers and affiliates to subject themselves to the jurisdiction and judgment of a U.S. court. It may not be possible to sue Bidco or IDS, or any of their respective directors, officers or affiliates, in a non-U.S. court for violations of U.S. securities laws. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of the U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

PART C TAXATION

The following paragraphs provide summary information on taxation as a guide only and are not a substitute for professional tax advice. Any tax consequences of the Offer for an IDS Shareholder will depend on their particular circumstances. Any IDS Shareholders who are in any doubt about their tax position, or who are resident for tax purposes outside the UK, should contact an appropriate tax adviser.

1. UK TAXATION

The comments set out below summarise certain limited aspects of the UK taxation treatment of certain IDS Shareholders under the Offer and do not purport to be a complete analysis of all tax considerations relating to the Offer and in particular do not cover the 2024 Final Dividend or the Special Dividend. They are based on current UK legislation as applied in England and Wales and what is understood to be current HM Revenue and Customs (“HMRC”) practice (which may not be binding on HMRC), both of which are subject to change, possibly with retrospective effect. They are not, and should not be taken as being, advice.

The comments are intended as a general guide and do not deal with certain categories of IDS Shareholder such as: persons subject to special tax regimes (such as collective investment schemes and persons subject to UK tax on the remittance basis) or able to benefit from specific reliefs or exemptions (such as charities); brokers, dealers in securities, intermediaries, insurance companies, trustees of certain trusts; persons holding their IDS Shares as part of hedging or commercial transactions; persons who have or could be treated for tax purposes as having acquired their IDS Shares in connection with a trade, profession or vocation carried out in the UK (whether through a branch or agency or otherwise), who are connected with IDS or who have or could be treated for tax purposes as having acquired their IDS Shares by reason of employment or as holding their IDS Shares as carried interest. Nothing in these paragraphs should be taken as providing personal tax advice. In particular, the following paragraphs do not refer to UK inheritance tax.

References in this paragraph 1 to “**UK Holders**” are to IDS Shareholders who: (a) are resident for tax purposes in, and only in, the UK at all relevant times and, in the case of individuals, to whom “split year” treatment does not apply, and who are domiciled, or deemed domiciled, for tax purposes only in the UK; (b) hold their IDS Shares as an investment (other than under a self-invested personal pension plan or individual savings account); and (c) are the absolute beneficial owners of their IDS Shares.

1.1 UK tax on chargeable gains

The transfer of IDS Shares to Bidco in exchange for Cash Consideration under the Offer should be treated as a disposal of a UK Holder’s IDS Shares for the purposes of UK taxation of chargeable gains. Depending on a UK Holder’s specific circumstances (including the UK Holder’s base cost and the availability of any exemptions, reliefs and/or allowable losses), the disposal of the UK Holder’s IDS Shares may give rise to a liability to UK taxation on chargeable gains or an allowable capital loss.

- (a) Subject to any available exemption, relief or allowance, chargeable gains made by a UK Holder who is an individual will generally be charged to capital gains tax at a rate of either 10% or 20%, depending on the total amount of the individual’s taxable income and chargeable gains for the tax year. The chargeable gains annual exempt amount (which is £3,000 for the tax year running from 6 April 2024 to 5 April 2025) may be available to any individual UK Holder to offset any chargeable gain (to the extent it is not otherwise utilised).
- (b) Subject to any available exemption, relief or allowance, chargeable gains of a UK Holder within the charge to UK corporation tax will be charged to corporation tax on chargeable gains at the applicable corporation tax rate. In respect of the financial year running from 1 April 2024 to 31 March 2025: (i) for companies whose profits are under £50,000, the applicable rate is the small profits rate of 19%; (ii) for companies whose profits are in excess of £250,000, the applicable rate is the main

rate of 25%; and (iii) for companies whose profits fall between £50,000 and £250,000, they can claim marginal relief which gives them an effective rate between 19% and 25%. For a UK Holder within the charge to UK corporation tax who acquired their IDS Shares before 31 December 2017, an indexation allowance may be available to reduce the amount of the chargeable gain realised (but not to create or increase any allowable loss) on a disposal of those IDS Shares.

1.2 UK stamp duty and stamp duty reserve tax (“SDRT”)

No UK stamp duty or SDRT should be payable by any IDS Shareholder on the transfer of their IDS Shares to Bidco.

PART 7 PROFIT FORECASTS

PART A ROYAL MAIL PROFIT FORECAST

On 18 May 2023, IDS released its unaudited preliminary results for the 52-week period ended 26 March 2023, which included the following statement:

“Royal Mail: Targeting to restore profitability in Royal Mail over the two remaining years of the recommended pay deal, with a return to adjusted operating profit (before voluntary redundancy costs) in 2024-25.”

This statement, which relates to Royal Mail, constitutes a profit forecast (the “**Royal Mail Profit Forecast**”) for the purpose of Rule 28 of the Takeover Code. The Royal Mail Profit Forecast was repeated in IDS’ unaudited results for the half year ended 24 September 2023 released on 16 November 2023, as follows:

“On a 2-year outlook, we are still targeting Royal Mail to return to adjusted operating profit (excluding voluntary redundancy costs) in FY 2024-25, although the current weaker macroeconomic conditions represent a significant headwind.”

Please also see IDS’ current trading and prospects set out in paragraph 5 of Part 2 (*Letter from the Chair of International Distribution Services plc*) of this document.

The Royal Mail Profit Forecast was first made before EP made an approach with regard to a possible offer for IDS and, accordingly, the requirements of Rule 28.1(c) of the Takeover Code apply to the Royal Mail Profit Forecast.

The IDS Directors confirm that the Royal Mail Profit Forecast continues to be valid as at the date of this document.

Set out below is the basis of preparation of the Royal Mail Profit Forecast and the assumptions on which it is based.

Basis of preparation

The Royal Mail Profit Forecast has been prepared on a basis consistent with IDS’ accounting policies which are consistent with those applied in the preparation of IDS’ results for the Financial Year ended 31 March 2024.

The Royal Mail Profit Forecast has been prepared on the basis referred to above and subject to the principal assumptions set out below. The Royal Mail Profit Forecast is inherently uncertain and there can be no guarantee that any of the factors referred to under ‘Assumptions’ below will not occur and/or, if they do, their effect on IDS’ and/or Royal Mail’s results of operations, financial condition or financial performance, may be material. The Royal Mail Profit Forecast should therefore be read in this context and construed accordingly.

Assumptions

The Royal Mail Profit Forecast is based on the assumptions listed below:

1.1 Factors outside the influence or control of the IDS Directors:

- (a) there being no changes to existing prevailing macroeconomic, regulatory or political conditions in the markets and regions in which Royal Mail operates that would materially affect the business, including there being no changes due to any impact of the ongoing Ukraine-Russian and Israel-Palestine crises;
- (b) the inflation, interest, foreign exchange and tax rates in the markets and regions in which Royal Mail operates remaining materially unchanged from the prevailing rates;

- (c) there being no material adverse events that would have a significant impact on Royal Mail's financial performance, including litigation, change in political regime, climate change or adverse weather events;
- (d) there being no industrial action involving Royal Mail;
- (e) there being no reform of the Universal Service Obligation of Royal Mail;
- (f) there being no material changes in market conditions over the forecast period to 30 March 2025;
- (g) there being no business disruptions that materially affect Royal Mail or its key customers or any major breach of information security or data protection regulation as a result of a cyberattack and/or technological issues;
- (h) there being no material impact on stakeholder relationships on account of any offer for IDS;
- (i) there being no material adverse outcome from any ongoing or future disputes with any customer, competitor, regulator or tax authority;
- (j) there being no material adverse impact on the health, safety and wellbeing of Royal Mail's employees, no material change in employee attrition rates and no material change in Royal Mail's labour costs, including medical and pension and other post-retirement benefits driven by external parties or regulations; and
- (k) there being no material changes in legislation, taxation, regulatory requirements, applicable standards or the position of any regulatory bodies impacting on Royal Mail's operations or on the accounting policies of IDS.

1.2 Factors within the influence or control of the IDS Directors:

- (a) there being no further material change to the present management of IDS;
- (b) there being no material adverse change in IDS' ability to maintain customer and partner relationships and to meet customer needs and expectations;
- (c) all long-term customers being retained and continuing to generate revenues in line with their historical trends and past behaviours and there being no loss of customer contracts or volumes of activity unless a contract is due to terminate in the period to 30 March 2025;
- (d) there being no material corporate acquisitions or disposals, developments, partnership or joint venture agreements being entered into by Royal Mail, prior to 30 March 2025 (for the avoidance of doubt, other than any offer for IDS);
- (e) there being no material strategic investments over and above those currently planned;
- (f) there being no material changes in the dividend or capital policies of IDS;
- (g) IDS' accounting policies being consistently applied over the forecast period;
- (h) there being no material change in the operational strategy of IDS and/or Royal Mail; and
- (i) there being no inability to secure ongoing access to finance and/or to manage working capital and cash to support the ongoing running of, and investment in Royal Mail.

Statement of the IDS Directors for the purposes of Rule 28.1(c)(i)

The IDS Directors have considered the Royal Mail Profit Forecast and confirm that it remains valid as at the date of this document, has been properly compiled on the basis of the assumptions set out above and the basis of accounting used is consistent with IDS' accounting policies.

PART B

GLS PROFIT FORECAST

On 18 May 2023, IDS released its unaudited preliminary results for the 52-week period ended 26 March 2023, which included the following statement:

"In the medium term, GLS is targeting €500 million operating profit in 2026-27."

This statement, which relates to GLS, constitutes a profit forecast (the "**GLS Profit Forecast**") for the purpose of Rule 28 of the Takeover Code. The GLS Profit Forecast was first made before EP made an approach with regard to a possible offer for IDS and, accordingly, the requirements of Rule 28.1(c) of the Takeover Code apply to the GLS Profit Forecast.

Macroeconomic factors have negatively impacted the performance of GLS, as reported in IDS' preliminary results for the Financial Year ended 31 March 2024. These factors have affected many comparable logistics companies over the same period.

Statement of the IDS Directors for the purposes of Rule 28.1(c)(ii)

The IDS Directors accordingly consider that, for the purposes of Rule 28.1(c)(ii) of the Takeover Code, the GLS Profit Forecast is no longer valid as at the date of publication of this document.

PART 8

DEFINITIONS

The following definitions apply throughout this document (other than in those parts of this document containing separate definitions) unless the context otherwise requires.

“2002 Law”	the Insurance Business (Bailiwick of Guernsey) Law, 2002;
“2022-2023 IDS Annual Report”	the annual report and audited accounts of the IDS Group for the year ended 26 March 2023;
“2023-2024 IDS Annual Report”	the annual report and audited accounts of the IDS Group for the Financial Year ended 31 March 2024;
“Acceleration Statement”	a statement in which Bidco, in accordance with Rule 31.5 of the Takeover Code and subject to the terms of the Cooperation Agreement, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived;
“Acceptance Condition”	has the meaning given to it in paragraph 1 of Part A of Part 3 (<i>Conditions to and further terms of the Acquisition</i>);
“Acquisition”	the proposed acquisition by Bidco of the entire issued, and to be issued, share capital of IDS not already owned or controlled by VESA by means of the Offer, or should Bidco so elect with the consent of the Panel and the consent of IDS in accordance with the terms of the Cooperation Agreement, by means of a Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
“Alternative Investment Market”	the London Stock Exchange’s alternative investment market for listed securities;
“Announcement”	the announcement made under Rule 2.7 of the Takeover Code on 29 May 2024 regarding the Acquisition;
“Arrangers”	BNP Paribas S.A., Citibank, N.A. London Branch, Societe Generale, London Branch, UniCredit Bank GmbH and UniCredit Bank Czech Republic and Slovakia, a.s.;
“associated undertaking”	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations;
“Authorisations”	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party;
“Barclays”	Barclays Bank PLC, acting through its Investment Bank;
“Bidco”	EP UK Bidco Limited;
“Bidco Board” or “Bidco Directors”	the directors of Bidco;
“Bidco Group”	Bidco and its subsidiary undertakings and, where the context permits, each of them;
“BofA Securities”	Merrill Lynch International;

“Business Day”	a day, not being a public holiday in the UK, a Saturday or Sunday, on which clearing banks in London are open for normal business;
“Cash Consideration”	the cash consideration of 360 pence per IDS Share payable to IDS Shareholders by Bidco under the Acquisition in respect of each IDS Share, as may be adjusted in accordance with the terms of the Acquisition as set out in this document;
“certificated” or “in certificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
“Clean Team Agreement”	the clean team agreement dated 18 May 2024 between EP and IDS;
“Closing Price”	the closing middle market quotations of a share derived from Bloomberg;
“CMA”	the Competition and Markets Authority;
“CMA Unite”	the Communication Managers Association, as part of the Service Industries sector of Unite the Union;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Condition”	each of the conditions of the Acquisition, as set out in Part 3 (<i>Conditions to and further terms of the Acquisition</i>) of this document and “Condition” shall be construed accordingly;
“Confidentiality Agreement”	the confidentiality agreement dated 15 May 2024 between EP and IDS;
“Confidentiality and Joint Defence Agreement”	the confidentiality and joint defence agreement dated 18 May 2024 between EP and IDS;
“Cooperation Agreement”	the cooperation agreement dated 29 May 2024 between Bidco and IDS;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	if the Acquisition is to be implemented by means of a Scheme, the meeting of IDS Shareholders (or the relevant classes thereof) to be convened at the direction of the Court pursuant to Part 26 of the Companies Act at which a resolution will be proposed to approve the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof;
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in the CREST Manual);
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time;
“CWU”	the Communication Workers Union;
“Day 39”	4 August 2024 or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Takeover Code;

“Day 46”	11 August 2024 or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Takeover Code;
“Day 60”	25 August 2024 or such other date as may otherwise be set as being such day of the timetable of the Offer in accordance with the Takeover Code;
“Dealing Disclosure”	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code;
“Disclosed”	the information disclosed by or on behalf of IDS: (i) in the 2022-2023 IDS Annual Report; (ii) in the Announcement; (iii) in any other announcement to a Regulatory Information Service prior to the publication of the Announcement; and (iv) fairly, in writing (including via the virtual data room operated by or on behalf of IDS in respect of the Acquisition) or orally in meetings and calls by IDS management prior to the date of the Announcement to Bidco or Bidco’s advisers (in their capacity as such);
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA;
“Effective Date”	the date on which the Offer becomes Unconditional;
“Electronic Acceptance”	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document;
“Enterprise Act”	the Enterprise Act 2002;
“EP”	EP Corporate Group, a.s.;
“EP Responsible Person”	the person whose name is set out in paragraph 2(a) of Part A of Part 6 (<i>Additional Information</i>);
“Equiniti Financial Services Limited”	Equiniti Financial Services Limited, a private company registered in England and Wales with registered number 06208699 whose registered office is Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, being the entity authorised and regulated by the FCA that provides and manages the Nominee Share Service;
“ESA instruction”	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST Manual);
“Euroclear”	Euroclear UK & International Limited;
“European Union”	the economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs known as the European Union;
“Excluded Shares”	any IDS Shares beneficially owned or controlled by VESA immediately prior to completion of the Acquisition;
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority or its successor from time to time;
“FCA Handbook”	the FCA’s Handbook of rules and guidance as amended from time to time;

“Financial Year ended 31 March 2024”	the 53-week financial period ended on 31 March 2024, in respect of IDS;
“Form of Acceptance”	the form of acceptance and authority relating to the Offer for use by IDS Shareholders who hold IDS Shares in certificated form;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“General Meeting”	if the Acquisition is to be implemented by means of a Scheme, the general meeting of IDS Shareholders to be convened to consider and if thought fit pass, <i>inter alia</i> , the Resolutions (with or without amendment) in relation to the Scheme including any adjournments, postponement or reconvening thereof;
“GFSC”	the Guernsey Financial Services Commission, established by the Financial Services Commission (Bailiwick of Guernsey) Law, 1987;
“GLS”	General Logistics Systems B.V.;
“GLS Group”	GLS and its subsidiary undertakings and where the context permits, each of them;
“GLS Profit Forecast”	has the meaning given to it in Part B of Part 7 (<i>Profit Forecasts</i>) of this document;
“Goldman Sachs”	Goldman Sachs International;
“holder”	a registered holder, including any person entitled by transmission;
“IDS”	International Distribution Services plc;
“IDS Board” or “IDS Directors”	the directors of IDS;
“IDS Directors’ Remuneration Policy”	the IDS directors’ remuneration policy approved by IDS Shareholders from time to time;
“IDS Group”	IDS and its subsidiary undertakings and where the context permits, each of them;
“IDS Remuneration Committee”	the remuneration committee of the board of directors of IDS;
“IDS Share Plans”	the IDS Long Term Incentive Plan, the GLS Long Term Incentive Plan 2014 and the IDS Deferred Share Bonus Plan, in each case as amended from time to time;
“IDS Shareholders”	the holders of IDS Shares;
“IDS Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 1p each in the capital of IDS and any further shares which are unconditionally allotted or issued before the Offer closes (or before such earlier date as Bidco, subject to the Takeover Code, may determine, not being earlier than the Unconditional Date) but excluding any such shares held or which becomes held in treasury;
“IDS SIP”	the Royal Mail Share Incentive Plan;
“IDS SIP Participants”	participants holding IDS Shares within the IDS SIP at the time of accepting the Offer, who are not resident in a Restricted Jurisdiction;

“Interim Facilities Agreement”	the interim facilities agreement originally dated 29 May 2024 between, among others, Bidco, the Arrangers and the Interim Facility Agent (as amended, restated, supplemented, modified and/or replaced from time to time);
“ISIN”	International Securities Identification Number;
“J&T”	J&T Capital Partners, a.s.;
“J&T Responsible Persons”	those persons whose names are set out in paragraph 2(b) of Part A of Part 6 (<i>Additional Information</i>);
“Latest Practicable Date”	21 June 2024 (being the latest practicable date prior to the publication of this document);
“London Stock Exchange”	the London Stock Exchange Group plc or its successor;
“Long Stop Date”	29 August 2025, or such later date as may be agreed between Bidco and IDS and, if required, the Panel may allow;
“Main Market”	the London Stock Exchange’s main market for listed securities;
“Market Abuse Regulation”	Regulation (EU) 596/2014, 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;
“Meetings”	if the Acquisition is to be implemented by means of a Scheme, the Court Meeting and the General Meeting;
“Nominee”	Equiniti Financial Services Limited, being the entity authorised and regulated by the FCA that provides and manages the Nominee Share Service;
“Nominee Share Service”	the Nominee Share Service operated by Equiniti Financial Services Limited on behalf of IDS to hold IDS Shares in CREST on behalf of retail IDS Shareholders;
“Ofcom”	the Office of Communications of the United Kingdom;
“Offer”	the offer made by Bidco to acquire the entire issued, and to be issued, share capital of IDS, other than the IDS Shares owned or controlled by VESA, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
“Offer Period”	the offer period (as defined in the Takeover Code) relating to IDS which commenced on 17 April 2024 until the time and date of an announcement that the Offer has either: (i) lapsed in accordance with its terms or been withdrawn or (ii) become Unconditional;
“Official List”	the Official List of the FCA;
“Opening Position Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition;
“Overseas Shareholders”	holders of IDS Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
“Panel”	the UK Panel on Takeovers and Mergers;
“Phase 2 CMA Reference”	a reference of the Acquisition under section 33 of the Enterprise Act to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;

“PRA”	Prudential Regulation Authority or its successor from time to time;
“Previous Acceptor”	has the meaning given to it in paragraph 4(a) of Part C of Part 3 (<i>Conditions to and further terms of the Acquisition</i>) of this document;
“Qualifying Participants”	qualifying participants holding IDS Shares via the Nominee Share Service at the time of accepting the Offer, who are not resident in a Restricted Jurisdiction;
“Receiving Agent” or “Equiniti” or “Registrar”	Equiniti Limited;
“Register”	the register of members of IDS kept and maintained on behalf of IDS by the Registrar;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulations”	the Uncertificated Securities Regulations 2001;
“Regulatory Information Service”	a regulatory information service as defined in the FCA Handbook;
“Relevant Authority”	means any central bank, ministry, governmental, quasi-governmental, national, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment or foreign subsidies review body), national, state, municipal or local government (including any subdivision, minister, court, tribunal, administrative agency or commission or other authority thereof);
“relevant securities”	“relevant securities” as defined in the Takeover Code;
“Resolutions”	if the Acquisition is to be implemented by means of a Scheme, the resolution(s) to be proposed at the General Meeting necessary to implement the Scheme, including, amongst other things, a special resolution proposed in connection with, <i>inter alia</i> , implementation of the Scheme and certain amendments to be made to the articles of association of IDS;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to IDS Shareholders in that jurisdiction;
“Royal Mail”	Royal Mail Group Limited;
“Royal Mail Group”	Royal Mail and its subsidiary undertakings and where the context permits, each of them;
“Royal Mail Profit Forecast”	has the meaning given to it in Part A of Part 7 (<i>Profit Forecasts</i>) of this document;
“Sanction Hearing”	if the Acquisition is to be implemented by means of a Scheme, the Court hearing to sanction the Scheme;
“Scheme” or “Scheme of Arrangement”	subject to the consent of the Panel and the consent of IDS in accordance with the terms of the Cooperation Agreement, should the Acquisition be implemented by means of a scheme of arrangement under Part 26 of the Companies Act between IDS and the holders of the IDS Shares (other than the Excluded

	Shares) to which the Scheme applies, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by IDS and Bidco;
“Scheme Court Order”	should the Acquisition be implemented by means of a Scheme, the order of the Court sanctioning the Scheme;
“Shareholder Helpline”	the shareholder telephone helpline operated by Equiniti on +44 (0) 333 207 6505;
“SIP Shareholder Helpline”	the shareholder telephone helpline operated by Equiniti for IDS SIP Participants on +44 (0) 330 123 0058;
“SIP Trustee”	Equiniti Share Plan Trustees Limited, acting as trustee of the IDS SIP trust;
“subsidiary”, “subsidiary undertaking” and “undertaking”	shall be construed in accordance with the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers issued by the Panel on Takeovers and Mergers, as amended from time to time;
“TFE instruction”	Transfer from Escrow (as defined in the CREST Manual);
“TTE instruction”	Transfer to Escrow (as defined in the CREST Manual);
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland;
“UK Listing Rules”	the rules and regulations made by the FCA under the Financial Services and Markets Act 2000 and contained in the publication of the name “Listing Rules”;
“uncertificated” or in “uncertificated form”	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST;
“Unconditional”	in the context of the Acquisition, the Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code, or, if the Acquisition is implemented by means of a Scheme, such Scheme having become effective pursuant to its terms;
“Unconditional Date”	Day 60 or such earlier date as may be specified by Bidco in any Acceleration Statement unless, where permitted, it has set aside that statement;
“U.S.” or “United States”	United States of America;
“U.S. Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“USO”	Universal Service Obligation, as described in the Postal Services Act 2011;
“U.S. Person”	any person with a registered address in, who is resident or located in, or who is organised under the laws of, the U.S.;
“VESA”	VESA Equity Investment S.à r.l.;
“VESA SPA”	the share purchase agreement entered into between Bidco and VESA on 29 May 2024, as amended by the terms of the deed of amendment between Bidco and VESA entered into on or around the date of this document;

“Wider Bidco Group”	Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 30% of the voting or equity capital or the equivalent; and
“Wider IDS Group”	IDS and associated undertakings and any other body corporate, partnership, joint venture or person in which IDS and such undertakings (aggregating their interests) have an interest of more than 30% of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the IDS Group).

In this document, the following terms have the meaning given to them in the Takeover Code: **“acting in concert”**, **“connected adviser”**, **“dealing”** (and **“dealt”** shall be construed accordingly), **“derivative”**, **“exempt fund manager”**, **“exempt principal trader”**, **“interests in securities”** (and reference to a person having an interest in securities shall be construed accordingly).

Unless otherwise indicated, all references in this document to **“sterling”**, **“pounds sterling”**, **“£”**, **“pence”**, **“penny”** or **“p”** are to the lawful currency of the United Kingdom.

Words importing the singular shall include the plural and vice versa. Words importing the masculine gender shall include the feminine or neutral gender and vice versa.

The terms **“parent undertaking”**, **“subsidiary undertaking”** and **“associated undertaking”** shall have the same meanings as defined in section 1162 of the Companies Act and references to **“parent”** and **“subsidiary”** shall be interpreted accordingly.

All references to an **“adjournment”** of a meeting or to a meeting being **“adjourned”** shall be deemed to include a postponement of that meeting or that meeting being postponed.

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

A reference to **“includes”** shall mean **“includes without limitation”**, and references to **“including”** and any other similar term shall be construed accordingly.

All the times referred to in this document are London (UK) times unless otherwise stated.

PART 9
OPINIONS OF IDS' EMPLOYEE REPRESENTATIVE AND PENSION
SCHEME TRUSTEE

As required under Rule 2.11(d) of the Takeover Code, IDS has informed its employee representatives and the trustee of its pension scheme of their right under Rule 25.9 to have a separate opinion on the effects of the offer on employment or the pension scheme, as applicable, appended to this document and that IDS would be responsible for the costs reasonably incurred by the employee representatives in obtaining advice for the verification of the information contained in their opinion.

IDS has received opinions from the CMA Unite and Royal Mail Pensions Trustees Limited, the trustee of the RMPP, in good time before the publication of this document. Their opinions are appended to this document on the following pages.

If IDS receives any such opinion following the publication of this document, IDS will publish it on its website and make an announcement in accordance with Rule 25.9(b) of the Takeover Code.

OPINION OF UNITE THE UNION (CMA)

Unite the Union (CMA) has prepared the following submission by way of a response in relation to the takeover of IDS by EP Group (Bidco). The union has seen the Rule 2.7 announcement which includes important and legally binding commitments for the benefit of Unite/CMA, and our members employed by IDS. The commitments concern continuance of trade union recognition and protection for CMA members by reference to terms and conditions of employment, including maintenance of employee benefits. Bidco has also stated its intention not to reduce overall employee numbers across the organisation beyond IDS' existing plans. The fact of these promises being made is of the highest importance for CMA and our members and as set out below, there are additional matters to be considered.

While the union has previously supported a motion calling for the renationalisation of Royal Mail, it acknowledges that this may not be a priority for any incoming government facing the financial pressures arising after the past 14 years. The union has stated that the ownership of IDS (Royal Mail) is secondary to our members' rights at work and their terms and conditions. CMA recently had a very constructive meeting with EP Group (Bidco) and discussed our key concerns arising from the review of the Rule 2.7 announcement. CMA and Bidco talked about the Bidco vision to become one of the largest logistics companies in Europe.

EP Group (Bidco) has offered to engage in a process which will involve company lawyers and those advising Unite, working to address concerns raised by the union. This will be an important process which is welcomed by CMA.

CMA has also stipulated that our support is contingent upon the independent chairs of our pension trustees not adopting a negative position as regards future pension rights.

CMA believes that EP Group (Bidco) has the resources and vision to help grow this great company. At face value, EP Group (Bidco) appears to be a long-term investor, with practical insight into the future direction of the logistics sector.

There are certain matters about which CMA has concern and which will hopefully be addressed through further dialogue between the parties. These are as follows:-

- (i) For EP Group (Bidco) to agree to adhere to the existing Transformation Agreement.
- (ii) Certain commitments from the Rule 2.7 announcement engage time periods which may be adhered to by the new owners. CMA seeks reassurance that before any time period expires or a change is proposed, that there will be dialogue between the company and CMA as a recognised trade union. CMA commits to constructive dialogue, expecting that any change will only be proposed after a reasonable period of consultation, conducted with a view to reaching agreement.
- (iii) For agreement to be confirmed that the CMA existing arrangements for trade union facilities and release to be continued.
- (iv) CMA expects that this should be the start of a period of stability and certainty for our members, and this should be reflected in the ongoing employment of CMA members. Should the need for redundancies ever arise, this will, as above, be associated with meaningful consultation. CMA would like agreement to confirm that any outcome for our members will be no less favourable than the treatment afforded to any other recognised union or recognised work group within the business.

As indicated above, there is an expectation that there will be further exchanges between CMA and EP Group (Bidco), and it may be necessary for the union to make further submissions when such exchanges have been completed. Subject to this, the union is able to confirm a submission in relation to the proposal. Given the current financial position of IDS (Royal Mail) and EP Group (Bidco)'s unique position to invest for growth in the logistics sector, we support their bid for the shares in IDS, provided that our concerns are addressed satisfactorily.

OPINION OF ROYAL MAIL PENSIONS TRUSTEES LIMITED, TRUSTEE OF THE RMPP

For the avoidance of doubt, this opinion relates to the effects on the Royal Mail Pension Plan (the “**RMPP**” or the “**Plan**”) of the recommended cash offer for International Distribution Services plc (“**IDS**” or the “**Group**”) by EP UK Bidco Limited (“**Bidco**”), a newly formed company owned indirectly by EP Corporate Group a.s. (“**EP Group**”) and J&T Capital Partners a.s. announced on 29 May 2024 the (“**Offer**”). In issuing this statement, neither Royal Mail Pension Trustees Limited, being the trustee of the RMPP (the “**Trustee**”) nor its advisers intend to provide any financial, legal, tax, investment, or any other advice. Any acceptance of the Offer should be based on an assessment of the Offer as a whole. You should undertake your own analysis of the Offer and seek independent advice as appropriate.

The Trustee’s principal duty is to perform the purpose of the trust. This means protecting members’ interests while working with the sponsoring employer to ensure that RMPP members receive their promised retirement benefits in full.

With some 120,000 members spread across the UK and c.£9bn of assets as at 31 March 2024, the RMPP is a key stakeholder in Royal Mail Group Limited (“**RMG**”), the main UK operating subsidiary of IDS and the sponsoring employer of the Plan. The RMPP is currently in a healthy funding position with a surplus of c.£1bn as at 31 March 2024 as measured on a statutory funding basis. The RMPP rules do not provide for any surplus to be distributed outside of the Plan prior to wind up or the transfer of the Plan’s liabilities to an insurer (“**buy out**”). Any such surplus is currently, therefore, only expected to be crystallised in the event of a wind-up following buy out of the Plan. As such, whilst the RMPP does not currently expect to require any deficit contributions, it will remain reliant on sponsoring employer support (both funding and operational) for the foreseeable future.

The Trustee has engaged with IDS and EP since 17 April 2024, when the possible offer for IDS was first announced, and has held two meetings with Bidco’s representatives in order to discuss and understand the potential implications of the Offer for the RMPP, including Bidco’s plans for IDS, RMG and the RMPP.

These discussions remain ongoing and the Trustee continues to seek, amongst other assurances, a legally binding commitment in relation to the governance structure of the Plan to give the Trustee, and members, confidence that the necessary stability, expertise and independence remains in place for the Plan.

The Trustee is also engaging with the Pensions Regulator and the Department for Business and Trade on its ongoing discussions with Bidco.

The Trustee thanks Bidco for its engagement to date and believes that satisfactory agreement, including in relation to long term governance arrangements, can be agreed within the offer period.

Note: unless otherwise defined in this statement, capitalised terms in this statement have the same meaning as defined in Bidco’s announcement of its recommended cash offer on 29 May 2024.

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