

THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This document contains a proposal which, if implemented, will result in the cancellation of the listing of Stagecoach Shares on the Official List and of trading of Stagecoach Shares on the London Stock Exchange. If you are in any doubt about the Offer or the action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial advisers authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all your Stagecoach Shares, please send this document but not the personalised Form of Acceptance (for certificated shareholders only) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. However, these documents should not be forwarded, distributed or transmitted in, into or from any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred only part of your holding of Stagecoach Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and/or the accompanying documents (in whole or in part) in jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Offer is not being made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any such jurisdiction.

RECOMMENDED ALL CASH OFFER

by

INFRAMOBILITY UK BIDCO LIMITED

(a newly incorporated company that is indirectly wholly owned by
Pan-European Infrastructure III, SCSp)

for

STAGECOACH GROUP PLC

This document should be read as a whole and in conjunction with the Form of Acceptance (if you hold Stagecoach Shares in certificated form).

The procedure for acceptance of the Offer is set out in paragraph 15 of the letter from PEIF III Bidco in Part II of this document and, in respect of certificated Stagecoach Shares, in the Form of Acceptance. To accept the Offer in respect of certificated Stagecoach Shares, you must complete and return the Form of Acceptance, together with your share certificate(s) and/or other document(s) of title, as soon as possible and, in any event, so as to be received by Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by no later than 1.00 p.m. (London time) on the Unconditional Date. Acceptances in respect of uncertificated Stagecoach Shares should be made electronically through CREST so that the TTE instruction settles no later than 1.00 p.m. (London time) on the Unconditional Date. 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.

Morgan Stanley, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively to PEIF III Bidco and PEIF III and for no one else and will not be responsible to anyone other than PEIF III Bidco and PEIF III for providing the protections afforded to its clients or for giving advice in relation to the matters referred to herein. Neither Morgan Stanley, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Morgan Stanley in connection with the Offer, any statement contained herein or otherwise.

Deutsche Bank AG is a joint stock corporation incorporated with limited liability in the Federal Republic of Germany, with its head office in Frankfurt am Main where it is registered in the Commercial Register of the District Court under number HRB 30 000. Deutsche Bank AG is authorised under German banking law. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005) with its registered address and principal place of business at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG is authorised and regulated by the European Central Bank and the German Federal Financial Supervisory Authority (BaFin). With respect to activities undertaken in the UK, Deutsche Bank AG is authorised by the PRA with deemed variation of permission. It is subject to regulation by the FCA and limited regulation by the PRA. Details about the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website. Deutsche Bank AG, London Branch ("**Deutsche Bank**") is acting exclusively as financial adviser to Stagecoach and no one else in connection with the Offer and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of Deutsche Bank or for giving advice in connection with the Offer or any matter referred to herein. Neither Deutsche Bank, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Deutsche Bank in connection with the Offer, any statement contained herein or otherwise.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom and is a wholly owned subsidiary of Royal Bank of Canada, is acting for Stagecoach and no one else in connection with the Offer and will not be responsible to anyone other than Stagecoach for providing the protections afforded to clients of RBC, or for giving advice in connection with the Offer or any matter referred to herein. Neither RBC nor its parent nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of RBC in connection with the Offer or any matter referred to herein.

IMPORTANT NOTICES

Overseas jurisdictions

The availability of the Offer to Stagecoach Shareholders who are not resident in and citizens of the United Kingdom or the United States may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom or the United States should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States should inform themselves about, and observe any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This document has been prepared for the purpose of complying with English and Scots law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by PEIF III Bidco or required by the Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction and no person may accept the Offer by any use, means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission 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.

Accordingly, copies of this document and any other documentation relating to the Offer will not be, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction.

The Offer will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the FCA.

Notice to US holders of Stagecoach Shares

The Offer is being made for the securities of a UK company and is subject to UK disclosure requirements, which are different from those 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 may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The Offer will be made in the United States pursuant to the applicable US tender offer rules and otherwise in accordance with the requirements of the Code. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under US domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a US holder of Stagecoach Shares will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Stagecoach Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for US holders of Stagecoach Shares to enforce their rights and any claim arising out of the US federal securities laws, since PEIF III Bidco and Stagecoach are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Stagecoach Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, PEIF III Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or

arrangements to purchase, Stagecoach Shares outside the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance. 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 UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at www.londonstockexchange.com.

In accordance with the Code, normal UK market practice and Rule 14e-5(b) of the US Exchange Act, Morgan Stanley & Co. International plc will continue to act as an exempt principal trader in Stagecoach Shares on the London Stock Exchange. Those purchases and activities by an exempt principal trader which are required to be made public in the United Kingdom pursuant to the 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.

Forward-looking statements:

This document (including information incorporated by reference in the document), oral statements made regarding the Offer and other information published by PEIF III Bidco and Stagecoach contain statements which are, or may be deemed to be, “forward-looking statements” with respect to the financial condition, results of operations and business of Stagecoach and certain plans and objectives of PEIF III Bidco. 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 PEIF III Bidco and Stagecoach 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. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, “is subject to”, “budget”, “scheduled”, “forecast”, “intend”, or other words of similar meaning. These statements are based on assumptions and assessments made by PEIF III Bidco and/or DWS Infrastructure and/or Stagecoach in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future, and the factors described in the context of such forward-looking statements in this document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and investors are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to Stagecoach Group, refer to the annual report and accounts of Stagecoach Group for the financial year ended 1 May 2021.

Each forward-looking statement speaks only as at the date of this document. None of PEIF III Bidco, the Wider PEIF III Topco Group, Stagecoach nor the Stagecoach Group, nor any of their respective associates or directors, officers, employees or advisers, assumes any obligation to update or revise any forward-looking statements contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law.

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

No profit forecasts or estimates

No statement in this document, or incorporated by reference into this document, is intended to be or is to be construed as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share or dividend per

share for Stagecoach 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 Stagecoach.

Rounding

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown in 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.

Information relating to Stagecoach Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Stagecoach Shareholders, persons with information rights and other persons for the receipt of communications from Stagecoach may be provided to PEIF III Bidco during the Offer Period as required under Section 4 of Appendix 4 to the Code.

Publication on website and availability of hard copies

A copy of this document, together with all information incorporated into this document by reference to another source, is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on PEIF III Bidco's website at https://www.dws.com/Our-Profile/media/media-releases/DWS_Infrastructure and on Stagecoach's website at <https://www.stagecoachgroup.com/investors.aspx>. For the avoidance of doubt, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

Stagecoach Shareholders may request a hard copy of this document and all information incorporated by reference into this document by reference to another source by contacting Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephoning 0371 664 0443 or by emailing StagecoachGroup@linkgroup.co.uk. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you have received this document in electronic form, 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.

Dealing Disclosure Requirements under the City Code

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of the 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 City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, 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 the 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 the offeror and Dealing Disclosures must also be made by the offeree company, by the offeror or any other 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 company and the offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129.

The date of publication of this document is 22 March 2022.

TO ACCEPT THE OFFER:

1. If you hold your Stagecoach Shares in certificated form (that is, not in CREST), you should complete the Form of Acceptance in accordance with paragraph 15(b) of the letter from PEIF III Bidco in Part II of this document. Return the completed Form of Acceptance (along with any share certificate(s) and/or other document(s) of title) using, if posted in the UK, the first class reply-paid envelope provided as soon as possible and, in any event, so as to be received by 1.00 p.m. (London time) on the Unconditional Date.
2. If you hold your Stagecoach Shares in CREST, you should follow the procedures set out in paragraph 15(f) - 15(i) of the letter from PEIF III Bidco in Part II of this document.

THE LATEST TIME AND DATE BY WHICH THE OFFER CAN BE ACCEPTED IS 1.00 P.M. LONDON TIME ON THE UNCONDITIONAL DATE.

If you have any questions relating to this document, or the completion and return of the Form of Acceptance, or if you want to request a hard copy of this document (and/or any information incorporated by reference into it by reference to another source) please telephone Link Group on 0371 664 0443 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give 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.

This page should be read in conjunction with the rest of the document. Your attention is drawn, in particular, to paragraph 15 of the letter from PEIF III Bidco in Part II of this document, which sets out in detail the procedures for acceptance of the Offer, and to the conditions and further terms of the Offer set out in Appendix I to this document and, if you hold your Stagecoach Shares in certificated form, in the Form of Acceptance.

If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or 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 not, from another appropriately authorised independent financial adviser.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS⁽¹⁾

<u>Event</u>	<u>Time and/or date</u>
Publication and posting of this document and the Form of Acceptance	22 March 2022
Latest time and date by which the Offer can be accepted	1.00 p.m. (London time) on 21 May 2022 ⁽²⁾
Latest time and date by which the Offer may be declared or become unconditional ⁽³⁾	5.00 p.m. (London time) on 21 May 2022 ⁽⁴⁾
Settlement of consideration to Stagecoach Shareholders who accept the Offer prior to the Offer becoming or being declared unconditional	No later than 14 calendar days after the Offer becoming or being declared unconditional

Notes:

- (1) Certain dates and times given are indicative only and are based on current expectations and may be subject to change. If any of the times and/or dates above change, the revised times and/or dates will be announced via a Regulatory Information Service.
- (2) PEIF III Bidco reserves the right (but shall not be obliged, other than as may be required by the Code) at any time or from time to time to extend the Offer after such time.
- (3) The Offer shall lapse unless all of the Conditions have been fulfilled (or, where permitted, waived) by midnight (London time) on the earlier of the Unconditional Date and the Long-Stop Date (subject to the rules of the Code and, where applicable, the consent of the Panel).
- (4) If the Offer becomes or is declared unconditional and PEIF III Bidco receives acceptances of the Offer in respect of and/or otherwise acquires 90 per cent. or more in nominal value of the Stagecoach Shares to which the Offer relates, PEIF III Bidco intends to exercise its rights pursuant to the statutory squeeze-out provisions of sections 974 to 991 of the Companies Act to acquire compulsorily, on the same terms as the Offer, the remaining Stagecoach 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, PEIF III 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.

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PART I
LETTER OF RECOMMENDATION FROM THE
CHAIRMAN OF STAGECOACH

(Incorporated and registered in Scotland with registered number SC100764)

Directors:

Ray O'Toole (*Chairman*)
Martin Griffiths (*Chief Executive*)
Ross Paterson (*Finance Director*)
Gregor Alexander (*Senior Independent Non-Executive Director*)
James Bilefield (*Independent Non-Executive Director*)
Karen Thomson (*Independent Non-Executive Director*)
Lynne Weedall (*Independent Non-Executive Director*)
Sir Brian Souter (*Non-Executive Director*)

Registered Office:
10 Dunkeld Road, Perth,
Perthshire, PH1 5TW

22 March 2022

To Stagecoach Shareholders and for information only, to participants in the Stagecoach Share Schemes and persons with information rights

Dear Shareholder,

RECOMMENDED CASH OFFER FOR STAGECOACH GROUP PLC BY PEIF III BIDCO

1. Introduction

On 9 March 2022, the PEIF III Bidco Board and the Stagecoach Board announced that they had reached agreement on the terms of a recommended cash offer to be made by PEIF III Bidco, a company indirectly wholly owned by PEIF III, an infrastructure fund managed and advised by DWS Infrastructure, to acquire the entire issued and to be issued ordinary share capital of Stagecoach.

I am writing to you on behalf of the Stagecoach Board to explain the background to the Offer and to set out the reasons why the Stagecoach Directors are unanimously recommending that Stagecoach Shareholders accept the Offer.

2. Summary of the Offer

Under the terms of the Offer, which is subject to the conditions and further terms set out in Appendix I to this document and the Form of Acceptance, Stagecoach Shareholders are entitled to receive:

105 pence in cash for each Stagecoach Share

The Offer values the existing issued and to be issued ordinary share capital of Stagecoach at approximately £594.9 million on a fully diluted basis.

The Offer Price represents a premium of approximately:

- 54.3 per cent. to the Closing Price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement);
- 37.2 per cent. to the Closing Price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement);
- 22.7 per cent. to the volume-weighted average Closing Price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement);
- 51.4 per cent. to the look-through value of the National Express Offer of 69.34 pence per Stagecoach Share, calculated as 0.36 times the Closing Price of 192.60 pence per National Express Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement); and
- 19.6 per cent. to the average volume weighted look-through value of the National Express Offer of 87.80 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement).

The cash consideration payable by PEIF III Bidco to holders of Stagecoach Shares under the terms of the Offer will be financed by equity capital committed by PEIF III.

In addition to the cash premium and certainty for investors, the Offer presents a number of benefits to other Stagecoach key stakeholders as well as supporting the significant growth opportunities ahead:

- Stagecoach and DWS share a vision around the benefits of transitioning to a more sustainable world and both have a track record of unlocking value for all stakeholders.
- It will provide continuity in terms of the well-regarded senior management team, with the retention of the current Chief Executive, Finance Director and UK Managing Director.
- For employees, it will provide greater certainty over the future, with overall headcount in frontline operational roles expected to remain the same, as well as the retention of Stagecoach's existing headquarter functions and related roles in Perth, London and Stockport. Employees will also benefit from the commitments given to the SGPS.
- The Offer will provide access to capital to invest in services and deliver on Stagecoach's existing strategy to transition to a net-zero future, delivering multiple benefits to the customers and communities it serves.

3. Background to and reasons for the recommendation

Subsequent to the announcement of a possible all-share combination of National Express and Stagecoach on 21 September 2021, on 10 November 2021 Stagecoach received an unsolicited expression of interest from PEIF III, acting by DWS Alternatives regarding a possible cash offer. This expression of interest was highly conditional and did not indicate the value at which PEIF III would be willing to make such an offer.

On 14 December 2021, Stagecoach and National Express announced they had reached agreement on the recommended all-share National Express Offer. Under the terms of the National Express Offer, Stagecoach Shareholders would receive 0.36 National Express Shares per Stagecoach Share.

Subsequently, in February 2022, PEIF III made a number of proposals in relation to a possible cash offer for Stagecoach, before increasing its proposal to 105 pence per Stagecoach Share and reaching agreement on the terms of the proposal announced on 9 March 2022.

The Stagecoach Board, together with its financial advisers Deutsche Bank and RBC, has carefully considered and evaluated the financial terms of the Offer and concluded that the Offer represents a superior offer for Stagecoach Shareholders as compared with the National Express Offer. RBC is providing financial advice to Stagecoach under Rule 3 of the Code.

In making its assessment, the Stagecoach Board carefully evaluated DWS Infrastructure's and PEIF III Bidco's intentions regarding the conduct of the Stagecoach business under PEIF III Bidco's ownership.

Accordingly, the Stagecoach Directors have decided unanimously to withdraw their intention to recommend the National Express Offer and unanimously recommend the Offer to Stagecoach Shareholders.

In deciding to unanimously recommend the Offer, the Stagecoach Directors consider that the value, certainty and timing advantage of the all-cash Offer provides a more attractive proposition for Stagecoach Shareholders than the National Express Offer.

The Stagecoach Directors continue to see positive long-term prospects for the business but also recognise that there are uncertainties relating to the extent and pace of recovery in customer demand, the direction of future government policy and funding, and cost inflation. In this context, the Stagecoach Directors have concluded that the terms of the Offer reflect the strengths of Stagecoach's business and its prospects, and represents a material premium to the look-through value of the National Express Offer.

In addition, in comparison with the National Express Offer, the Offer provides increased value certainty for Stagecoach Shareholders through the opportunity to crystallise in cash the value of their holdings, and a shorter timetable to completion with lower execution risk, given the absence of any substantive competition conditions and no requirement for subsequent approval from the shareholders of the offeror.

In considering the financial terms of the Offer and determining whether they reflect an appropriate valuation of Stagecoach and its future prospects, the Stagecoach Board has taken into account a number of factors, including the value of the Offer relative to the value of the National Express Offer, and the value of the Offer relative to the standalone value of Stagecoach.

In particular, the Stagecoach Directors considered that, relative to the value of the National Express Offer, the Offer represents:

- a 51.4 per cent. premium to the look-through value of the National Express Offer of 69.34 pence per Stagecoach Share, calculated as 0.36 times the Closing Price of 192.60 pence per National Express Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement);
- a 37.2 per cent. premium to the Closing Price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement); and
- a 22.7 per cent. premium to the volume-weighted average Closing Price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement).

Further, the Stagecoach Directors considered that, relative to the value of the undisturbed standalone value of Stagecoach, the Offer represents:

- a 54.3 per cent. premium to the Closing Price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement); and
- a 28.3 per cent. premium to the volume-weighted average Closing Price of 81.84 pence per Stagecoach Share for the three-month period ended 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement).

4. Information relating to Stagecoach

Stagecoach Group is a leading multi-modal UK public transport company, serving more than 100 communities across England, Scotland and Wales.

Stagecoach Group operates services in regulated and deregulated markets. It is a leading UK bus operator, with major city bus operations in London, Manchester, Liverpool, Newcastle, Hull, Sheffield, Oxford and Cambridge, as well as inter-urban services linking smaller locations and a tram network in Sheffield.

Stagecoach is already progressing a detailed long-term sustainability strategy, which includes a stated target of delivering a zero emission UK bus fleet by 2035 as part of a wider set of environmental, social and governance commitments.

Stagecoach Group has around 24,000 employees and around 7,900 buses, coaches and trams.

5. Trading update

On 2 March 2022, Stagecoach released the following announcement:

“Stagecoach Group plc welcomes yesterday’s announcement by the Department for Transport of further recovery funding for the continuation of regional bus services in England, and provides the following trading update. We are on course to meet our trading expectations for the year ending 30 April 2022, with both our regional bus and London bus businesses performing broadly in line with our expectations.

The Omicron variant of COVID-19, and the related restrictions, did affect demand for our bus and tram services for a period of time. Additional recovery grant funding from the Department for Transport for bus services in England has helped offset the financial impact of that and allow the Group to continue to provide critical transport services. We welcome yesterday’s announcement that recovery funding will be available for bus and light rail services in England for a period of six months from 6 April 2022 to October 2022. We also welcome the Scottish Government’s recent announcement of a £94m bus grant scheme for the period from 1 April 2022, which includes £40m to support the recovery of demand for bus services in Scotland. The additional funding amounts will enable the continuation of transport services as customer demand continues to recover, while also supporting the planning of future transport networks that take account of the emerging pattern of demand.

We are pleased to see a recovery in demand since the easing of COVID-19 restrictions in January. Prior to the recent period of poor weather, overall journeys for our regional business during the first half of February ranged between 70% and 78% of pre-COVID-19 levels on a rolling seven-day average. Looking beyond April 2022, we expect further recovery in demand for our services, although we also see continuing forecasting uncertainty in relation to passenger demand, payments from government to support the continuation of regional bus services during that recovery phase, and cost inflation. Furthermore, we remain positive on the long-term

outlook for the Group. Our services are central to delivering government ambitions around decarbonisation, levelling up of communities, driving economic recovery, and securing better health outcomes for citizens.

Martin Griffiths, Stagecoach Chief Executive, said: "We are pleased at the continuing recovery in demand for public transport as the country looks to transition out of the pandemic, and we welcome the extension in government funding. Ensuring bus and light rail networks have a solid base now will ensure they are sustainable for the long-term and have the capacity to grow as we work with government and local transport authorities to attract people out of cars and onto greener public transport. We continue to see a positive long-term outlook for public transport, which is key to economic recovery, levelling up communities and helping secure the country's net zero ambitions."

6. Intentions of PEIF III Bidco for the Stagecoach business, employees and pension schemes

Your attention is drawn to the statement of PEIF III Bidco's strategic plans for Stagecoach if the Offer becomes, or is declared, unconditional, as set out in paragraph 10 of the letter from PEIF III Bidco in Part II of this document.

The Stagecoach Directors understand that DWS Infrastructure sees significant opportunities for Stagecoach in the United Kingdom and welcome its statement that it is well-placed to support Stagecoach with its existing growth strategy for the United Kingdom. The Stagecoach Directors welcome DWS Infrastructure's intention to accelerate Stagecoach's investments in electric buses and associated charging infrastructure and its commitment to working with Stagecoach's management team through the structural change in the bus market and the opportunities it presents, including the introduction of Enhanced Partnerships and Franchising in the Regional Bus market, where Stagecoach is the leading player.

The Stagecoach Directors welcome DWS Infrastructure's intention to pursue the two bus contracts in Dubai for which Stagecoach Group is a shortlisted bidder and to consider any additional opportunities identified by Stagecoach management to diversify and grow the business overseas. The Stagecoach Directors note that, following completion of the Offer, DWS Infrastructure intends to work with Stagecoach's management to undertake a detailed review of Stagecoach and its strategy, which will consider both the short and long-term objectives of the business.

The Stagecoach Directors welcome that PEIF III Bidco recognises the important contribution that Stagecoach's management and employees have made to the success of the business to date and the key role they have in its future success. The Stagecoach Directors also welcome DWS Infrastructure's expectation that overall headcount in frontline operational roles is expected to remain the same, and that it expects to continue Stagecoach management's efforts to recruit for such roles.

The Stagecoach Directors note that while DWS Infrastructure has not made any decisions in relation to any specific actions that might be taken as a result of the review referred to above, there may no longer be a need for certain central support functions in the UK that currently support Stagecoach's status as a publicly listed company or for a small number of roles within its business development function supporting unwinding the affairs of Stagecoach's former UK train operating companies. The Stagecoach Directors do however welcome DWS Infrastructure's confirmation that, to the extent required, any reduction in, or relocation of, such roles will be subject to appropriate engagement and consultation with affected employees and any appropriate employee representative bodies in accordance with existing legal obligations. The Stagecoach Directors further welcome DWS Infrastructure's confirmation that, where appropriate, employees may be offered the opportunity to relocate or be reassigned to other appropriate roles within Stagecoach and any engagement and consultation process would be undertaken sufficiently in advance of any final decisions being taken to implement job reductions so as to ensure compliance with applicable legal obligations.

The Stagecoach Directors welcome DWS Infrastructure's confirmation that, following completion of the Offer, the existing contractual and statutory employment rights of Stagecoach employees, will be fully safeguarded and observed in accordance with applicable law. The Stagecoach Directors note that DWS Infrastructure has held constructive discussions with the trustees of the SGPS and PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees relating to the future funding and investment strategy of the SGPS.

The Stagecoach Directors welcome DWS Infrastructure's intention that, upon completion of the Offer, Stagecoach's headquarters will remain in Perth and that Stagecoach Group's existing headquarters functions, administrative functions and related roles in each of Perth, Stockport and London will remain there. The Stagecoach Directors also welcome PEIF III Bidco's intention not to make any material changes with respect to the redeployment of Stagecoach's fixed asset base.

DWS Infrastructure intends to retain Martin Griffiths, Ross Paterson, Carla Stockton Jones, and me upon completion of the Offer. It is currently expected that each of the non-executive members of the Stagecoach board of directors, with the exception of myself, will resign upon completion of the Offer. However, the Stagecoach Directors note that PEIF III Bidco intends to consider Stagecoach's post-Offer board structure further in light of any required governance considerations (including in respect of Stagecoach's £400,000,000 4.00 per cent. bonds due 2025).

The Stagecoach Directors also welcome DWS Infrastructure's intention to maintain the investment grade credit rating of Stagecoach and its £400 million bonds due 2025.

7. Stagecoach Share Schemes

Your attention is drawn to paragraph 12 of the letter from PEIF III Bidco in Part II of this document.

The Offer will extend to any Stagecoach Shares transferred from treasury or which are unconditionally allotted or issued before the date on which the Offer closes (or such earlier date as PEIF III Bidco may, subject to the City Code, decide) as a result of the vesting of awards granted under the Stagecoach Share Schemes.

If the Offer becomes or is declared unconditional in all respects it is anticipated that the vesting of awards will be satisfied by Stagecoach using shares held in treasury and/or through the cash-settlement of awards. It is anticipated that participants in the Stagecoach Share Schemes will be able to accept and participate in the Offer in respect of any Stagecoach Shares received on vesting.

8. United Kingdom taxation

Your attention is drawn to the section headed "United Kingdom taxation" in paragraph 13 of the letter from PEIF III Bidco in Part II of this document. If you are in any doubt about your own tax position or you are resident in or otherwise subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately.

9. Action to be taken

Your attention is drawn to the letter from PEIF III Bidco in Part II of this document, the Appendices to this document and the Form of Acceptance. The procedure for acceptance of the Offer is set out in paragraph 15 of the letter from PEIF III Bidco in Part II of this document and, if you hold your Stagecoach 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 certificated Stagecoach Shares, you should complete and return the Form of Acceptance in accordance with the instructions printed on it and given in paragraph 15 of the letter from PEIF III Bidco in Part II of this document, together with your share certificate(s) and/or other document(s) of title, so as to be received by Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or (during normal business hours only) by hand 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 first class reply-paid envelope for use in the United Kingdom only is provided for your convenience.

If you wish to accept the Offer in respect of uncertificated Stagecoach Shares (that is, shares held in CREST) your acceptance should be made electronically through CREST by following the procedure set out in paragraph 15 of the letter from PEIF III Bidco in Part II of this document, so that the TTE instruction settles no later than 1.00 p.m. (London time) on the Unconditional Date.

10. Recommendation

The Stagecoach Directors, who have been so advised by Deutsche Bank and RBC as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing their financial advice to the Stagecoach Directors, Deutsche Bank and RBC have taken into account the commercial assessments of the Stagecoach Directors.

Although both Deutsche Bank and RBC are acting as financial advisers to Stagecoach, because DWS is ultimately controlled by Deutsche Bank, only RBC is acting as the independent financial adviser to Stagecoach for the purposes of providing independent advice to the Stagecoach Directors on the Offer under Rule 3 of the Code.

Accordingly, the Stagecoach Directors unanimously recommend that Stagecoach Shareholders accept or procure the acceptance of the Offer (or in the event that the Offer is implemented by way of a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Offer at a Stagecoach General Meeting).

Yours faithfully

Ray O'Toole
Chairman
Stagecoach Group plc

PART II
LETTER FROM PEIF III BIDCO
INFRAMOBILITY UK BIDCO LIMITED

(Incorporated and registered in England and Wales with registered number 13957417)

Directors:

Scott Auty (*Director*)
Miguel Costa (*Director*)
Florian Hubel (*Director*)

Registered Office:

Solent Business Park, Forum 4
C/O Aztec Financial Services (Uk) Limited
Parkway South, Whiteley
Fareham, United Kingdom
PO15 7AD

22 March 2022

To Stagecoach Shareholders and for information only, to participants in the Stagecoach Share Schemes and persons with information rights

Dear Shareholder,

RECOMMENDED CASH OFFER FOR STAGECOACH BY PEIF III BIDCO

1. Introduction

On 9 March 2022, the PEIF III Bidco Board and the Stagecoach Board announced that they had reached agreement on the terms of a recommended cash offer to be made by PEIF III Bidco, a company indirectly wholly owned by PEIF III, an infrastructure fund managed and advised by DWS Infrastructure, to acquire the entire issued and to be issued ordinary share capital of Stagecoach.

This document and, if you hold certificated Stagecoach Shares, the Form of Acceptance, together contain the formal Offer (including its terms and conditions).

Your attention is drawn to the letter of recommendation from the Chairman of Stagecoach in Part I of this document, which sets out the reasons why the Stagecoach Directors, who have been so advised by Deutsche Bank and RBC, consider the terms of the Offer to be fair and reasonable and unanimously recommend all Stagecoach Shareholders accept the Offer.

Please read carefully paragraph 15 below which sets out the procedures for acceptance of the Offer. Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in Appendix I to this document and, if you hold certificated Stagecoach Shares, in the Form of Acceptance.

2. The Offer

PEIF III Bidco is offering to acquire, on the terms and subject to the Conditions and further terms set out in Appendix I to this document and, in respect of certificated Stagecoach Shares, the Form of Acceptance, the entire issued and to be issued ordinary share capital of Stagecoach on the following basis:

105 pence in cash for each Stagecoach Share

The Offer values the existing issued and to be issued ordinary share capital of Stagecoach at approximately £594.9 million on a fully diluted basis. The Offer Price represents a premium of approximately:

- 54.3 per cent. to the Closing Price of 68.05 pence per Stagecoach Share on 20 September 2021 (being the last Business Day before the National Express Possible Offer Announcement);
- 37.2 per cent. to the Closing Price of 76.55 pence per Stagecoach Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement);
- 22.7 per cent. to the volume-weighted average Closing Price of 85.59 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement);
- 51.4 per cent. to the look-through value of the National Express Offer of 69.34 pence per Stagecoach Share, calculated as 0.36 times the Closing Price of 192.60 pence per National Express Share on 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement); and

- 19.6 per cent. to the average volume weighted look-through value of the National Express Offer of 87.80 pence per Stagecoach Share for the period from the date of the National Express Firm Offer Announcement to 8 March 2022 (being the last Business Day before the Rule 2.7 Announcement).

The cash consideration payable by PEIF III Bidco to holders of Stagecoach Shares under the terms of the Offer will be financed by equity capital committed by PEIF III.

In addition to the cash premium and certainty for investors, the Offer presents a number of benefits to other Stagecoach key stakeholders as well as supporting the significant growth opportunities ahead:

- Stagecoach and DWS share a vision around the benefits of transitioning to a more sustainable world and both have a track record of unlocking value for all stakeholders.
- It will provide continuity in terms of the well-regarded senior management team, with the retention of the current Chief Executive, Finance Director and UK Managing Director.
- For employees, it will provide greater certainty over the future, with overall headcount in frontline operational roles expected to remain the same, as well as the retention of Stagecoach's existing headquarter functions and related roles in Perth, London and Stockport. Employees will also benefit from the commitments given to the SGPS.
- The Offer will provide access to capital to invest in services and deliver on Stagecoach's existing strategy to transition to a net-zero future, delivering multiple benefits to the customers and communities it serves.

If, on or after the date of the Rule 2.7 Announcement, any dividend and/or other distribution or form of capital return is announced, declared, made or paid by Stagecoach or becomes payable in respect of Stagecoach Shares, PEIF III Bidco reserves the right to reduce the consideration payable under the terms of the Offer at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital.

The Offer extends to all Stagecoach Shares unconditionally allotted or issued and fully paid on the date of the Offer and any Stagecoach Shares which are unconditionally allotted or issued and fully paid (including pursuant to the vesting of awards under the Stagecoach Share Schemes) before the Acceptance Condition is satisfied (excluding any treasury shares except to the extent these cease to be held as treasury shares before that date).

The Offer is subject to a number of Conditions, set out in full in Appendix I to this document, including valid acceptances being received (and not, where permitted, withdrawn) in respect of Stagecoach Shares which, together with any Stagecoach Shares acquired or agreed to be acquired, will result in PEIF III Bidco holding Stagecoach Shares carrying, in aggregate, more than 75 per cent. of the voting rights carried by the Stagecoach Shares then normally exercisable at a general meeting of Stagecoach (the "**Acceptance Condition**", set out in full as Condition 1 in Part A of Appendix I to this document).

Further details of the terms of the Offer are set out in Part B and Part C of Appendix I to this document.

3. Irrevocable undertaking and letter of intent

PEIF III Bidco has received an irrevocable undertaking from Dame Ann Gloag (through HGT Finance A Limited) to accept the Offer (and, if the Offer is subsequently structured as a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting) in respect of 57,661,967 Stagecoach Shares, representing approximately 10.46 per cent. of Stagecoach's existing issued ordinary share capital (excluding treasury shares) on 18 March 2022 (being the latest practicable date before the date of this document).

In addition, PEIF III Bidco has received a non-binding letter of intent from Threadneedle Asset Management Limited (part of Columbia Threadneedle Investments) confirming that it is their current intention to accept, or procure the acceptance of, the Offer (and, if the Offer is subsequently structured as a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting) in respect of 93,579,341 Stagecoach Shares, representing approximately 16.97 per cent. of Stagecoach's existing issued ordinary share capital (excluding treasury shares) on 18 March 2022 (being the latest practicable date before the date of this document).

When taken together, the irrevocable undertaking and non-binding letter of intent to accept the Offer (and, if the Offer is subsequently structured as a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting) in respect of a total of 151,241,308 Stagecoach Shares represent approximately 27.42 per cent. of Stagecoach's existing issued ordinary share capital

(excluding treasury shares) on 18 March 2022 (being the latest practicable date before the date of this document).

Further details of the irrevocable undertaking and letter of intent (including, in the case of the irrevocable undertaking, the circumstances in which it will lapse) are set out in paragraph 6 of Appendix III to this document.

4. Information relating to DWS, DWS Infrastructure, PEIF III and PEIF III Bidco

DWS is one of the world's leading asset managers with EUR 928 billion of assets under management (as of 31 December 2021), and is currently listed on the Frankfurt Stock Exchange. Building on more than 60 years of experience, it has a reputation for excellence in Germany, Europe, the Americas and Asia. Size and global reach are fundamental to DWS' capabilities and strengths across the active, passive, and alternatives investment spaces. DWS is recognised by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines. DWS' products and solutions cover equities, fixed income, cash, real estate, infrastructure, and private equity, as well as a range of sustainable investments. DWS is a proud pioneer in responsible investing, being an early PRI Signatory (since 2008) and with dedicated proprietary ESG research capabilities.

DWS Infrastructure is a leading global infrastructure investor with approximately EUR 24.4 billion of assets under management (as of September 2021), in Europe and North America across the debt, equity, and listed platforms and a c. 25-year investment track-record. Over this time period, DWS Infrastructure has acquired over 100 infrastructure investments in total in the transport, energy and utility sectors. DWS Infrastructure has a dedicated team of specialized investment professionals, which is complemented by a network of highly experienced senior advisers.

PEIF III is the EUR 3.1 billion flagship fund which reached final close in June 2021 with an investor base of over 50 investors globally and has invested in five portfolio companies to date. It is the latest fund in a series of unlisted equity funds managed by DWS Infrastructure, which target long-term and sustainable investments in critical infrastructure assets and companies across Europe and North America.

PEIF III Bidco is a newly incorporated English company, formed by DWS Infrastructure for the purpose of making the Offer. PEIF III Bidco is indirectly wholly owned by PEIF III, an entity managed by DWS Alternatives. DWS Alternatives is an indirect wholly owned subsidiary of DWS. PEIF III Bidco has not traded since its incorporation, nor has it entered into any obligations other than in connection with the Offer.

5. Background to and reasons for the Offer

DWS Infrastructure has a strong track record

DWS Infrastructure is a patient long-term infrastructure investor with a proven track record and extensive expertise in unlocking the value of its portfolio companies using its experience, network and ability to deploy further capital in return enhancing investments. Transportation and essential infrastructure represent a core sector of focus for DWS Infrastructure, with multiple investments in the UK such as Corelink, Kelda (the owner of Yorkshire Water) and Peel Ports where DWS Infrastructure has actively supported capital expenditure investments of >£1 billion during its ownership. DWS Infrastructure has also invested in other leading European transportation platforms, including Hansea, a leading Belgian public bus operator, where DWS Infrastructure is supporting the acceleration of its growth strategy and has engaged with the relevant passenger transport authorities to agree a roadmap for the replacement of Hansea's bus fleet with low or zero emission vehicles.

Compelling Strategic and Financial Rationale for the acquisition of Stagecoach

As a leading transportation services provider in the UK, with a significant market share and a track record of strong financial performance and predictable long-term cash flows, the Stagecoach business fits with DWS Infrastructure's investment criteria.

DWS Infrastructure has a strong conviction about the UK bus market opportunity on the back of the introduction of Enhanced Partnerships and potential Franchising arrangements expected to drive increases in bus patronage and improvements in the quality of the service of the network.

DWS Infrastructure intends to focus on long-term sustainable value creation through continued capital investment in Stagecoach's asset base, supporting the management team in delivering the business plan.

The UK bus sector is at an inflection point as the country looks to (i) decarbonise and transition to low or zero emission vehicles as part of ambitious UK Government plans to reach net zero in the transport sector over the next decade; and (ii) maximise the opportunities from the National Bus Strategy to deliver on the joint improvement plans of local transport authorities and operators to attract people away from private cars towards more sustainable bus travel.

The transition to a low carbon footprint sector and the announced improvement of services will require substantial capital investments in the medium to long-term in order to meet the expectations of passengers and the UK Government. As a leading UK bus operator, Stagecoach will play a key role in driving such transition.

Public transport is critical to government successfully achieving its ambitions around economic recovery, levelling up, better health outcomes for citizens and delivering decarbonisation. Stagecoach is already in a strong position to play a central role in meeting these objectives and this will be enhanced by the opportunities provided by the Offer.

DWS Infrastructure's experience in the transportation sector combined with its long-term investment horizon makes it well-placed to support the Stagecoach business and provide benefits for all stakeholders:

- **Backing for the management team:** DWS Infrastructure is highly supportive of the current management team and will support the team to deliver on the market opportunity;
- **Access to capital:** DWS Infrastructure has a track record of supporting significant capital expenditure projects across its portfolio companies and will support Stagecoach's management in accessing capital to deliver its decarbonization objectives;
- **Continued focus on the UK:** DWS Infrastructure will ensure the continued focus of the Stagecoach business on the UK market and the delivery of public transport services through bus, coach and light rail. Under DWS Infrastructure, the priority for Stagecoach will remain delivering for bus passengers in the UK;
- **Aiming to enhance services:** supporting Stagecoach in achieving sustainable growth and service quality improvements for passengers and communities around the UK; and
- **Approach to Stagecoach's pensions schemes:** DWS Infrastructure as a patient long-term capital infrastructure investor is a sound steward for Stagecoach's pension schemes and has a long-term approach to safeguarding Stagecoach's pension commitments in alignment with the trustees of the SGPS.

6. Financing of the Offer

The cash consideration payable by PEIF III Bidco under the terms of the Offer will be financed by equity capital committed by PEIF III.

Following completion of the Offer, and subject to the maintenance of an investment grade credit rating of Stagecoach and its £400 million bonds due 2025, it is intended that part of the equity capital used to finance the cash consideration will be refinanced with debt finance provided by one or more third party lenders to PEIF III Bidco and/or another member of the Wider PEIF III Topco Group.

Morgan Stanley confirms that it is satisfied that resources are available to PEIF III Bidco sufficient to satisfy full acceptance of the Offer.

7. Conditions to the Offer

The Offer is subject to the Conditions and certain further terms set out in Appendix I to this document (including the Acceptance Condition).

As described further in Appendix I, 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 times and/or dates as PEIF III Bidco may specify, subject to the rules of the Code and where applicable with the consent of the Panel) in respect of 75 per cent. in nominal value of the Stagecoach Shares to which the Offer relates and of the voting rights attached to those shares (when aggregated with any Stagecoach Shares acquired or agreed to be acquired by PEIF III Bidco or any of its wholly-owned subsidiaries).

PEIF III Bidco may decide to waive the Acceptance Condition down to a lesser percentage in accordance with Rule 10 of the Code, provided that the Acceptance Condition will not be satisfied unless PEIF III Bidco and/or any of its wholly-owned subsidiaries has acquired or agreed to acquire (whether pursuant to the Offer or

otherwise) Stagecoach Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Stagecoach (the “**Minimum Acceptance Threshold**”).

Any decision by PEIF III Bidco to waive down the Acceptance Condition to a lesser percentage (including, without limitation, down to the Minimum Acceptance Threshold) shall be at the sole discretion of PEIF III Bidco.

Subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix I, it is expected that the Offer will become or be declared unconditional on the Unconditional Date.

The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by PEIF III 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 Code and where applicable, the consent of the Panel). Further details are set out in Part B of Appendix I to this document.

8. Offer-related arrangements

(a) Confidentiality and Clean Team Agreements

DWS Alternatives and Stagecoach have entered into a mutual non-disclosure agreement dated 25 November 2021 pursuant to which each of DWS Alternatives and Stagecoach has undertaken, among other things, to keep certain information relating to the Offer and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

DWS Alternatives and Stagecoach have also entered into a clean team confidentiality agreement dated 25 November 2021 which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared.

(b) Cooperation Agreement

PEIF III Bidco and Stagecoach have entered into a cooperation agreement dated 9 March 2022 with respect to conduct of the Offer. Under the terms of the Cooperation Agreement, which also contains provisions in relation to Stagecoach Share Schemes and certain other arrangements regarding employment matters and employee incentives, PEIF III Bidco and Stagecoach have agreed, among other things, that (in summary):

- (i) PEIF III Bidco will consult with Stagecoach as to the timing of publication, form and content of this document; and
- (ii) PEIF III Bidco will not, except in circumstances where the National Express Offer has been withdrawn or lapsed, take any action pursuant to Rule 31.6 of the Code which could cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to Day 60.

(c) Memorandum of Understanding

PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees of the SGPS dated 9 March 2022 relating to the future funding and investment strategy of the SGPS. The key terms of the Memorandum of Understanding, to be implemented on or as soon as reasonably practicable after the date upon which the Offer becomes unconditional in all respects (or, should the Offer be implemented by way of a Court sanctioned scheme of arrangement in accordance with Part 26 of the Companies Act (“**Scheme**”), the date upon which the Scheme becomes effective) (the “**MoU Effective Date**”) include:

- (i) an agreement for Stagecoach to work collaboratively with the trustees of the SGPS to agree within 12 months of the MoU Effective Date a transition plan towards a lower-risk investment strategy for the SGPS;
- (ii) in addition to ongoing contributions for the annual service costs, following the MoU Effective Date, there will be paid to the SGPS by Stagecoach Group contributions of £12.5 million per annum, increasing at 3 per cent. per annum compound, for ten years or until the SGPS’ long-term funding objective is met, whichever is earlier; and
- (iii) an agreed protocol under which Stagecoach Group will provide information to the trustees of the SGPS that is relevant for their assessment of the covenant supporting the SGPS.

9. Dividend policy

If, on or after the date of the Rule 2.7 Announcement, any dividend and/or other distribution or form of capital return is announced, declared, made or paid by Stagecoach or becomes payable in respect of Stagecoach Shares, PEIF III Bidco reserves the right to reduce the consideration payable under the terms of the Offer at such date by an amount up to the amount of such dividend and/or distribution and/or return of capital. If any such dividend and/or distribution and/or return of capital occurs, any reference in this document to the consideration payable under the Offer will be deemed to be a reference to the consideration as so reduced.

10. Intentions of DWS Infrastructure and PEIF III Bidco for the Stagecoach business, employees and pension schemes

Strategic plans for Stagecoach

DWS Infrastructure sees significant opportunities for Stagecoach in the United Kingdom and is well-placed to support Stagecoach with its existing growth strategy for the United Kingdom. In particular, DWS Infrastructure intends to accelerate Stagecoach's investments in electric buses and associated charging infrastructure in order to enable it to become the leading zero emission bus operator in the UK. In addition, DWS Infrastructure is committed to working with Stagecoach's management team through the structural change in the bus market and the opportunities it presents, including the introduction of Enhanced Partnerships and Franchising in the Regional Bus market, where Stagecoach is the leading player.

DWS Infrastructure notes the two bus contracts in Dubai for which Stagecoach Group is a shortlisted bidder. DWS Infrastructure intends to support Stagecoach to pursue those opportunities and to consider any additional opportunities identified by Stagecoach management to diversify and grow the business overseas. Following completion of the Offer, DWS Infrastructure intends to work with Stagecoach's management to undertake a detailed review of Stagecoach and its strategy, which will consider both the short and long-term objectives of the business. DWS Infrastructure expects that this review will be completed within approximately 9 to 12 months following the Offer becoming or being declared unconditional. While the parameters of the review have not yet been finalised, it will involve the following areas of strategic focus in collaboration with Stagecoach's management:

- discuss and define the Regional Bus strategy with a view to expanding the geographic footprint of the business via the introduction of Enhanced Partnerships and potential Franchising arrangements on a region-by-region basis across the United Kingdom;
- discuss and define the strategy for London in order to identify opportunities for growing the contract portfolio;
- discuss and define the parameters and path for fleet electrification, including definition of asset ownership model in order to accelerate investment in electric buses and the charging infrastructure;
- discuss and define the organisation and target operating model in order to optimise operations away from the public markets;
- discuss and define HR strategy and objective setting across the organisation; and
- discuss other areas of potential future growth.

DWS Infrastructure has considered its plans for Stagecoach's future capital structure and financing policy with key stakeholders, including the SGPS pension trustees, and intends to maintain an investment grade credit rating of Stagecoach and its £400 million bonds due 2025.

Directors, management and employees

PEIF III Bidco recognises the important contribution that Stagecoach's management and employees have made to the success of the business to date and the key role they have in its future success. Accordingly, PEIF III Bidco intends to retain the current Chairman, Chief Executive and Finance Director of Stagecoach. In addition, DWS intends that Stagecoach's UK Managing Director will remain in her role following completion of the Offer.

DWS Infrastructure has not made any decisions in relation to any specific actions that might be taken as a result of the review referred to above. Accordingly, DWS Infrastructure cannot be certain what impact there will be on the employment of the management and employees of Stagecoach Group. However, overall headcount in frontline operational roles is expected to remain the same, and DWS Infrastructure expects to continue Stagecoach management's efforts to recruit for such roles.

As referred to above, there may no longer be a need for certain central support functions in the UK that currently support Stagecoach's status as a publicly listed company, although any impact of this on employees is expected to be limited. Furthermore, Stagecoach is currently in the process of unwinding the affairs of its former UK train operating companies. The small number of roles within the business development function supporting this process may no longer be required when this process is expected to be complete in FY 2024. To the extent required, any reduction in, or relocation of, such roles will be subject to appropriate engagement and consultation with affected employees and any appropriate employee representative bodies in accordance with existing legal obligations. Where appropriate, employees may be offered the opportunity to relocate or be reassigned to other appropriate roles within Stagecoach and any engagement and consultation process would be undertaken sufficiently in advance of any final decisions being taken to implement job reductions so as to ensure compliance with applicable legal obligations.

Upon completion of the Offer, it is currently expected that each of the non-executive members of the Stagecoach board of directors, with the exception of the Chairman, will resign from his or her office as a Stagecoach Director. However, PEIF III Bidco intends to consider Stagecoach's post-Offer board structure further in light of any required governance considerations (including in respect of Stagecoach's £400,000,000 4.00 per cent. bonds due 2025).

Following completion of the Offer, the existing contractual and statutory employment rights of Stagecoach employees will be fully safeguarded and observed in accordance with applicable law.

Save as set out herein, PEIF III Bidco does not expect to make any material changes to the conditions of employment or balance of skills and functions of employees or management of Stagecoach.

Pensions

Stagecoach Group participates in the SGPS, a defined benefit pension scheme in the UK. The SGPS currently has two sections—the Main Section, which closed to new entrants from 31 March 2009 and to future accrual on 30 April 2017, and the London Section, which is open to future accrual but closed to new entrants on 31 March 2010.

However, as part of the broader management of its pension arrangements, Stagecoach Group has recently allowed a small number of employees to accrue benefits in the Main Section of the SGPS. This Section was re-opened to future accrual in March 2021 for 15 employees, who formerly contributed to one of the Local Government Pension Schemes that Stagecoach Group participated in. Similarly, it is intended that a new Section of the SGPS will be established on 31 March 2022 to provide future and past service benefits for eight active members and past service benefits for 18 former employees who currently participate in the Omnibus Section of the Railways Pension Scheme.

Stagecoach Group also participates in other funded and unfunded arrangements which are closed to new members. Together with the SGPS, these schemes produce an overall IAS19 net liability measurement of £185.4 million (net of deferred tax assets) as at 30 October 2021. This includes a small, unregistered pension scheme known as the Stagecoach Secured Employer Financed Retirement Benefit Scheme for senior executives.

Stagecoach Group in addition participates in other defined contribution arrangements.

PEIF III Bidco recognises the importance of Stagecoach Group's pension obligations and ensuring that all of Stagecoach Group's pension schemes are appropriately funded in accordance with statutory requirements and their governing documentation. PEIF III Bidco does not intend to make any changes to the benefits provided under these schemes and it is its intention for employer contributions to these schemes to continue in line with current arrangements save as regards the SGPS, as further described below.

DWS Infrastructure has held constructive discussions with the trustees of the SGPS and PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees relating to the future funding and investment strategy of the SGPS. DWS Infrastructure and the trustees of the SGPS have also updated the Pensions Regulator about the Offer, the engagement between DWS Infrastructure and the trustees, and the Memorandum of Understanding.

The key terms of the Memorandum of Understanding, to be implemented on or as soon as reasonably practicable after the MoU Effective Date, include:

- an agreement for Stagecoach to work collaboratively with the trustees of the SGPS to agree, within 12 months of the MoU Effective Date, a transition plan towards a lower-risk investment strategy for the SGPS, which is more aligned with DWS Infrastructure's business strategy;

- in addition to ongoing contributions for the annual service costs, following the MoU Effective Date there will be paid to the SGPS by Stagecoach Group contributions of £12.5 million per annum, increasing at 3 per cent. per annum compound, for ten years or until the SGPS' long-term funding objective is met, whichever is earlier; and
- an agreed protocol under which the Stagecoach Group will provide information to the trustees of the SGPS that is relevant for their assessment of the covenant supporting the SGPS.

PEIF III Bidco does not intend to admit any other new members to the SGPS.

PEIF III Bidco also intends for Stagecoach to: (i) satisfy the existing commitments that Stagecoach has given to the members of the Stagecoach Secured Employer Financed Retirement Benefit Scheme; and (ii) continue making contributions to the Stagecoach Secured Employer Financed Retirement Benefit Scheme in accordance with its rules, estimated at approximately £0.5 million per annum. It is expected that the Stagecoach Secured Employer Financed Retirement Benefit Scheme will close to further accrual in September 2023, consistent with Stagecoach's existing plans, and no new entrants will join this scheme before this date.

Management incentivisation arrangements

DWS Infrastructure holds the experienced and capable Stagecoach management team in high regard. Following completion of the Offer, DWS Infrastructure intends to review the management incentive structure of Stagecoach. Save as described below, PEIF III Bidco has not entered into, and has not had discussions on, any form of incentivisation or other arrangements with members of Stagecoach's management, but may put in place appropriate incentive arrangements following completion of the Offer (and any discussions with Stagecoach's management about such incentivisation arrangements will not take place until after completion of the Offer).

PEIF III Bidco has agreed that, conditional upon completion of the Offer, it will as soon as practicable after the Offer becomes or is declared unconditional, grant cash awards (the "**RSP Awards**") to Stagecoach employees who participate in the Stagecoach RSP and who remain in employment with the Stagecoach Group on the date on which the Offer becomes or is declared unconditional to compensate them for the portion of any award under the Stagecoach RSP which lapses as a result of the application of time pro-rating where such awards vest as a result of the Offer.

The value of each participant's RSP Award will be equivalent to the number of Stagecoach Shares underlying the portion of the RSP Award which lapses as a result of time pro-rating in accordance with the rules of the Stagecoach RSP multiplied by the Offer Price. The RSP Awards will ordinarily vest on 31 March 2025. The terms of the RSP Awards will broadly replicate the terms of the awards granted under the Stagecoach RSP (including as to malus and clawback), save that no underpin will apply, no post-vesting holding period will apply, and awards will only be forfeited if the individual ceases employment with Stagecoach Group due to resignation or dismissal for gross misconduct.

As noted in paragraph 19 below, participants in the Stagecoach Share Schemes will be contacted regarding the effect of the Offer on their rights under these schemes in due course.

Locations, fixed assets, branding and research and development

Upon completion of the Offer, it is expected that Stagecoach's headquarters will remain in Perth and that Stagecoach Group's existing headquarters functions, administrative functions and related roles in each of Perth, Stockport and London will remain there. PEIF III Bidco does not intend to make any material changes with respect to the redeployment of Stagecoach's fixed asset base.

PEIF III Bidco also intends that the Stagecoach Group will continue using the Stagecoach brand.

Stagecoach does not currently have a research and development function and PEIF III Bidco has no plans in this regard.

Trading facilities

The Stagecoach Shares are currently listed on the Official List. If PEIF III Bidco reaches the requisite acceptance thresholds referred to in paragraph 17 (*De-listing and compulsory acquisition*) below, an application will be made to the London Stock Exchange for the cancellation of the trading of the Stagecoach Shares on the Main Market of the London Stock Exchange, and to the FCA to request cancellation of the listing of the Stagecoach Shares on the Official List.

11. IEO and CDG Disposal

In connection with the National Express Offer, on 26 January 2022 the UK Competition and Markets Authority (“CMA”) imposed an initial enforcement order on Stagecoach and National Express (“IEO”). The IEO was issued with the aim of ensuring neither National Express nor Stagecoach take any pre-emptive action that might prejudice the CMA’s investigation of the National Express Offer. Its terms extend to preventing any action which might result in a transfer of the ownership or control of Stagecoach’s business, or the disposal of any assets of Stagecoach. The CMA has confirmed to Stagecoach that neither the recommendation and announcement of, nor steps taken to implement and complete, the Offer will engage the IEO. As such, the IEO will not operate to prevent PEIF III Bidco from proceeding with the Offer.

On 14 December 2021, Stagecoach announced that it had entered into agreements to sell the marketing, retail and customer service activities of three of its inter-city coach businesses to ComfortDelGro Corporation Limited (“CDG”), (together the “Disposal”). The Disposal proactively addresses potential regulatory considerations in respect of the National Express Offer. Following the issue of the IEO preventing Stagecoach from disposing of material UK assets, the completion date of the Disposal has been delayed. The Disposal does not automatically terminate as a result of the Offer and Stagecoach continues to comply with its contractual obligations to CDG.

12. Stagecoach Share Schemes

Participants in the Stagecoach Share Schemes will be contacted in due course with further detail on the effect of the Offer on their individual rights under those schemes and their right to accept the Offer conditional on the vesting of their awards.

A summary of the current expectation as to the effect of the Offer on the Stagecoach Share Schemes is as follows:

- outstanding awards granted under the Stagecoach Share Schemes (other than the Stagecoach BAYE) will, to the extent not already vested and subject to the discretions available to the Remuneration Committee, vest on the date on which the Offer becomes or is declared unconditional, subject to the application of time pro-rating and the satisfaction of performance conditions and underpins and any other conditions imposed on the vesting of awards, with the remainder of such awards lapsing;
- participants in the Stagecoach RSP will be eligible to receive ‘RSP Awards’ as described in paragraph 10 of the letter from PEIF III Bidco in Part II of this document; and
- Stagecoach Shareholders that beneficially hold Stagecoach Shares under the Stagecoach BAYE will be able to participate in the Offer in the same way as other Stagecoach Shareholders through the Stagecoach BAYE trustee.

13. United Kingdom taxation

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences relating to the Offer. They are based on current UK tax law and what is understood to be the current practice of HMRC (which may not be binding on HMRC) as at the date of this document, both of which may change, possibly with retroactive effect.

The following statements apply only to Stagecoach Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the United Kingdom and to whom “split year” treatment does not apply, who hold their Stagecoach Shares as an investment (other than where a tax exemption applies, for example in an individual savings account or pension arrangement) and who are the absolute beneficial owner of both the relevant Stagecoach Shares and any dividends paid on them. The tax position of certain categories of Stagecoach Shareholders who are subject to special rules is not considered and it should be noted that they may incur liabilities to UK tax on a different basis to that described below. This includes persons who have acquired (or could be treated for tax purposes as having acquired) their Stagecoach Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, charities, exempt pension funds and temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK.

The statements summarise the current position and are intended as a general guide only.

Stagecoach Shareholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own professional advisers.

(a) UK taxation of chargeable gains

The transfer of Stagecoach Shares under the Offer in return for cash should be treated as a disposal or, if the Offer is only accepted in respect of part of a holding of Stagecoach Shares and PEIF III Bidco does not exercise its rights to acquire compulsorily all Stagecoach Shares, a part disposal, of the Stagecoach Shareholder's Stagecoach Shares for the purposes of UK capital gains tax or corporation tax on chargeable gains (as applicable). This disposal or part disposal may, depending on the Stagecoach Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains.

(b) Stamp Duty and Stamp Duty Reserve Tax

No UK stamp duty or stamp duty reserve tax should be payable by Stagecoach Shareholders on the transfer of their Stagecoach Shares under the Offer.

14. Overseas Shareholders

The attention of Overseas Shareholders (and any person, including without limitation, any custodian, nominee or trustee who may have an obligation to forward any document in connection with the Offer outside the United Kingdom) is drawn to paragraph 1 of Part C and to paragraph (b) of Part D of Appendix I to this document (for holders of Stagecoach Shares in certificated form) and to paragraph (b), (c) and (d) of Part E of Appendix I to this document (for holders of Stagecoach Shares in uncertificated form) and, in respect of certificated Stagecoach Shares, to the relevant provisions of the Form of Acceptance.

In addition, the release, publication or distribution of this document and/or any other documentation in relation to the Offer in or into or from jurisdictions other than the United Kingdom or the United States may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements.

Unless otherwise determined by PEIF III Bidco or required by the Code, and permitted by applicable law and regulation, the Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction. Accordingly, copies of this document will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

15. Procedure for acceptance of the Offer

This section should be read in conjunction with Appendix I and, in respect of certificated Stagecoach Shares, the notes on the Form of Acceptance.

Holders of Stagecoach Shares in certificated form (i.e. not in CREST) may only accept the Offer in respect of such shares by completing and returning the Form of Acceptance in accordance with the procedure set out in paragraphs 15(a) to 15(e) below. Holders of Stagecoach Shares held in certificated form, but under different designations, should complete a separate Form of Acceptance for each designation. Additional Forms of Acceptance are available from Link Group at the address set out below.

Holders of Stagecoach Shares in uncertificated form (i.e. in CREST) may only accept the Offer in respect of such shares by TTE instruction in accordance with the procedure set out in paragraphs 15(f) to (i) below. If those Stagecoach Shares are held under different member account IDs, you should send a separate TTE instruction for each member account ID.

If you are in any doubt as to the procedure for acceptance, please telephone Link Group on 0371 664 0443 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give 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.

STAGECOACH SHARES HELD IN CERTIFICATED FORM (I.E. NOT IN CREST)

(a) To accept the Offer

To accept the Offer in respect of Stagecoach Shares held in certificated form, 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 Stagecoach Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from Link Group at the address set out above. The instructions for completing a Form of Acceptance below apply, where relevant, to each separate Form of Acceptance to be completed by you.

(b) Completing the Form of Acceptance

To accept the Offer in respect of your Stagecoach Shares, you must complete Box 1, Box 3 (if appropriate) and Box 6 on the Form of Acceptance. In all cases you must sign Box 2 on the Form of Acceptance including, if you are an individual, in the presence of a witness, who should also sign in accordance with the instructions printed on it. Any Stagecoach Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it. **If you do not insert a number in Box 1 or insert a number greater than your registered holding of Stagecoach Shares, your acceptance will be deemed to be in respect of all Stagecoach Shares held by you in certificated form.**

(c) Return of Form of Acceptance

To accept the Offer, the completed Form of Acceptance must be returned, together with your share certificate(s) and/or other document(s) of title for your Stagecoach Shares, to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or (during normal business hours) by hand **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 first reply paid envelope is provided for your convenience and may be used by Stagecoach Shareholders for returning a Form of Acceptance from within the UK. No acknowledgement of receipt of documents will be given.

Any Form of Acceptance received in an envelope post-marked in a Restricted Jurisdiction or otherwise appearing to PEIF III Bidco or its agents to have been sent from a Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 14 above.

(d) Share certificates not readily available or lost

If your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, the Form of Acceptance should still be completed, signed and returned as stated above so as to arrive by no later than 1.00 p.m. (London time) on the Unconditional Date. You should send any share certificate(s) and/or other document(s) of title that you have available, accompanied by a letter stating that the balance 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 submit the relevant share certificate(s) and/or other document(s) of title as soon as possible. No acknowledgement of receipt of document(s) will be given.

In the case of loss of your share certificates, you should write as soon as possible to Stagecoach's Registrars, contacting Link Group, Stagecoach Group Share Register at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL or by telephoning (0)371 664 0443 or by emailing StagecoachGroup@linkgroup.co.uk, to obtain a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to Link Group as set out in paragraph 15(c) above. Calls are charged at the standard geographic

rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(e) Validity of acceptances

Without prejudice to Part C and Part D of Appendix I to this document, subject to the provisions of the City Code, PEIF III 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, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to PEIF III Bidco have been received.

STAGECOACH SHARES HELD IN UNCERTIFICATED FORM (I.E. IN CREST)

(f) General

If your Stagecoach 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 Stagecoach Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying Link Group (in its capacity as a CREST participant under the Escrow 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. (London time) on the Unconditional Date. Note that settlement cannot take place on weekends or bank 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 (f) will (subject to satisfying the requirements set out in Part C and Part E of Appendix I) constitute an acceptance of the Offer in respect of the number of Stagecoach 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 Stagecoach Shares.

After settlement of a TTE instruction, you will not be able to access the Stagecoach Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional, the Escrow Agent will transfer the Stagecoach Shares concerned to itself in accordance with paragraph (f) of Part E of Appendix I to this document.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures 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 Stagecoach Shares to settle prior to 1.00 p.m. (London time) on the Unconditional Date. In this connection you are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

(g) To accept the Offer

To accept the Offer in respect of Stagecoach 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:

- the ISIN number for the Stagecoach Shares (this is GB00B6YTLS95);
- the number of Stagecoach Shares (in uncertificated form) in respect of which you wish to accept the Offer (i.e. the number of Stagecoach Shares to be transferred to escrow);
- your member account ID;
- your participant ID;

- the participant ID of the Escrow Agent (this is RA10);
- the member account ID of the Escrow Agent for the Offer (this is INFSTA01);
- 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;
- the corporate action numbers 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 in the shared note field.

(h) Validity of acceptances

A Form of Acceptance which is received in respect of Stagecoach Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded. Holders of Stagecoach Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the Unconditional Date if it has settled on or before 1.00 p.m. (London time) on that date.

(i) Overseas shareholders

The attention of Stagecoach Shareholders holding Stagecoach Shares in uncertificated form and who are citizens or residents of jurisdictions outside the UK is drawn to paragraph 7 of Part C and paragraphs (b) and (c) of Part E of Appendix I.

GENERAL

PEIF III Bidco will make an appropriate announcement if any of the details contained in this paragraph 15 alter for any reason.

Normal CREST procedures (including timings) apply in relation to any Stagecoach 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 Stagecoach Shares or otherwise). Holders of Stagecoach 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) or other documents of title or transfers to an escrow balance as described above) prior to 1.00 p.m. (London time) on the Unconditional Date.

If you are in any doubt as to the procedure for acceptance, please telephone Link Group on 0371 664 0443 from within the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give 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.

16. Settlement

Subject to the Offer becoming or being declared unconditional (except as provided in paragraph 7 of Part C of Appendix I to this document in the case of certain Overseas Shareholders) settlement of the consideration to which any Stagecoach Shareholder is entitled under the Offer will be effected (i) in the case of acceptances received, 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, 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 such receipt, in the following manner.

(a) Stagecoach Shares in certificated form (i.e. not in CREST)

Where an acceptance relates to Stagecoach Shares in certificated form, settlement of any cash due will be despatched by first class post (or by such other method as may be approved by the Panel) to accepting Stagecoach Shareholders or their appointed agents (but not into a Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank.

(b) Stagecoach Shares in uncertificated form (i.e. in CREST)

Where an acceptance relates to Stagecoach Shares in uncertificated form, the cash consideration to which the accepting Stagecoach Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Stagecoach Shareholder's payment bank in respect of the cash consideration due, in accordance with CREST payment arrangements. PEIF III Bidco reserves the right to settle all or any part of the consideration referred to in this paragraph 16(b) for all or any accepting Stagecoach Shareholder(s), in the manner referred to in paragraph 16(a), if, for any reason, it wishes to do so.

(c) General

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

- (i) in the case of Stagecoach 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 seven 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 appropriate, Box 3 or Box 5 on the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- (ii) in the case of Stagecoach Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding seven days of the lapsing of the Offer), give TFE instructions to Euroclear to transfer all Stagecoach 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 Stagecoach Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from Stagecoach Shareholders or their appointed agents will be sent at their own risk.

17. Delisting and compulsory acquisition

If the Offer becomes or is declared unconditional and if PEIF III Bidco has by virtue of its shareholdings and acceptances of the Offer acquired, or agreed to acquire, Stagecoach Shares representing at least 75 per cent. of the voting rights of Stagecoach, PEIF III Bidco intends to procure the making of an application by Stagecoach for cancellation, respectively, of the trading in Stagecoach Shares on the London Stock Exchange's main market for listed securities and of the listing of Stagecoach Shares on the premium listing segment of the Official List. A notice period of not less than 20 Business Days before the cancellation will commence on the later of the date on which the Offer becomes or is declared unconditional or, provided PEIF III Bidco has, by virtue of its shareholdings and acceptances of the Offer, acquired Stagecoach Shares carrying 75 per cent. or more of the voting rights of Stagecoach, the date on which PEIF III Bidco has made an announcement of that fact.

The cancellation of admission of the Stagecoach Shares to the Official List and to trading on the main market of the London Stock Exchange will significantly reduce the liquidity and marketability of any Stagecoach Shares not assented to the Offer at that time.

If PEIF III Bidco receives acceptances under the Offer in respect of, or otherwise acquires, 90 per cent. or more of the Stagecoach Shares to which the Offer relates (as interpreted in accordance with the Companies Act), PEIF III Bidco intends to exercise its rights pursuant to the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Stagecoach Shares in respect of which the Offer has not been accepted.

18. Further information

The terms and conditions of the Offer are set out in full in Appendix I to this document. Your attention is drawn to the further information in the Appendices, which form part of this document, and, if your Stagecoach Shares are in certificated form, to the Form of Acceptance which should be read in conjunction with this document.

A copy of this document (and all information incorporated into this document by reference to another source) and the Form of Acceptance are and will be available, subject to certain restrictions relating to Overseas Shareholders in Restricted Jurisdictions, for inspection on Stagecoach's website at www.stagecoachgroup.com

and PEIF III Bidco's website at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/.

19. Action to be taken

To accept the Offer in respect of certificated Stagecoach Shares you must complete the Form of Acceptance in accordance with the instructions printed on it and return it together with your share certificate(s) or other document(s) of title to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or by hand (during normal business hours), as soon as possible, but in any event so as to arrive by no later than 1.00 p.m. (London time) on the Unconditional Date. Acceptances in respect of uncertificated Stagecoach Shares should be made electronically through CREST so that the TTE instruction settles not later than 1.00 p.m. (London time) on the Unconditional Date.

Yours faithfully,

Inframobility UK Bidco Limited

APPENDIX I
CONDITIONS AND FURTHER TERMS OF THE OFFER

PART A
CONDITIONS OF THE OFFER

Acceptance Condition

- 1 The Offer is conditional upon valid acceptances being received (and not, where permitted, withdrawn) by not later than 1.00 p.m. (London time) on the Unconditional Date (or such other times and/or dates as PEIF III Bidco may specify, subject to the rules of the Code and where applicable with the consent of the Panel) in respect of not less than 75 per cent. (or such lesser percentage as PEIF III Bidco may decide) in nominal value of the Stagecoach Shares to which the Offer relates and of the voting rights attached to those shares, provided that: (i) this Condition will not be satisfied unless PEIF III Bidco and/or any of its wholly-owned subsidiaries has acquired or agreed to acquire (whether pursuant to the Offer or otherwise) Stagecoach Shares carrying in aggregate more than 50 per cent. of the voting rights then exercisable at a general meeting of Stagecoach; and (ii) unless the Panel consents otherwise, this Condition shall only be capable of being satisfied when all of the Conditions set out in paragraphs 2(a) to (h) below have been satisfied or waived;

For the purposes of this Condition:

- (a) Stagecoach 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 rights 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 Stagecoach Shares which are treated for the purposes of the Companies Act as having been acquired or contracted to be acquired by PEIF III Bidco by virtue of acceptances of the Offer;
 - (c) the expression “Stagecoach Shares to which the Offer relates” shall be construed in accordance with Part 28 of the Companies Act; and
 - (d) all percentages of voting rights and share capital are to be calculated by reference to the percentage held and in issue excluding any and all shares held in treasury by Stagecoach from time to time.
- 2 In addition, the Offer is conditional upon the following Conditions and, accordingly, the Offer will not become or be declared wholly unconditional unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

(a) **General Third Party clearances**

- (i) no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:
 - (A) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider PEIF III Topco Group or any member of the Wider Stagecoach Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider PEIF III Topco Group or the Wider Stagecoach Group, in either case taken as a whole;
 - (B) require, prevent or delay the divestiture by any member of the Wider PEIF III Topco Group of any shares, securities or other interests in any member of the Wider Stagecoach Group;

- (C) impose any material limitation on, or result in a delay in, the ability of any member of the Wider PEIF III Topco Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group or to exercise voting or management control over any such member;
- (D) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider PEIF III Topco Group or of any member of the Wider Stagecoach Group to an extent which is material in the context of the Wider PEIF III Topco Group or the Wider Stagecoach Group, in either case taken as a whole;
- (E) make the Offer or its implementation or the acquisition or proposed acquisition by PEIF III Bidco or any member of the Wider PEIF III Topco Group of any shares or other securities in, or control or management of Stagecoach or the Wider Stagecoach Group void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (F) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider PEIF III Topco Group or the Wider Stagecoach Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group owned by any third party;
- (G) impose any limitation on, or result in any delay of, the ability of any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group to integrate or co-ordinate its business, or any part of it, with the businesses of any other member of the Wider Stagecoach Group or the Wider PEIF III Topco Group which is adverse to and material in the context of the Wider Stagecoach Group or the Wider PEIF III Topco Group, in each case taken as a whole or in the context of the Offer; or
- (H) result in any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer or the acquisition or proposed acquisition of any Stagecoach Shares having expired, lapsed or been terminated;

- (ii) all necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the proposed acquisition by any member of the Wider PEIF III Topco Group of any shares or other securities in, or control or management of, Stagecoach or any other member of the Wider Stagecoach Group and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by PEIF III Bidco or any member of the Wider PEIF III Topco Group for or in respect of the Offer or the proposed acquisition of any shares or other securities in, or control or management of, Stagecoach or any other member of the Wider Stagecoach Group by any member of the Wider PEIF III Topco Group having been obtained in terms and in a form reasonably satisfactory to PEIF III Bidco from all appropriate Third Parties or persons with whom any member of the Wider Stagecoach Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all authorisations orders, recognitions, grants, licences, consents, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Stagecoach Group which are material in the context of the PEIF III Topco Group or the

Stagecoach Group as a whole remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

(b) **Certain matters arising as a result of any arrangement, agreement etc.**

save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stagecoach Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition of any shares or other securities in Stagecoach or any other member of the Wider Stagecoach Group or because of a change in the control or management of Stagecoach or any other member of the Wider Stagecoach Group or otherwise, could or might result in (in each case to an extent which is material in the context of the Wider Stagecoach Group as a whole, or in the context of the Offer):

- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any such member 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;
- (iv) 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 such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Stagecoach Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition (in each case to the extent which is material in the context of the Wider Stagecoach Group taken as a whole);

(c) **Certain events occurring since 1 May 2021**

save as Disclosed, no member of the Wider Stagecoach Group having, since 1 May 2021:

- (i) save as between Stagecoach and wholly owned subsidiaries of Stagecoach or for Stagecoach Shares issued pursuant to the vesting of awards granted under the Stagecoach Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
- (ii) save as between Stagecoach and wholly owned subsidiaries of Stagecoach, or for the grant of awards under the Stagecoach Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or

rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

- (iii) other than to another member of the Stagecoach Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-Stagecoach Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) which is material in the context of the Wider Stagecoach Group taken as a whole;
- (v) save for intra-Stagecoach Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (vi) issued, authorised or proposed the issue of any debentures or, save for intra-Stagecoach Group transactions or in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (viii) other than pursuant to the Offer (and except for transactions between Stagecoach and its wholly owned subsidiaries or between wholly owned subsidiaries of Stagecoach which are not material in the context of the Wider Stagecoach Group) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement;
- (ix) entered into or changed the terms of any contract with any director or senior executive;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Stagecoach Group or the Wider PEIF III Topco Group or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business and which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
- (xii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Stagecoach Group other than to a nature and extent which is normal in the context of the business concerned, and in each such case which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xiii) having been unable, or admitted in writing that it is unable, to pay its debts 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 in any case with a material adverse effect on the Wider Stagecoach Group taken as a whole;

- (xiv) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would reasonably likely to be material in the context of the Wider Stagecoach Group taken as a whole;
- (xv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xvi) having made any alteration to its memorandum or articles of association which is material in the context of the Offer;
- (xvii) in relation to any pension scheme or other retirement, leaving service or death benefit arrangement established for any directors, former directors, employees or former employees of any entity in the Wider Stagecoach Group or their dependants and established by a member of the Wider Stagecoach Group (a “**Relevant Pension Plan**”):
 - (A) made or agreed or consented to or procured any change to:
 - (I) the terms of the trust deeds, rules or other governing documents constituting a Relevant Pension Plan;
 - (II) the employer and/or employee contributions payable to any Relevant Pension Plan or the benefits which accrue or to the pensions which are payable thereunder;
 - (III) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
 - (IV) the basis on which the liabilities of any Relevant Pension Plan are funded, valued or made;
 - (V) the exercise of any discretion in relation to a Relevant Pension Plan,
 in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;
 - (B) entered into or proposed to enter into to any guarantee or any arrangement to provide financial covenant support or restrictions in relation to a Relevant Pension Plan;
 - (C) entered into or proposed to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan;
 - (D) carried out any act:
 - (I) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan;
 - (II) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; or
 - (III) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan,
 in each case which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;
- (xviii) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan (other than in the ordinary course of business);
- (xix) established or proposed the establishment of any Relevant Pension Plan to the extent which is material in the context of the Wider Stagecoach Group taken as a whole or in the context of the Offer and other than as required in accordance with applicable law;
- (xx) proposed, agreed to provide or modified the terms of the Stagecoach Share Schemes or any other share option or award scheme, incentive scheme or other benefit constituting a

material change relating to the employment or termination of employment of a material category of persons employed by the Wider Stagecoach Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Stagecoach Group, save as agreed by the Panel or by PEIF III Bidco; or

- (xxi) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Stagecoach Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

(d) **No adverse change, litigation or regulatory enquiry**

save as Disclosed, since 1 May 2021:

- (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Stagecoach Group which, in any such case, is material in the context of the Wider Stagecoach Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Stagecoach Group is or may become a party (whether as a plaintiff, defendant or otherwise) and, other than as a result of or in connection with the Offer, no investigation by any Third Party against or in respect of any member of the Wider Stagecoach Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Stagecoach Group which in any such case, has had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Stagecoach Group;
- (iii) no contingent or other liability having arisen or become apparent to PEIF III Bidco (other than in the ordinary course of business) which will or might be likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Stagecoach Group to an extent which is material in the context of the Wider Stagecoach Group taken as a whole; and
- (iv) no member of the Wider Stagecoach Group having conducted its business in breach of any applicable laws and regulations which in any case is material in the context of the Wider Stagecoach Group taken as a whole;

(e) **No withdrawal, cancellation, termination or modification of licence**

save as Disclosed, no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Stagecoach Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and has had, or might reasonably be expected to have, a material adverse effect on the Wider Stagecoach Group taken as a whole;

(f) **No discovery of certain matters**

- (i) PEIF III Bidco not having discovered:
 - (A) that any financial, business or other information concerning the Wider Stagecoach Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Stagecoach Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading, in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole;
 - (B) save as Disclosed, that any member of the Wider Stagecoach Group is subject to any liability (contingent or otherwise), in each case, to the extent which is material in the context of the Wider Stagecoach Group taken as a whole; or
 - (C) any information which affects the import of any information Disclosed at any time prior to the Rule 2.7 Announcement by or on behalf of any member of the Wider Stagecoach Group to any member of the Wider PEIF III Topco Group and which is material in the context of the Wider Stagecoach Group taken as a whole;

- (ii) save as Disclosed, PEIF III Bidco not having discovered:
 - (A) that any past or present member of the Wider Stagecoach Group has not complied with any applicable legislation or regulations of any jurisdiction with regard to the use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or the health and safety of any person, or that there has otherwise been any such use, treatment, handling, storage, transport, release, disposal, discharge, spillage, leak or emission (whether or not this constituted a non-compliance by any person with any legislation or regulations and wherever the same may have taken place) which, in any case, would be likely to give rise to any liability (whether actual or contingent) or cost on the part of any member of the Wider Stagecoach Group which in any case is material in the context of Stagecoach Group taken as a whole;
 - (B) that there is, or is likely to be, any liability, whether actual or contingent, to make good, repair, reinstate or clean up any property now or previously owned, occupied or made use of by any past or present member of the Wider Stagecoach Group or any other property or any controlled waters under any environmental legislation, regulation, notice, circular, order or other lawful requirement of any relevant authority or third party or otherwise which in any case is material in the context of Stagecoach Group taken as a whole; or
 - (C) that circumstances exist whereby a person or class of persons would be likely to have a claim in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any past or present member of the Wider Stagecoach Group which is or would be likely, to adversely affect any member of the Wider Stagecoach Group and which is material in the context of Stagecoach Group taken as a whole; or

(g) **Anti-corruption, sanctions and criminal property**

save as Disclosed, PEIF III Bidco not having discovered that:

- (i) any past or present member, director, officer or employee of the Wider Stagecoach Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or (b) any person that performs or has performed services for or on behalf of the Wider Stagecoach Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (ii) any asset of any member of the Wider Stagecoach Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of Stagecoach Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- (iii) any past or present member, director, officer or employee of Stagecoach Group, or any person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states; or

- (iv) any past or present member, director, officer or employee of the Wider Stagecoach Group:
 - (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - (B) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - (C) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
 - (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (h) no member of the Wider Stagecoach Group being engaged in any transaction which would cause PEIF III Bidco to be in breach of any law or regulation upon its acquisition of Stagecoach, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states.

PART B
WAIVER AND INVOCATION OF THE CONDITIONS

- 1 PEIF III 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 this Appendix I except for Condition 1 (Acceptance Condition), which cannot be waived. The Offer is subject to the satisfaction (or waiver, if permitted) of the Conditions set out in Part A of this Appendix I, to the further terms set out in this Appendix I, and to the full terms and conditions set out in this document and the Form of Acceptance.
- 2 The Offer shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by PEIF III 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 Code and where applicable the consent of the Panel).
- 3 PEIF III Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of the Conditions by a date earlier than the latest date specified in paragraph 2 above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Offer may at such earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition(s) may not be capable of fulfilment.
- 4 Subject to paragraph 5 below, under Rule 13.5(a) of the Code, PEIF III Bidco may only invoke a Condition so as to cause the Offer 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 PEIF III Bidco in the context of the Offer. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
- 5 Condition 1 (*Acceptance Condition*) is not subject to Rule 13.5(a) of the Code.
- 6 Any condition that is subject to Rule 13.5(a) of the Code may be waived by PEIF III Bidco.
- 7 Save as may otherwise be required by the Panel, the Offer will not proceed, will lapse or will be withdrawn if on the Long-Stop Date:
 - (a) sufficient acceptances have not been received so as to enable Condition 1 (*Acceptance Condition*) to be satisfied; or
 - (b) where sufficient acceptances have been received so as to enable Condition 1 (*Acceptance Condition*) to be satisfied, one or more of the Conditions relating to an 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 PEIF III Bidco to make an offer or offers for Stagecoach Shares under the provisions of Rule 9 of the Code, PEIF III Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
- 9 Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

PART C
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 or Part D or Part E of this Appendix I and in the Form of Acceptance:

- (a) to an “**Acceleration Statement**” means a statement in which PEIF III Bidco, in accordance with Rule 31.5 of the Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived;
- (b) to the “**Acceptance Condition**” means the condition set out in paragraph 1 of Part A of this Appendix I;
- (c) to the “**Acceptance Condition becoming or being satisfied**” means the Acceptance Condition becoming or being declared satisfied and references to “**satisfaction of the Acceptance Condition**” shall be construed accordingly;
- (d) to “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (e) to an “**ACIN**” means a notice in which PEIF III 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 Code;
- (f) to “**acting in concert with PEIF III Bidco**” means any such person acting or deemed to be acting in concert with PEIF III Bidco for the purposes of the Code and the Offer;
- (g) to “**as may be required by the Code**” includes as may be required by the Panel;
- (h) to “**Business Day**” shall be to that term as defined in the Code;
- (i) to “**Day 39**”, “**Day 46**” and “**Day 60**” mean, respectively, 30 April 2022, 7 May 2022 and 21 May 2022 or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the Code;
- (j) to the “**Long-Stop Date**” means midnight on 9 September 2022 or such later date (if any) as PEIF III Bidco may, with the consent of Stagecoach or with the consent of the Panel, specify;
- (k) to the “**Offer**” includes any revision, variation, renewal or extension of the Offer and includes any election available in connection with the Offer;
- (l) to the “**Offer Period**” means, in relation to the Offer, the period commencing on 21 September 2021, 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;
- (m) to an official authorisation or regulatory clearance shall be to that term as referred to in the Code;
- (n) to the Offer becoming unconditional means the Offer becoming or being declared unconditional in accordance with its terms; and
- (o) to the Unconditional Date means Day 60 or such earlier date as PEIF III Bidco may specify in any Acceleration Statement unless, where permitted, it has set aside that statement.

1. Offer timetable and acceptance period

- (a) Save as provided in this paragraph 1 of this Part C, the Offer will initially be open for acceptance until 1.00 p.m. on Day 60.
- (b) PEIF III Bidco reserves the right (but shall not be obliged) at any time to bring forward the date by which all of 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 Code specifying a new Unconditional Date, provided always that such Unconditional Date will not be (i) earlier than 12 April 2022 or (ii) less than 14 days from the date on which the Acceleration Statement is published.

- (c) PEIF III Bidco reserves the right (but shall not be obliged) at any time, subject to the terms of the Cooperation Agreement, 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 the Code. The ACIN will specify the date on which PEIF III 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 12 April 2022 or (ii) less 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 PEIF III 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 Link Group.
- (e) PEIF III Bidco reserves the right (but shall not be obliged, other than as may be required by the Code) 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 Code if one or more Conditions relating to an outstanding 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,
 PEIF III 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 Link Group (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 Appendix I 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 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 PEIF III Bidco has made an Acceleration Statement, after the date which is 14 days prior to the Unconditional Date.
- (i) PEIF III 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 a "no increase" statement (as referred to in the 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 Board of Stagecoach or in other circumstances permitted by the Panel.
- (j) If a competitive situation (as determined by the Panel) arises or further develops after PEIF III Bidco has made a "no increase" statement (as referred to in the Code) and/or an Acceleration Statement in relation to the Offer, PEIF III 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 PEIF III Bidco complies with the requirements of the Code and, in particular, that 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 Stagecoach makes an announcement of material new information of the kind referred to in Rule 31.8 of the Code after Day 39, PEIF III 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 a “no increase” statement (as referred to in the Code) and/or an Acceleration Statement, and revise the Offer or extend the Unconditional Date (as appropriate), provided that PEIF III Bidco complies with the requirements of the Code and, in particular, that 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 Stagecoach’s 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, PEIF III Bidco will enable holders of Stagecoach 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 Link Group on or before Day 60 (or such other date as may be consented to by the Panel); (ii) the relevant Stagecoach Shareholder shall have withdrawn its acceptance of the competing offer but that the Stagecoach 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 Stagecoach 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 Code. Stagecoach Shareholders wishing to use such forms of acceptance should apply to Link Group on +44 (0)371 664 0443 on the Business Day immediately preceding Day 60 in order that such forms can be despatched. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide advice on the merits of the Offer nor give 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 Stagecoach 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 PEIF III Bidco to be or remain satisfied, by midnight on the earlier of the Unconditional Date and the Long-Stop Date, provided that PEIF III Bidco reserves the right to extend Day 60 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 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 Code matter, for the purpose of determining whether the Acceptance Condition has been satisfied, acceptances received or purchases of Stagecoach Shares made after 1.00 p.m. on the Unconditional Date may not be taken into account except with the Panel’s consent.
- (o) PEIF III Bidco reserves the right (but shall not be obliged, other than as may be required by the Code), with the consent of Stagecoach or the consent of the Panel, at any time to extend the Long-Stop Date. In such event, PEIF III 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 Link Group.
- (p) Except with the Panel’s consent, PEIF III Bidco may not, for the purpose of determining whether the Acceptance Condition has been satisfied, take into account acceptances received or purchases of Stagecoach Shares made after 1.00 p.m. on the Unconditional Date or the Long-Stop Date (as applicable) or, in the context of an ACIN published by PEIF III Bidco, 1.00 p.m. on the date specified in the ACIN as being the date on which PEIF III 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 Code, acceptances received and purchases of Stagecoach Shares made in respect of which relevant electronic instructions or documents are received by Link Group after 1.00 p.m. on the relevant date may (except where the Code permits otherwise) only be taken into account with the Panel's consent.

- (q) If the Offer becomes unconditional, it will remain open for acceptance for not less than 14 days from the date on which it became unconditional and PEIF III 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 PEIF III Bidco that the Offer will remain open until further notice, then not less than 14 days' notice in writing will be given, before closing the Offer, to those Stagecoach Shareholders who have not accepted the Offer (and to persons with information rights).

2. Announcements

- (a) Except with the Panel's consent, PEIF III Bidco shall 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):
 - (i) 12 April 2022 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 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 PEIF III 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 per cent. of the shares carrying voting rights in Stagecoach; 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 Stagecoach 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 PEIF III Bidco or in respect of Stagecoach Shares which were subject to an irrevocable commitment or a letter of intent procured by PEIF III Bidco or any person acting in concert with PEIF III Bidco);
 - (ii) details of any relevant securities of Stagecoach in which PEIF III Bidco or any person acting in concert with it has an interest 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 Stagecoach in respect of which PEIF III Bidco or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
 - (iv) details of any relevant securities of Stagecoach which PEIF III Bidco or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

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

- (c) In calculating the number of Stagecoach Shares represented by acceptances and/or purchases, there may be included or excluded for announcement purposes, subject to paragraph 5 of this Part C of Appendix I, 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 Code shall not (unless otherwise consented to by the Panel) be included.
- (d) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of PEIF III 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 UK and submitted for publication as soon as the relevant Regulatory Information Service re-opens.
- (f) A copy of any announcement made by PEIF III Bidco in accordance with paragraph 2 of this Part C will be available, subject to certain restrictions relating to persons outside the UK, for inspection on PEIF III Bidco's website at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/ promptly after the making of such announcement and in any event by no later than 12 noon on the Business Day following the announcement.
- (g) Without limiting the manner in which PEIF III Bidco may choose to make any public statement and subject to PEIF III Bidco's obligations under applicable law and regulation and paragraph 2(e) of this Part C, PEIF III 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 or as agreed in writing between PEIF III Bidco and any particular Stagecoach Shareholder or as otherwise permitted by PEIF III Bidco (either generally or for any particular Stagecoach Shareholder).
- (b) An accepting Stagecoach Shareholder may withdraw its acceptance of the Offer by written notice received by post or, during normal business hours, by hand to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL (or, in the case of Stagecoach 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 Stagecoach Shareholder withdraws its acceptance in accordance with paragraph 3 of this Part C, all documents 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 seven days) and Link Group will immediately give instructions for the release of securities held in escrow.
- (d) In 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 Stagecoach 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 PEIF III Bidco) given by post or by hand (during normal working hours) to Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL. E-mail 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 PEIF III 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 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 Link Group and must specify the name of the person who has tendered the Stagecoach Shares to be withdrawn and (if share certificates have been tendered) the name of the holder of the relevant Stagecoach Shares if different from the name of the person who tendered the Stagecoach Shares.
- (f) In the case of Stagecoach Shares held in uncertificated form, an accepting Stagecoach 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:
 - (i) the number of Stagecoach Shares to be withdrawn, together with their ISIN number (this is GB00B6YTLS95);
 - (ii) the member account ID of the accepting Stagecoach Shareholder, together with their participant ID;
 - (iii) Link Group's participant ID (this is RA10) and the member account ID of Link Group included in the relevant Electronic Acceptance (this is INFSTA01);
 - (iv) the CREST transaction ID of the Electronic Acceptance to be withdrawn, to be inserted at the beginning of the shared note field;
 - (v) the intended settlement date for the withdrawal;
 - (vi) the corporate action number for the Offer allocated by Euroclear which can be found by viewing the relevant corporate action details in CREST;
 - (vii) the name and contact telephone number of the shareholder inserted into the shared note field; and
 - (viii) input with a standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon Link Group verifying that the withdrawal request is validly made. Accordingly, Link Group will on behalf of PEIF III 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) Stagecoach Shares in respect of which acceptances have been validly withdrawn in accordance with paragraph 3 of this Part C may subsequently be re-assented to the Offer following one of the procedures described in paragraph 15 of the letter from PEIF III Bidco in Part II 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 PEIF III Bidco whose determination (save as the Panel otherwise determines) will be final and binding. None of PEIF III Bidco, Stagecoach, Morgan Stanley, Link Group 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.

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 Morgan Stanley 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 a Stagecoach 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 Stagecoach 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 (a "**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 PEIF III Bidco and

each of its directors and Morgan Stanley and each of its 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 Stagecoach Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- (b) Subject to paragraph 4(c) and paragraph 4(d) of this Part C, the powers of attorney and authorities conferred by 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 Stagecoach Shares in certificated form, lodges with Link Group, Corporate Actions at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, by no later than the date by which elections for alternative forms of consideration must be made (or such other date as PEIF III Bidco may determine), a Form of Acceptance (or other form validly issued by or on behalf of PEIF III 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 Stagecoach 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:

- (A) the number of Stagecoach Shares in respect of which the changed election is made, together with their ISIN number (this is GB00B6YTLS95);
- (B) the member account ID of the Previous Acceptor, together with their participant ID;
- (C) the member account ID of Link Group included in the relevant Electronic Acceptance (this is INFSTA01 for the Offer);
- (D) Link Group's participant ID (this is RA10);
- (E) 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;
- (F) the intended settlement date for the changed election;
- (G) 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:

- (H) the member account ID of Link Group relevant to the new election; and
- (I) input with a standard delivery instruction priority of 80.

Any such change of election will be conditional upon Link Group verifying that the request is validly made. Accordingly, Link Group will on behalf of PEIF III 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 Morgan Stanley 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.
- (e) PEIF III Bidco and Link Group reserve the right to treat an executed Form of 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 Stagecoach Shareholder.
- (f) If a competitive situation arises or further develops after the date of this document, PEIF III Bidco may (with the consent of the Panel) extend or revise the Offer provided it complies with the requirements of the Code.

5. Acceptances and purchases

- (a) Notwithstanding the right reserved by PEIF III Bidco to treat an acceptance of the Offer as valid (even though, in the case of Stagecoach 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) subject to paragraph 5(a)(iv) of this Part C, 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 6 on Rule 10.1 of the Code are satisfied in respect of it (and the Stagecoach Shares to which such acceptance relates do not fall within Note 8 on Rule 10.1 of the Code);
 - (ii) subject to paragraph 5(a)(iv) of this Part C, a purchase of Stagecoach Shares by PEIF III Bidco or its wholly owned subsidiaries or their nominee(s) or, in the case of an offer under Rule 9 of the Code, any person acting or deemed to be acting in concert with PEIF III 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 Code are satisfied in respect of it (and the Stagecoach Shares to which such purchase relates do not fall within Note 8 on Rule 10.1 of the Code);
 - (iii) Stagecoach Shares which have been borrowed by PEIF III 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), Link Group must have issued a certificate to PEIF III Bidco or to Morgan Stanley which states:
 - (A) the number of Stagecoach Shares in respect of which acceptances have been received and which are to be treated as valid for the purposes of paragraph 5(a) of this Part C; and
 - (B) the number of Stagecoach Shares otherwise acquired, whether before or during the Offer Period, which are to be treated as valid for the purposes of paragraph 5(b) of this Part C.

Copies of such certificate will be sent to the Panel and to Stagecoach's financial advisers (RBC and Deutsche Bank) 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, PEIF III Bidco is not bound (unless otherwise required by the Code) to take into account any Stagecoach 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 Link Group from Stagecoach or its agents at the address specified in paragraph 3(b) of this Part C. Notification by e-mail or facsimile or other electronic transmission will not constitute written notice for these purposes.

6. General

- (a) It is intended that the Offer will be implemented by way of a takeover offer within the meaning of the Companies Act. However, PEIF III Bidco reserves the right to elect, with the consent of the Panel (where necessary) and Stagecoach, to implement the Offer by way of a Scheme. If the Offer 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 Offer, 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 PEIF III Bidco may, in accordance with the Code, specify a new long-stop date by which the Scheme must become effective); 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 per cent. or more in value of the relevant Stagecoach 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 on or before the 22nd day after the expected date of the court meeting to be set out in the Scheme Document in due course (or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required);
 - (ii) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at a Stagecoach general meeting or at any adjournment of that meeting on or before the 22nd day after the expected date of the Stagecoach general meeting as set out in the Scheme Document in due course or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required); and
 - (iii) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to PEIF III Bidco) on or before the 22nd day after the expected date of the Court hearing to sanction the Scheme as set out in the Scheme Document in due course (or such later date, if any, as PEIF III Bidco and Stagecoach may agree, with the consent of the Panel and/or approval of the Court, if such consent and/or approval is required).
- (b) In addition, if the Offer is implemented by way of the Scheme, the Scheme will be conditional upon the Conditions set out in Part A of this Appendix I (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 fulfilled.
- (c) Stagecoach Shares will be acquired by PEIF III Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them as at 9 March 2022 or subsequently attaching or accruing to them, including voting rights and (subject to paragraph 6(d) of this Part C) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made, paid or payable, or any other return of capital made, on or after 9 March 2022.
- (d) If, on or after the date of the Rule 2.7 Announcement, any dividend and/or other distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Stagecoach Shares, PEIF III Bidco reserves the right (without prejudice to any right of PEIF III Bidco to invoke Condition 2(c)(iii) in Part A of this Appendix I), to reduce the consideration payable under the terms of the Offer for the Stagecoach Shares by an amount up to the amount of such dividend and/or distribution and/or return of capital. If (but only to the extent) PEIF III Bidco exercises this right to make such a reduction in respect of a dividend and/or distribution and/or return of capital, Stagecoach Shareholders will be entitled to receive and retain such dividend and/or other distribution and/or return of capital, and references in this document to the consideration payable under the terms of the Offer will be deemed to be references to the consideration as so reduced. To the extent that any such dividend and/or distribution and/or other return of capital is declared, made or paid or is payable and it is: (i) transferred pursuant to the Offer on a basis which entitles PEIF III Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable under the terms of the Offer will not be subject to change in accordance with this paragraph 6(d). Any exercise by PEIF III Bidco of its rights referred to in this paragraph 6(d) shall not be regarded as constituting any revision or variation of the Offer.

- (e) Except with the Panel's consent, settlement of the consideration to which any Stagecoach Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which PEIF III Bidco or Morgan Stanley may otherwise be, or claim to be, entitled as against such Stagecoach Shareholder and will be effected in the manner described in this document.
- (f) The Offer is made on 22 March 2022 and is capable of acceptance from that date. Copies of this document, the Form of Acceptance and any related documents are available (subject to certain restrictions relating to persons outside the UK) for inspection at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/ and from Link Group at the address set out in paragraph 3(b) of this Part C.
- (g) In respect of Stagecoach 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 Appendix I 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 a Stagecoach Shareholder and PEIF III Bidco, Morgan Stanley or Link Group shall be governed by and interpreted in accordance with English law.
- (i) Subject to paragraphs 6(j) and 6(k) of this Part C the English courts have exclusive jurisdiction to settle 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 a Stagecoach Shareholder constitutes such Stagecoach Shareholder's irrevocable submission to the jurisdiction of the English courts.
- (j) The agreement in paragraph 6(i) of this Part C is included for the benefit of PEIF III Bidco, Morgan Stanley and Link Group and accordingly, notwithstanding the exclusive agreement in that paragraph, PEIF III Bidco, Morgan Stanley and Link Group 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 a Stagecoach Shareholder constitutes such Stagecoach Shareholder's irrevocable submission to the jurisdiction of the courts of any such country.
- (k) If the Offer is implemented by way of a Scheme, such Scheme will be subject to the exclusive jurisdiction of the Court.
- (l) 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 Stagecoach 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 UK) collect copies of those documents from Link Group at the address set out in paragraph 3(b) of this Part C or inspect this document at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/ while the Offer remains open for acceptances.
- (m) If the Offer lapses for any reason or is withdrawn:
 - (i) it will cease to be capable of further acceptance;
 - (ii) PEIF III Bidco and accepting Stagecoach Shareholders will cease to be bound by: (A) in the case of Stagecoach Shares held in certificated form, Forms of Acceptance submitted; and (B) in the case of Stagecoach Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;

- (iii) in respect of Stagecoach Shares held in certificated form, Forms 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 seven days of the Offer lapsing, at the risk of the Stagecoach 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 Stagecoach Shares held in uncertificated form, Link Group will, immediately after the Offer lapses (or within such longer period as the Panel may permit), give TFE instructions to Euroclear to transfer all Stagecoach 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 Stagecoach Shareholders concerned.
- (n) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix I or (where relevant) in the Form of Acceptance are given by way of security for the performance of the obligations of the Stagecoach 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.
- (o) Without prejudice to any other provisions of this Part C and subject to the requirements of the Code, PEIF III Bidco, Morgan Stanley and Link Group 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 Stagecoach Shares held in certificated form, in the Form of Acceptance. In that event, 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 PEIF III Bidco have been received by Link Group.
- (p) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Stagecoach 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 PEIF III Bidco.
- (q) If PEIF III Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, both 90 per cent. or more in value of the Stagecoach Shares to which the Offer relates and 90 per cent. 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), PEIF III Bidco intends to exercise its rights in accordance with Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Stagecoach Shares on the same terms as the Offer.
- (r) Following the Offer becoming or being declared unconditional, if PEIF III Bidco receives acceptances under the Offer in respect of, and/or otherwise acquires, 75 per cent. or more of the voting rights carried by the Stagecoach Shares or the appropriate special resolutions are otherwise passed, and subject to any applicable requirements of the FCA, it is intended that PEIF III Bidco will procure that Stagecoach makes applications to cancel the listing of Stagecoach Shares on the Official List and to cancel trading in Stagecoach Shares on the London Stock Exchange's main market for listed securities. A notice period of not less than 20 business days (as such term is defined in the Listing Rules) before the cancellation will commence on the later of: (i) the date on which the Offer becomes or is declared unconditional; and (ii) provided PEIF III Bidco has, by virtue of its shareholdings and acceptances of the Offer, acquired Stagecoach Shares carrying 75 per cent. or more of the voting rights of Stagecoach, the date on which PEIF III Bidco has made an announcement of that fact. PEIF III Bidco will notify Stagecoach Shareholders when the required percentage has been attained and confirm that the notice period has commenced and the anticipated date of cancellation.
- (s) Any reference in this Appendix I 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).

- (t) In relation to any acceptance of the Offer in respect of a holding of Stagecoach Shares which are in uncertificated form, PEIF III 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 Code or are otherwise made with the Panel's consent.
- (u) 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.
- (v) Neither PEIF III Bidco nor the Wider PEIF III Topco Group nor any person acting on behalf of PEIF III 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.
- (w) The Offer is subject to applicable requirements of the FCA, the London Stock Exchange and the Code. In the event of any conflict or inconsistency between the terms and conditions of the Offer and the Code, the provisions of the Code shall prevail, and PEIF III 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.
- (x) 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 PEIF III Bidco, whose determination (save as the Panel otherwise determines) will be final and binding. None of PEIF III Bidco, the Wider PEIF III Topco Group, Morgan Stanley, Link Group 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 (x).

7. Overseas Shareholders

- (a) The making of the Offer in, or to persons resident in, or to nationals or citizens of, jurisdictions outside the United Kingdom or to nominees of, or custodians or trustees for, citizens or nationals of other countries (“**Overseas Shareholders**”) 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 UK 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 Form of Acceptance are sent for information only. It is the responsibility of such Overseas Shareholder receiving a copy of this document and/or 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 PEIF III Bidco and Morgan Stanley (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 PEIF III Bidco or Morgan Stanley (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, the Offer is not being made, directly or indirectly, in or into, and is not capable of acceptance in or from a Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, mailed or otherwise forwarded, distributed or sent in or into or from a 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 a Restricted Jurisdiction or use Restricted Jurisdiction mails or any such means or instrumentality or facility 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 or instrumentality or facility 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 Stagecoach Shareholders must provide addresses outside a Restricted Jurisdiction for the remittance of cash or for the return of the Form of Acceptance, share certificates and/or other document(s) of title.

- (c) A Stagecoach Shareholder will be deemed not to have validly accepted the Offer if:
- (i) such Stagecoach Shareholder puts “NO” in Box 4 of the Form of Acceptance and thereby does not give the representations and warranties set out in sub-paragraph (b) of Part D of this Appendix I;
 - (ii) having had inserted in, or having completed Box 3 of, the Form of Acceptance, a registered address in a Restricted Jurisdiction, such Stagecoach Shareholder does not insert in Box 5 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom such Stagecoach Shareholder wishes the consideration to which they are entitled under the Offer and/or any documents to be sent;
 - (iii) such Stagecoach Shareholder inserts in Box 5 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom such Stagecoach 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 PEIF III Bidco or its agent to have been sent from, a Restricted Jurisdiction;
 - (v) such Stagecoach Shareholder inserts in Box 6 of the Form of Acceptance a telephone number in a Restricted Jurisdiction; or
 - (vi) such Stagecoach Shareholder makes a Restricted Escrow Transfer pursuant to paragraph (g) of this Part C unless they also make a related Restricted ESA instruction which is accepted by Link Group.

PEIF III 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 Appendix I or (as the case may be) paragraphs (b) to (d) of Part E of this Appendix I could have been truthfully given by the relevant Stagecoach Shareholder and, if such investigation is made and, as a result, PEIF III 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 the mails or any means or instrumentality (including without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facility of a national securities exchange of, a 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 paragraph 7 of this Part C.
- (e) If any written notice from a Stagecoach Shareholder withdrawing such Stagecoach Shareholder’s acceptance in accordance with paragraph 3 of this Part C is received in an envelope postmarked in, or which otherwise appears to PEIF III Bidco or its agents to have been sent from, a Restricted Jurisdiction, PEIF III Bidco reserves the right in its absolute discretion to treat that notice as invalid.

Any acceptance of the Offer by Stagecoach Shareholders who are unable to give the representations and warranties set out in paragraph (b) of Part D of this Appendix I or (as the case may be) paragraphs (b) to (d) of Part E of this Appendix I is liable to be disregarded.

- (f) PEIF III 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.

- (g) If a Stagecoach Shareholder holding Stagecoach Shares in uncertificated form cannot give the representations and warranties set out in paragraphs (b) to (d) of Part E of this Appendix I, but nevertheless can provide evidence satisfactory to PEIF III Bidco that they can accept the Offer in compliance with all relevant legal and regulatory requirements, such Stagecoach 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 Stagecoach 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 PEIF III Bidco decides, in its absolute discretion, to exercise its right described in paragraph 7(h) 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 PEIF III Bidco accordingly decides to permit such acceptance to be made, Link Group will, on behalf of PEIF III 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, Link Group will, on behalf of PEIF III 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 Stagecoach Shares. This is GB00B6YTLS95;
- the number of Stagecoach Shares in uncertificated form in respect of which the Offer is to be accepted;
- the member account ID and participant ID of the Stagecoach Shareholder;
- the participant ID of Link Group (this is RA10) and its member account ID specific to a Restricted Escrow Transfer (this is RESTRICT);
- 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;
- the corporate action number for the Offer allocated by Euroclear;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number inserted in the shared note file.

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

- the ISIN number for the Stagecoach Shares (this is GB00B6YTLS95);
- the number of Stagecoach Shares relevant to that Restricted ESA instruction;
- the member account ID and participant ID of the accepting Stagecoach Shareholder;
- the member account ID and participant ID of Link Group set out in the Restricted Escrow Transfer;
- the participant ID and the member account ID of Link Group relevant to the form of consideration required (details of which are set out in this document);
- 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. on the Unconditional Date;
- input with a standard delivery instruction priority of 80; and
- the corporate action number for the Offer.

- (h) These provisions and any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Stagecoach Shareholders or on a general basis by PEIF III Bidco in its absolute discretion. Subject thereto, the provisions of paragraph 7 of this Part C supersede any terms of the Offer inconsistent with them. References in paragraph 7 of this Part C to a Stagecoach 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 paragraph 7 of this Part C shall apply to them jointly and severally.
- (i) PEIF III Bidco reserves the right to notify any matter, including the making of the Offer, to all or any Stagecoach Shareholders:
 - (i) with a registered address outside the United Kingdom; or
 - (ii) whom PEIF III Bidco knows to be a custodian, trustee or nominee holding Stagecoach 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 and the Edinburgh 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 Stagecoach Shareholder to receive or see that notice.

A reference in this document to a notice or the provision of information in writing by or on behalf of PEIF III 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 Stagecoach Shares held in certificated form. If you hold all of your Stagecoach Shares in uncertificated form, you should ignore this Part D and instead read Part E of this Appendix I.

Each Stagecoach Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and delivered to Link Group irrevocably undertakes, represents, warrants and agrees to and with PEIF III Bidco, Morgan Stanley and Link Group (so as to bind such Stagecoach Shareholder and such Stagecoach Shareholder's personal or legal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall constitute:
- (i) an acceptance of the Offer in respect of the number of Stagecoach Shares in certificated form inserted or deemed to be inserted in Box 1 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents and give any further assurances which may be required to enable PEIF III Bidco to obtain the full benefit of this Part D and/or to perfect any of the authorities expressed to be given in this Part D,

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 Appendix I, each such acceptance shall be irrevocable provided that if:

- (i) Box 1 or any other box is not completed; or
- (ii) the total number of Stagecoach Shares inserted in Box 1 is greater than the number of Stagecoach Shares comprised in the acceptance,

but the Form of Acceptance is signed, it will be deemed to be an acceptance of the Offer in respect of all of the Stagecoach Shares comprised in the acceptance.

For the purposes of this Appendix I and the Form of Acceptance, the phrase **Stagecoach Shares comprised in the acceptance** shall mean the number of Stagecoach Shares inserted in Box 1 of the Form of Acceptance or if no number (or a number greater than the relevant Stagecoach Shareholder's registered holding of Stagecoach Shares) is inserted, the greater of:

- (i) the relevant Stagecoach Shareholder's entire holding of Stagecoach Shares as disclosed by the register of members made available to Link Group prior to the time the relevant Form of Acceptance is processed by Link Group;
- (ii) the relevant Stagecoach Shareholder's entire holding of Stagecoach Shares as disclosed by the register of members made available to Link Group prior to the latest time for receipt of the Form of Acceptance which can be taken into account for determining whether the Offer is unconditional; or
- (iii) the number of Stagecoach Shares in respect of which certificates or an indemnity in lieu thereof is received by Link Group;

- (b) unless "NO" is put in Box 4 of the Form of Acceptance, that such Stagecoach 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, has not utilised in connection with the Offer or the execution or delivery of the Form of Acceptance, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction;
 - (ii) 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 PEIF III Bidco, Morgan Stanley or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Stagecoach Shareholder's acceptance thereof;
 - (iii) is accepting the Offer from outside a Restricted Jurisdiction and has not executed, mailed or sent the Form of Acceptance in or from a Restricted Jurisdiction; and

- (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;
- (c) that the execution of the Form of Acceptance and its delivery to Link Group constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Stagecoach Shareholder not having validly withdrawn their acceptance, the irrevocable and separate appointment of each of PEIF III Bidco and/or Morgan Stanley and any director of, or any person authorised, by them as such shareholder's attorney and/or agent (the "**attorney**") and an irrevocable instruction and authorisation to the attorney:
 - (i) to 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 Stagecoach Shares referred to in paragraph (a) of this Part D in favour of PEIF III Bidco or such other person or persons as PEIF III Bidco or its agents may direct in connection with acceptance of the Offer;
 - (ii) to deliver such form(s) of transfer 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 Stagecoach Shares for registration within six months of the Offer becoming unconditional; and
 - (iii) to 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 pursuant to the Form of Acceptance and to vest the Stagecoach Shares referred to in paragraph (a) of this Part D in PEIF III Bidco or its nominee;
- (d) that, in relation to Stagecoach Shares in certificated form, the execution of the Form of Acceptance and its delivery to Link Group constitutes, subject to the Offer becoming unconditional and to an accepting Stagecoach Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request, subject to the provisions of paragraph 7 of Part C of this Appendix I:
 - (i) to Stagecoach or its agents to procure the registration of the transfer of those Stagecoach Shares referred to in paragraph (a) of this Part D pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect of the Stagecoach Shares to PEIF III Bidco or as it may direct; and
 - (ii) to PEIF III Bidco and Morgan Stanley 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 Stagecoach Shareholder is entitled, at the risk of such shareholder, to the person or agent whose name and address outside a Restricted Jurisdiction is set out in Box 5 of the Form of Acceptance, or if no name and address is set out in Box 5, to the first named holder at such holder's registered address outside a Restricted Jurisdiction;
- (e) that the execution of the Form of Acceptance and its delivery to Link Group constitutes a separate authority to PEIF III Bidco and/or Morgan Stanley and/or their respective directors within the terms of paragraph 4 of Part C of this Appendix I in respect of the Stagecoach Shares in certificated form comprised in the acceptance;
- (f) that, 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 or if the Panel consents) and pending registration:
 - (i) PEIF III Bidco or its agents shall be entitled 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 Stagecoach or of any class of its shareholders) attaching to any Stagecoach Shares in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
 - (ii) the execution of a Form of Acceptance in respect of the Stagecoach Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) constitutes an authority to Stagecoach and its agents from such Stagecoach Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Stagecoach Shareholder as a member of Stagecoach (including any share certificate(s) or other document(s) of title) to PEIF III Bidco at its registered office;

- (B) constitutes an authority to PEIF III Bidco or any director of, or any person authorised by, PEIF III 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 Stagecoach Shares held by such Stagecoach Shareholder in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Stagecoach Shareholder's attorney and/or agent and on such Stagecoach Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Stagecoach Shares appointing any person nominated by PEIF III Bidco to attend general and separate class meetings of Stagecoach (and any adjournments thereof) and to exercise the votes attaching to such shares on such Stagecoach Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
- (C) will also constitute the agreement of such Stagecoach Shareholder not to exercise any of such rights without the consent of PEIF III Bidco and the irrevocable undertaking of such Stagecoach 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;
- (g) that such Stagecoach Shareholder will deliver or procure the delivery to Link Group at the address referred to in paragraph 3(b) of Part C of this Appendix I of share certificate(s) or other document(s) of title in respect of all Stagecoach Shares in certificated form held by such Stagecoach Shareholder in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to PEIF III Bidco in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional;
- (h) that such Stagecoach Shareholder is the sole legal and beneficial owner of the Stagecoach Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Stagecoach Shares and has the necessary capacity and authority to execute the Form(s) of Acceptance;
- (i) that the Stagecoach Shares in certificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid on or after 9 March 2022;
- (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 Stagecoach Shareholder accepts the Offer, they will do all such acts and things as shall be necessary or expedient to vest the Stagecoach Shares referred to in paragraph (a) of this Part D in PEIF III Bidco or its nominee(s) or such other persons as PEIF III Bidco may decide;
- (l) that such Stagecoach Shareholder agrees to ratify each and every act or thing which may be done or effected by PEIF III Bidco or Morgan Stanley or Link Group or any director of PEIF III Bidco, any director of Morgan Stanley or any director of Link Group or their respective agents or Stagecoach or its agents, 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 Stagecoach Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part C of this Appendix I;
- (n) that on execution the Form of Acceptance shall take effect as a deed;
- (o) that if any provision of Part C or Part D of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford PEIF III Bidco or Morgan Stanley or Link Group or any director of any of them the benefit or authority expressed to be given therein, such Stagecoach Shareholder shall with all practicable speed do all such acts and things and execute all such documents as may be required to enable PEIF III Bidco and/or Morgan Stanley and/or Link Group and/or any director of any of them to secure the full benefits of Part C and Part D of this Appendix I; and

- (p) that such Stagecoach Shareholder is not a customer (as defined by the rules of the FCA) of Morgan Stanley in connection with the Offer.

References in this Part D to a Stagecoach Shareholder shall include references to the person or persons executing a Form of Acceptance, and if more than one person executes a Form of Acceptance, the provisions of this Part D shall apply to them jointly and severally.

PART E
ELECTRONIC ACCEPTANCE

This Part E applies only to Stagecoach Shares held in uncertificated form. If you hold all of your Stagecoach Shares in certificated form, you should ignore this Part E and instead read Part D of this Appendix I.

Each Stagecoach Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with PEIF III Bidco, Morgan Stanley and Link Group (so as to bind such Stagecoach Shareholder and such Stagecoach Shareholder's personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute an acceptance of the Offer in respect of the number of Stagecoach Shares in uncertificated form to which a TTE instruction relates 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 Appendix I each such acceptance and election shall be irrevocable;
- (b) that such Stagecoach Shareholder 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, has not utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, by means of facsimile transmission, telephone or internet) of interstate or foreign commerce of, or any facilities of a national securities exchange of, a Restricted Jurisdiction, was outside a Restricted Jurisdiction at the time of the input and settlement of the relevant TTE instruction(s), and in respect of the Stagecoach 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;
- (c) that, if such Stagecoach Shareholder is an Overseas Shareholder, they have 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 have not taken or omitted to take any action that will or may result in PEIF III Bidco, Morgan Stanley or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or such Stagecoach Shareholder's acceptance thereof;
- (d) that no TTE instruction has been sent from a Restricted Jurisdiction and such Stagecoach Shareholder is accepting the Offer from outside a Restricted Jurisdiction;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in accordance with its terms and to an accepting Stagecoach Shareholder not having validly withdrawn their acceptance, the irrevocable appointment of each of PEIF III Bidco and/or Morgan Stanley and any director of, or any person authorised by, 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 the Stagecoach Shares referred to in paragraph (a) of this Part E in PEIF III Bidco or its nominee;
- (f) that the Electronic Acceptance constitutes the irrevocable appointment of Link Group as such shareholder's escrow agent to the Offer with and an irrevocable instruction and authority to the escrow agent (i) subject to the Offer becoming unconditional in accordance with its terms and to an accepting Stagecoach Shareholder not having validly withdrawn their acceptance, to transfer to itself (or to such other person or persons as PEIF III Bidco or its agents may direct) by means of CREST all or any of the Stagecoach Shares in uncertificated form (but not exceeding the number of Stagecoach Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted); 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 Stagecoach Shares to the original available balance of the accepting Stagecoach Shareholder;
- (g) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional and to an accepting Stagecoach Shareholder not having validly withdrawn their acceptance, an irrevocable authority and request to PEIF III Bidco or its agents to procure the making of a CREST payment obligation in

favour of the Stagecoach 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) PEIF III Bidco may (if, for reasons, outside its reasonable control, it is not able to effect settlement through CREST in accordance with paragraph (g) of this Part E) determine that all or any part of any such cash consideration shall be paid by cheque despatched by post; and
 - (ii) if the Stagecoach 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 PEIF III Bidco;
- (h) that the Electronic Acceptance constitutes a separate authority to PEIF III Bidco and/or Morgan Stanley and/or their respective directors within the terms of paragraph 4 of Part C of this Appendix I in respect of the Stagecoach Shares in uncertificated form referred to in paragraph (a) of this Part E;
- (i) that, 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 or if the Panel consents) and pending registration:
- (i) PEIF III Bidco and/or its agents shall be entitled 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 Stagecoach or of any class of its shareholders) attaching to such Stagecoach Shares in uncertificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn; and
 - (ii) an Electronic Acceptance in respect of the Stagecoach Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) constitutes an authority to Stagecoach from such Stagecoach Shareholder to send any notice, circular, warrant, document or other communication which may be required to be sent to such Stagecoach Shareholder as a member of Stagecoach (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Stagecoach Shares into certificated form) to PEIF III Bidco at its registered office;
 - (B) constitutes an authority to PEIF III Bidco or any director of, or any other person authorised by, PEIF III 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 Stagecoach Shares held by such Stagecoach Shareholder in uncertificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as such Stagecoach Shareholder's attorney and/or agent and on such Stagecoach Shareholder's behalf and/or to attend and/or execute a form of proxy in respect of such Stagecoach Shares appointing any person nominated by PEIF III Bidco to attend general and separate class meetings of Stagecoach (and any adjournments thereof) and to exercise the votes attaching to such shares on such Stagecoach Shareholder's behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding condition of the Offer); and
 - (C) will also constitute the agreement of such Stagecoach Shareholder not to exercise any of such rights without the consent of PEIF III Bidco and the irrevocable undertaking of such Stagecoach 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;
- (j) that such Stagecoach Shareholder is the sole legal and beneficial owner of the Stagecoach Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted or is the legal owner of such Stagecoach Shares has the necessary capacity and authority to effect an Electronic Acceptance;
- (k) that the Stagecoach Shares in uncertificated form in respect of which the Offer is accepted or deemed to be accepted are sold fully paid up and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and other distributions (if any) declared, made or paid on or after 9 March 2022;

- (l) that such Stagecoach Shareholder will do all such acts and things as shall be necessary or expedient to vest the Stagecoach Shares referred to in paragraph (a) of this Part E in PEIF III Bidco or its nominee(s) or such other persons as PEIF III Bidco may decide and all such acts and things as may be necessary or expedient to enable Link Group to perform its functions as escrow agent for the purposes of the Offer;
- (m) that such Stagecoach Shareholder agrees to ratify each and every act or thing which may be done or effected by PEIF III Bidco or Morgan Stanley or Link Group or any director of PEIF III Bidco or any director of Morgan Stanley or any director of Link Group or their respective agents or Stagecoach or its agents, as the case may be, in the exercise of any of such person's powers and/or authorities under this document;
- (n) that if, for any reason, any Stagecoach Shares in respect of which a TTE instruction has been effected in accordance with paragraph 15 of the letter from PEIF III Bidco contained in Part II of this document are converted to certificated form, such Stagecoach Shareholder will (without prejudice to paragraph (i)(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 Stagecoach Shares as so converted to Link Group at the address referred to in paragraph 3(b) of Part C of this Appendix I or to PEIF III Bidco at its registered office or as PEIF III Bidco or its agents may direct; and such Stagecoach Shareholder shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Appendix I in relation to such Stagecoach Shares without prejudice to the application of this Part E as far as PEIF III Bidco deems appropriate;
- (o) that the creation of a CREST payment obligation in favour of such Stagecoach Shareholder's payment bank in accordance with the CREST payment arrangements referred to in paragraph (g) of this Part E shall, to the extent of the obligation so created, discharge in full any obligation of PEIF III Bidco and/or Morgan Stanley to pay such Stagecoach Shareholder the cash consideration to which they are entitled pursuant to the Offer;
- (p) that the making of an Electronic Acceptance constitutes such Stagecoach Shareholder's agreement to the terms of paragraphs 6(i) and 6(j) of Part C of this Appendix I;
- (q) that, by virtue of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the relevant Stagecoach Shareholder in the terms of all the powers and authorities expressed to be given by Part C, Part E and (where applicable by virtue of paragraph (n) of this Part E) Part D of this Appendix I to PEIF III Bidco, Morgan Stanley and Link Group and any of their respective agents;
- (r) that if any provision of Part C or Part E of this Appendix I shall be unenforceable or invalid or shall not operate so as to afford PEIF III Bidco or Morgan Stanley or Link Group or any director of any of them the benefit or authority expressed to be given therein, such Stagecoach Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable PEIF III Bidco and/or Morgan Stanley and/or Link Group and/or any director of either of them to secure the full benefits of Part C and Part E of this Appendix I; and
- (s) that such Stagecoach Shareholder is not a customer (as defined by the rules of the Financial Conduct Authority) of Morgan Stanley in connection with the Offer.

References in this Part E to a Stagecoach 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 severally.

APPENDIX II FINANCIAL AND RATINGS INFORMATION

Financial information relating to Stagecoach

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

- the audited accounts of Stagecoach for the financial year ended 1 May 2021 are set out on pages 93 to 176 (both inclusive) in Stagecoach's annual report for the financial year ended 1 May 2021 available from Stagecoach's website at www.stagecoachgroup.com; and
- the audited accounts of Stagecoach for the financial year ended 2 May 2020 are set out on pages 90 to 175 (both inclusive) in Stagecoach's annual report for the financial year ended on 2 May 2020 available from Stagecoach's website at www.stagecoachgroup.com; and
- copies of any interim statements and preliminary announcements made by Stagecoach since the date of its last published audited accounts are available from Stagecoach's website at www.stagecoachgroup.com.

Stagecoach ratings information

On 21 September 2021, S&P Global Ratings revised its outlook on Stagecoach to stable from negative. At the same time, it affirmed its BBB- long-term issuer credit rating on Stagecoach and its BBB- issue rating on Stagecoach's £400 million notes due 2025.

On 16 March 2022, Moody's Investor Service placed Stagecoach's issuer and senior unsecured Baa3 ratings, along with the Baa3 instrument rating on Stagecoach's £400 million notes due 2025, on review for downgrade. The ratings remain at Baa3.

DWS Infrastructure has considered its plans for Stagecoach's future capital structure and financing policy with key stakeholders, including the SGPS pension trustees, and intends to maintain an investment grade credit rating of Stagecoach and its £400 million bonds due 2025.

Financial information relating to PEIF III Bidco

PEIF III Bidco was incorporated on 5 March 2022. Therefore, as at the date of this document, no financial information or accounts are available for PEIF III Bidco. PEIF III Bidco has not traded since its date of incorporation, has paid no dividends and PEIF III Bidco has not entered into any obligations, other than in connection with the Offer.

PEIF III Bidco ratings information

No rating agency has publicly accorded PEIF III Bidco with any current credit rating or outlook.

PEIF III Bidco has no material assets or liabilities other than those described in this document in connection with the Offer and the financing of the Offer. With effect from the completion of the Offer, the earnings, assets and liabilities of PEIF III Bidco will therefore comprise the consolidated earnings, assets and liabilities of the Stagecoach Group.

No incorporation of website information

Save as expressly referred to herein, neither the content of Stagecoach's or PEIF III Bidco's websites, nor the content of any website accessible from hyperlinks on Stagecoach's or PEIF III Bidco's websites, is incorporated into, or forms part of, this document.

**APPENDIX III
ADDITIONAL INFORMATION**

1. Responsibility

- (a) The PEIF III Bidco Directors, whose names are set out in paragraph 2(a) below, accept responsibility for the information contained in this document (including any expressions of opinion), other than the information for which the Directors of Stagecoach accept responsibility in accordance with paragraph 2(c) below. To the best of the knowledge and belief of the Directors of PEIF III Bidco, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The PEIF III Responsible Persons, whose names are set out in paragraph 2(b) below, accept responsibility for the information contained in this document (including any expressions of opinion), other than the information for which the Directors of Stagecoach accept responsibility in accordance with paragraph 2(c) below. To the best of the knowledge and belief of the PEIF III Responsible Persons, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (c) The Stagecoach Directors, whose names are set out in paragraph 2(c) below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to the Stagecoach Group and the Stagecoach Directors, their close relatives, related trusts and other connected persons and persons acting in concert with them (as such term is used in the Code). To the best of the knowledge and belief of the Stagecoach Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- (a) The names of the Directors of PEIF III Bidco and their respective functions are as follows:

<u>Name</u>	<u>Position</u>
Scott Auty	Director
Miguel Costa	Director
Florian Hubel	Director

PEIF III Bidco's registered office is at: Solent Business Park, Forum 4, C/O Aztec Financial Services (Uk) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD.

- (b) The PEIF III Responsible Persons and their respective functions are as follows:

<u>Name</u>	<u>Position</u>
Hamish Mackenzie	PEIF III investment committee member
Sundeep Vyas	PEIF III investment committee member
Harold D'Hauteville	PEIF III investment committee member
Jane Seto	PEIF III investment committee member
Aparna Narain	PEIF III investment committee member
Jed Brawley	PEIF III investment committee member
Isabelle Caumette	PEIF III investment committee member
Thomas Kalthoefer	PEIF III investment committee member
Gianluca Minella	PEIF III investment committee member
Arianna Marrocco	PEIF III investment committee observer
Walter Manara	PEIF III investment committee observer

The business address of the PEIF III Responsible Persons is: 45 Cannon Street, London, EC4M 5SB.

(c) The names of the Directors of Stagecoach and their respective functions are as follows:

<u>Name</u>	<u>Position</u>
Ray O'Toole	Chairman
Martin Griffiths	Chief Executive
Ross Paterson	Finance Director
Gregor Alexander	Senior Independent Non-Executive Director
James Bilefield	Independent Non-Executive Director
Karen Thomson	Independent Non-Executive Director
Lynne Weedall	Independent Non-Executive Director
Sir Brian Souter	Non-Executive Director

The business address of each of the Stagecoach Directors is 10 Dunkeld Road, Perth, Perthshire, PH1 5TW.

3. Persons acting in concert

3.1 In addition to the Stagecoach Directors (together with their close relatives and related trusts) and members of the Stagecoach Group (and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with Stagecoach in respect of the Offer and who are required to be disclosed are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with Stagecoach</u>
RBC Europe Limited	Private limited company registered in England and Wales	100 Bishopsgate, London, United Kingdom, EC2N 4AA	Joint financial adviser to Stagecoach in connection with the Offer
Deutsche Bank AG, London Branch	Joint stock corporation incorporated with limited liability in the Federal Republic of Germany. The London branch of Deutsche Bank AG is registered in the register of companies for England and Wales (registration number BR000005)	Winchester House, 1 Great Winchester Street, London EC2N 2DB.	Joint financial adviser to Stagecoach in connection with the Offer

3.2 In addition to the PEIF III Bidco Directors (together with their close relatives and related trusts) and members of the Wider PEIF III Topco Group (and their related pension schemes), the persons who, for the purposes of the City Code, are acting in concert with PEIF III Bidco in respect of the Offer and who are required to be disclosed are:

<u>Name</u>	<u>Type</u>	<u>Registered Office</u>	<u>Relationship with PEIF III Bidco</u>
Morgan Stanley & Co. International plc	Public limited company registered in England and Wales	20 Bank Street, Canary Wharf, Floor 08, London, E14 4AD	Financial adviser to PEIF III Bidco in connection with the Offer

4. Interests and dealings in relevant securities

4.1 Definitions used in this section

For the purposes of this paragraph 4:

“**acting in concert**” with PEIF III Bidco or Stagecoach, as the case may be, means any person acting or deemed to be acting in concert with PEIF III Bidco or Stagecoach, as the case may be, for the purposes of the City Code;

“**connected adviser**” has the meaning given to it in the City Code;

“**connected person**” in relation to a director of PEIF III Bidco or Stagecoach includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

“**control**” means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the City Code) of a company, irrespective of whether such interest(s) give(s) de facto control;

“**dealing**” has the meaning given to it in the City Code and “**dealt**” has the corresponding meaning;

“**derivative**” includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

“**Disclosure Date**” means the close of business on 18 March 2022, being the latest practicable date prior to the publication of this document;

“**Disclosure Period**” means the period commencing on 21 September 2020 (being the date 12 months prior to the date of commencement of the Offer Period) and ending on the Disclosure Date;

“**exempt fund manager**” and “**exempt principal trader**” have the meanings given to them in the City Code;

“**financial collateral arrangements**” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the City Code;

“**interest**” in relevant securities has the meaning given to it in the City Code;

“**Note 11 arrangement**” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments and letters of intent to accept the Offer, details of which are set out in paragraph 4 of this Appendix III (*Additional Information*));

“**Offer Period**” means, in this context, the period commencing on 21 September 2021 and ending on the Disclosure Date;

“**relevant securities**” means:

- (a) Stagecoach Shares and any other securities of Stagecoach which carry voting rights;
- (b) equity share capital of Stagecoach or, as the context requires, PEIF III Bidco; and
- (c) securities of Stagecoach or, as the context requires, PEIF III Bidco, carrying conversion or subscription rights into any of the foregoing; and

“**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

4.2 Interests in relevant securities of Stagecoach

Stagecoach

- (i) As at the Disclosure Date, the interests of the Stagecoach Directors (and their connected persons) in Stagecoach Shares were as follows:

<u>Stagecoach Director</u>	<u>Number of Stagecoach Shares</u>	<u>Percentage of Stagecoach existing issued share capital (excluding treasury shares)</u>
Ray O'Toole	18,000	0.003%
Martin Griffiths	686,279	0.12%
Ross Paterson	451,368	0.08%
Gregor Alexander	10,406	0.002%
Karen Thomson	11,071	0.002%
Lynne Weedall	12,000	0.002%
Sir Brian Souter*	137,829,276	24.99%
TOTAL	139,018,400	25.21%

* The 137,829,276 Stagecoach Shares attributed to Sir Brian Souter comprise (a) 80,167,309 Stagecoach Shares beneficially held by HGT Finance B Limited, a company controlled by Sir Brian Souter and (b) 57,661,967 Stagecoach Shares beneficially held by HGT Finance A Limited, a company controlled by Sir Brian Souter's sister, Dame Ann Gloag.

- (ii) As at the Disclosure Date, the Stagecoach Directors held the following outstanding options and awards over Stagecoach Shares under the Stagecoach Share Schemes:

<u>Stagecoach Director</u>	<u>Scheme Name</u>	<u>Vesting date</u>	<u>Exercise price (p)</u>	<u>Number of Stagecoach Shares under option</u>	
Martin Griffiths	Stagecoach EPP	27 June 2022	Nil	372,226	
	Stagecoach EPP	1 July 2024	Nil	516,199	
	Stagecoach RSP	33.33% 10 December 2024 33.33% 10 December 2025 33.33% 10 December 2026	Nil	621,741	
	Stagecoach RSP	33.33% 1 July 2025 33.33% 1 July 2026 33.33% 1 July 2027	Nil	595,615	
	Ross Paterson	Stagecoach EPP	27 June 2022	Nil	248,169
		Stagecoach EPP	1 July 2024	Nil	344,159
Stagecoach RSP		33.33% 10 December 2024 33.33% 10 December 2025 33.33% 10 December 2026	Nil	414,526	
Stagecoach RSP		33.33% 1 July 2025 33.33% 1 July 2026 33.33% 1 July 2027	Nil	397,107	

Mr Griffiths and Mr Paterson each hold an additional 9,042 ordinary shares through the Stagecoach BAYE scheme. These are shares partially purchased out of salary and held by the Stagecoach BAYE trustee on behalf of the director.

- (iii) As at the Disclosure Date, the interests of persons acting in concert with Stagecoach in Stagecoach Shares were as follows:

<u>Name</u>	<u>Number of Stagecoach Shares</u>	<u>Percentage of Stagecoach existing issued share capital (excluding treasury shares)</u>
RBC	Nil	Nil
Deutsche Bank	256,415	0.046%

PEIF III Bidco**

(iv) As at the Disclosure Date, the interests of persons acting in concert with PEIF III Bidco in Stagecoach Shares were as follows:

<u>Name</u>	<u>Number of Stagecoach Shares</u>	<u>Percentage of Stagecoach existing issued share capital (excluding treasury shares)</u>
DWS Investments (UK) Limited	256,415	0.046%

** Certain of the funds managed by DWS Investment GmbH and DWS Investment S.A. (the “**Relevant Entities**”) regularly enter into securities lending transactions as part of their ordinary course trading activities, pursuant to which they may receive Stagecoach Shares as collateral from third party counterparties from time to time. As at the close of business on 18 March 2022 (being the latest practicable date before the publication of this document), the Relevant Entities held collateral in Stagecoach Shares representing approximately 2.97% of the existing issued ordinary share capital (excluding treasury shares) of Stagecoach. The Relevant Entities are not entitled to exercise any voting rights attaching to the underlying Stagecoach Shares held as collateral, or otherwise dispose of such Stagecoach Shares, except upon the default of the relevant counterparty. The Panel has agreed on an ex parte basis that the receipt of Stagecoach Shares as collateral in this way does not have any consequences under the Code with respect to Rule 6 and Rule 11.

4.3 Dealings in relevant securities in Stagecoach

Stagecoach

During the Offer Period, the following dealings in Stagecoach Shares by Stagecoach Directors have taken place:

<u>Name of Director</u>	<u>Dates</u>	<u>Nature of dealings</u>	<u>Number of Stagecoach Shares</u>	<u>Price (pence)</u>
Ross Paterson	9 March 2022	Vesting of Stagecoach EPP award granted 6 Dec 2018	121,766	Nil
Ross Paterson	9 March 2022	Sale of shares from Stagecoach EPP vesting to cover taxes	58,595	104.5 per share

4.4 General

Save as disclosed in this document, as at the Disclosure Date:

- (a) none of: (i) PEIF III Bidco; (ii) any director of PEIF III Bidco or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with PEIF III Bidco, had any interest in, right to subscribe in respect of, or short position in respect of relevant securities of Stagecoach; and no such person has dealt in any relevant securities of Stagecoach during the Disclosure Period;
- (b) neither PEIF III Bidco nor any person acting in concert with PEIF III Bidco had borrowed or lent any relevant securities of Stagecoach (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (c) none of: (i) Stagecoach; (ii) any director of Stagecoach, or any close relatives, related trusts or connected person of any such director; or (iii) any other person acting in concert with Stagecoach, had any interest in, right to subscribe for, or short position in relation to relevant securities of Stagecoach; and no such person had dealt in any relevant securities of Stagecoach during the Offer Period;
- (d) neither Stagecoach nor any person acting in concert with it had borrowed or lent any relevant securities of Stagecoach (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;

- (e) neither (i) Stagecoach; or (ii) any director of Stagecoach, or any close relatives, related trusts or connected person of any such director, had any interest in, right to subscribe for, or short position in relation to relevant securities of PEIF III Bidco; and no such person had dealt in any relevant securities during the Offer Period;
- (f) neither PEIF III Bidco nor any person acting in concert with PEIF III Bidco has any Note 11 arrangement with any other person; and
- (g) neither Stagecoach nor any person who is acting in concert with Stagecoach has any Note 11 arrangement with any other person.

5. Market quotations

The following table shows the Closing Price for Stagecoach Shares on the following dates:

- (a) 20 September 2021, being the last Business Day before the commencement of the Offer Period;
- (b) the first Business Day of each of the six months immediately before the date of this document; and
- (c) 18 March 2022, being the latest practicable date prior to the publication of this document.

<u>Date</u>	<u>Price per Stagecoach Share (pence)</u>
1 September 2021	70.85
20 September 2021	68.05
1 October 2021	85.95
1 November 2021	83.20
1 December 2021	70.50
4 January 2022	91.70
1 February 2022	92.85
1 March 2022	84.00
18 March 2022	105.10

6. Irrevocable undertaking and letters of intent

Irrevocable undertaking from Dame Ann Gloag

Dame Ann Gloag (through HGT Finance A Limited) has given an irrevocable undertaking to PEIF III Bidco to accept the Offer (and, if the Offer is subsequently structured as a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.46 per cent. of Stagecoach's issued ordinary share capital (excluding treasury shares) on 18 March 2022 (being the latest practicable date prior to the publication of this document).

The obligations of Dame Ann Gloag and HGT Finance A Limited under the irrevocable undertaking shall lapse and cease to be enforceable if:

- (a) PEIF III Bidco announces that it does not intend to proceed with the Offer and no new or replacement offer or scheme is announced in accordance with Rule 2.7 of the Code at the same time; or
- (b) the Offer (or Scheme, if applicable) lapses or is withdrawn and no new, revised or replacement offer or scheme has been announced in its place or is announced at the same time, in each case in accordance with Rule 2.7 of the Code.

Letter of intent from Threadneedle Asset Management Limited

PEIF III Bidco has received a non-binding letter of intent from Threadneedle Asset Management Limited (part of Columbia Threadneedle Investments) confirming that it is their current intention to accept, or procure the acceptance of, the Offer (and, if the Offer is subsequently structured as a Scheme, to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting) in respect of 93,579,341 Stagecoach Shares, representing approximately 16.97 per cent. of Stagecoach's existing issued ordinary share capital (excluding treasury shares) on 18 March 2022 (being the latest practicable date before the date of this document).

Status of irrevocable undertakings and letter of intent under the National Express Offer

Each of Gregor Alexander, Martin Griffiths, Ray O’Toole, Ross Paterson, Karen Thomson, Lynne Weedall and Sir Brian Souter* (being the Stagecoach Directors who hold Stagecoach Shares), who together hold 80,640,567 Stagecoach Shares in aggregate, representing approximately 14.62 per cent. of Stagecoach’s issued share capital on 18 March 2022 (being the latest practicable date before the date of this document), provided irrevocable undertakings to vote in favour of the National Express Offer at each of the court meeting and the general meeting convened in respect of the scheme of arrangement to implement the National Express Offer (or, if the National Express Offer is to be implemented by way of a contractual takeover offer, to accept such offer) (the “**National Express Offer Director Irrevocable Undertakings**”).

The obligations of these Stagecoach Directors under their respective National Express Offer Director Irrevocable Undertakings currently remain binding. Accordingly, Gregor Alexander, Martin Griffiths, Ray O’Toole, Ross Paterson, Karen Thomson, Lynne Weedall and Sir Brian Souter will not be permitted to accept the Offer (and in the event that the Offer is implemented by way of a Scheme, will be required to vote against the Scheme at the Court Meeting and the resolutions relating to the Offer at a Stagecoach General Meeting) unless their respective National Express Offer Director Irrevocable Undertaking lapses.

The obligations of the Stagecoach Directors under the National Express Director Irrevocable Undertaking shall lapse and cease to have any effect if:

- (a) the National Express Offer has not completed prior to 31 March 2023 or such later date as may be agreed in writing between National Express and Stagecoach;
- (b) National Express announces, with the consent of the Panel, that it does not intend to proceed with the National Express Offer and no new or replacement offer or scheme is announced pursuant to the Code at the same time; or
- (c) the National Express Offer lapses or is withdrawn and no new, revised or replacement offer is announced in accordance with the Code at the same time.

In connection with the National Express Offer, National Express received a letter of intent to vote in favour of or accept the National Express Offer (as necessary) and vote in favour of any resolutions which would assist with the implementation of the National Express Offer from Dame Ann Gloag (through HGT Finance A Limited) in respect of a total of 57,661,967 Stagecoach Shares, representing approximately 10.46 per cent. of Stagecoach’s issued ordinary share capital (excluding treasury shares) on 13 December 2021 (being the last Business Day prior to the release of the National Express Firm Offer Announcement). As stated above in section A, Dame Ann Gloag (through HGT Finance A Limited) has given an irrevocable undertaking to PEIF III Bidco to accept the Offer (or to vote in favour of a Scheme at the Court Meeting and the resolutions to be proposed at a Stagecoach General Meeting, as necessary) in respect of such shares and accordingly no longer intends to comply with the terms of the letter of intent given in connection with the National Express Offer.

7. Service contracts and letters of appointment of the Stagecoach Directors

Save as disclosed below, there are no service contracts or letters of appointment in force between a Stagecoach Director or proposed Stagecoach Director with Stagecoach or any of its subsidiaries and, save as disclosed below, no such agreement has been entered into or amended during the six months preceding the date of this document.

Stagecoach Executive Directors

The following Stagecoach Executive Directors have entered into service contracts with members of the Stagecoach Group.

- (a) ***Martin Griffiths, Chief Executive and member of the Health, Safety & Environmental Committee of Stagecoach***

Martin Griffiths is employed under a service agreement with Stagecoach Holdings Limited which is signed and dated on behalf of Stagecoach Holdings Limited on 29 January 2013 and by Mr Griffiths on 22 February 2013, as amended in writing with effect from 20 October 2020. Mr Griffiths’ employment under the terms of the agreement was deemed to have commenced on 1 May 2013.

* The beneficial owner of the shares attributed to Sir Brian Souter is HGT Finance B Limited. HGT Finance B Limited has undertaken, so far as it is able in its capacity as the beneficial owner of such shares, to act in order that the obligations accepted by Sir Brian Souter contained in his irrevocable undertaking may be complied with.

The agreement is terminable by the employer or Mr Griffiths on not less than 12 months' written notice. The employer can terminate the agreement by summary notice in writing in specified circumstances, including in the event of Mr Griffith's gross misconduct or gross negligence, in which case he will not be entitled to any payment other than amounts accrued but unpaid as at termination. In addition, at any time after notice is given by either party to terminate employment or after Mr Griffiths has purported to terminate his employment without giving full notice and the employer does not accept such resignation, Stagecoach may place Mr Griffiths on garden leave. During such period of garden leave, Stagecoach will continue to pay Mr Griffiths his basic salary and provide his benefits save that he will not be entitled to receive awards under the Stagecoach EPP or Stagecoach LTIP or any similar schemes and any bonus in respect of the period of garden leave would be at the discretion of the Remuneration Committee.

The service agreement contains (a) a confidentiality undertaking and (b) post-termination restrictive covenants regarding non-competition, non-solicitation (of key employees) and non-interference (with suppliers), which restrict Mr Griffiths for a period of up to 12 months from the termination of his service agreement, such period to be reduced by a period of time equal to any period of garden leave before termination of employment during which Mr Griffiths was provided with no or an insubstantial level of work.

Mr Griffiths' current salary is £652,000 per annum. This is subject to an upward only review by the Remuneration Committee (without a commitment to increase) on an annual basis. However, in the context of the Covid-19 situation, all the Stagecoach directors, including Mr Griffiths, agreed to waive 50 per cent. of their basic pay for the three months of April to June 2020 and to further waive 20 per cent. of their basic pay for the three months of July to September 2020. In effect, Mr Griffiths waived £114,100 of his annual salary for this six-month period.

Mr Griffiths is also eligible to participate in the Stagecoach Share Schemes, pursuant to which he holds awards over Stagecoach relevant securities as detailed in paragraph 4.2(ii) of this Appendix III.

Mr Griffiths' total remuneration for the year ended 30 April 2021, including base salary and benefits, was £910,000.

In respect of pensions, the agreement states that Mr Griffiths is eligible for membership of (i) the SGPS as a non-contributory deferred member; and (ii) the Stagecoach Secured Employer Financed Retirements Benefits Scheme (which is expected to close to further accrual in September 2023). Pursuant to the amendment agreement dated 20 October 2020, Mr Griffiths is alternatively entitled to receive a cash allowance or an employer contribution into a defined contribution scheme of the following rates of basic salary:

- (i) From 25 September 2020 at the rate of 23 per cent. of basic salary;
- (ii) From 1 September 2021 at the rate of 18 per cent. of basic salary;
- (iii) From 1 September 2022 at the rate of 13 per cent. of basic salary;
- (iv) From 1 September 2023 at the rate of 10 per cent. of basic salary (or such amount in line with the general workforce entitlements as at the end of the term of the 2020 Stagecoach remuneration policy).

Mr Griffiths is also provided with a car allowance of £22,000, a life assurance benefit of four times annual salary, reimbursement of reasonable expenses incurred in the performance of his duties, home telephone and communication costs, private medical insurance, annual health check, reimbursement of reasonable relocation expenses (in the event he is asked to relocate) and payment of his full basic salary for the first 26 consecutive weeks of absence and one half of his full basic salary for the next 26 consecutive weeks of absence due to illness or other incapacity.

Mr Griffiths is covered by Stagecoach's directors' and officers' liability insurance and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his position within the Stagecoach Group.

(b) ***Ross Paterson, Finance Director of Stagecoach***

Ross Paterson is employed under a service agreement with Stagecoach Holdings Limited which is signed and dated on behalf of the employer on 29 January 2013 and by Mr Paterson on 11 February 2013, as amended in writing with effect from 12 October 2020. Mr Paterson's employment under the terms of the agreement was deemed to have commenced on 1 May 2013.

The agreement is terminable by the employer or Mr Paterson on not less than 12 months' written notice. The employer can terminate the agreement by summary notice in writing in specified circumstances, including in the event of Mr Paterson's gross misconduct or gross negligence, in which case he will not be entitled to any payment other than amounts accrued but unpaid as at termination. In addition, at any time after notice is given by either party to terminate employment or after Mr Paterson has purported to terminate his employment without giving full notice and the employer does not accept such resignation, Stagecoach may place Mr Paterson on garden leave. During such period of garden leave, Stagecoach will continue to pay Mr Paterson his basic salary and provide his benefits save that he will not be entitled to receive awards under the Stagecoach EPP or Stagecoach LTIP or any similar schemes and any bonus in respect of the period of garden leave would be at the discretion of the Remuneration Committee.

The service agreement contains (a) a confidentiality undertaking and (b) post-termination restrictive covenants regarding non-competition, non-solicitation (of key employees) and non-interference (with suppliers), which restrict Mr Paterson for a period of up to 12 months from the termination of his service agreement, such period to be reduced by a period of time equal to any period of garden leave before termination of employment during which Mr Paterson was provided with no or an insubstantial level of work.

Mr Paterson's current salary is £434,700 per annum. This is subject to an upward only review by the Remuneration Committee (without a commitment to increase). However, in the context of the Covid-19 situation, all the Stagecoach directors, including Mr Paterson, agreed to waive 50 per cent. of their basic pay for the three months of April to June 2020 and to further waive 20 per cent. of their basic pay for the three months of July to September 2020. In effect, Mr Paterson waived £76,073 of his annual salary for this six-month period.

Mr Paterson is also eligible to participate in the Stagecoach Share Schemes, pursuant to which he holds awards over Stagecoach relevant securities as detailed in paragraph 4.2(ii) of this Appendix III.

Mr Paterson's total remuneration for the year ended 30 April 2021, including base salary and benefits, was £616,000.

In respect of pensions, the service agreement states that Mr Paterson is eligible for membership of: (i) the SGPS as a non-contributory deferred member and (ii) the Stagecoach Secured Employer Financed Retirements Benefits Scheme (which is expected to close to further accrual in September 2023). The agreement was amended in respect of pensions by the amendment agreement dated 20 October 2020. Pursuant to the amendment, Mr Paterson is alternatively entitled to receive a cash allowance or an employer contribution into a defined contribution scheme of the following rates of basic salary:

- (i) From 25 September 2020 at the rate of 23 per cent. of basic salary;
- (ii) From 1 September 2021 at the rate of 18 per cent. of basic salary;
- (iii) From 1 September 2022 at the rate of 13 per cent. of basic salary;
- (iv) From 1 September 2023 at the rate of 10 per cent. of basic salary (or such amount in line with the general workforce entitlements as at the end of the term of the 2020 Stagecoach remuneration policy).

Mr Paterson is also provided with a car allowance of £22,000, a life assurance benefit of four times annual salary, reimbursement of reasonable expenses incurred in the performance of his duties, home telephone and communication costs, private medical insurance, reimbursement of reasonable relocation expenses (in the event he is asked to relocate) and payment of his full basic salary for the first 26 consecutive weeks of absence and one half of his full basic salary for the next 26 consecutive weeks of absence due to illness or other incapacity.

Mr Paterson is covered by Stagecoach's directors' and officers' liability insurance and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his position within the Stagecoach Group.

Stagecoach Non-Executive Directors

The Stagecoach Non-Executive Directors are appointed by letters of appointment, details of which are set out below.

The appointment of each Stagecoach Non-Executive Director is subject to their continued satisfactory performance and annual re-election by the Stagecoach Shareholders in accordance with the UK Corporate Governance Code. Under letters of appointment, the Stagecoach Non-Executive Directors are typically

appointed for an initial three-year term and expected to serve two three-year terms, which may be extended further subject to invitation by the Stagecoach Board and annual re-election by Stagecoach Shareholders.

Particulars of the terms of appointment are as follows:

<u>Stagecoach Non-Executive Director</u>	<u>Date of Contract</u>	<u>Notice period from Stagecoach</u>	<u>Notice period from Director</u>
Ray O'Toole	16 January 2020	Six months	Six months
Gregor Alexander	05 March 2013	One month	One month
James Bilefield	26 January 2016	One month	One month
Karen Thomson	22 March 2016	One month	One month
Lynne Weedall	22 May 2020	One month	One month
Sir Brian Souter	20 January 2020	One month	One month

(a) ***Ray O'Toole, Stagecoach Non-Executive Director, Chairman of the Stagecoach Board and Chairman of the Health, Safety & Environmental Committee***

The effective date of Ray O'Toole's appointment as non-executive Chairman is 1 January 2020.

Mr O'Toole is entitled to a fee of £195,000 per annum for acting as Chairman of the Stagecoach Board, which is subject to an annual review by the Remuneration Committee. In the context of the Covid-19 situation, Mr O'Toole waived £34,125 of his annual fee for the six months to 30 September 2020.

In addition to his annual fee, Mr O'Toole is also entitled to receive the assistance of a personal assistant for work purposes, reimbursement of reasonable expenses and payment or reimbursement for the cost of travel and accommodation on Stagecoach business. Mr O'Toole is covered by Stagecoach's directors' and officers' liability insurance during his appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his appointment to the Board.

(b) ***Gregor Alexander, Stagecoach Non-Executive Director, Chairman of the Nomination Committee, Chairman of the Audit Committee and Member of the Remuneration Committee***

Gregor Alexander's appointment as a Stagecoach Non-Executive Director commenced on 1 April 2013.

Mr Alexander is entitled to a fee of £60,900 per annum for acting as a Stagecoach Non-Executive Director. Mr Alexander's fee is subject to an annual review by the Board. In the context of the Covid-19 situation, Mr Alexander waived £10,658 of his annual fee for the six months to 30 September 2020.

In addition to his annual fee, Mr Alexander is also entitled to reimbursement of reasonable expenses incurred in performing his duties as a Stagecoach Non-Executive Director. Mr Alexander is covered by Stagecoach's directors' and officers' liability insurance during his appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his appointment to the Board.

(c) ***James Bilefield, Stagecoach Non-Executive Director, member of the Audit Committee and member of the Remuneration Committee***

James Bilefield's appointment as a Stagecoach Non-Executive Director commenced on 1 February 2016.

Mr Bilefield is entitled to a fee of £60,900 per annum for acting as a Stagecoach Non-Executive Director. Mr Bilefield's fee is subject to an annual review by the Board. In the context of the Covid-19 situation, Mr Bilefield waived £10,658 of his annual fee for the six months to 30 September 2020.

In addition to his annual fee, Mr Bilefield is also entitled to reimbursement of reasonable expenses incurred in the performance of his duties as a Stagecoach Non-Executive Director including payment or reimbursement for the cost of travel and accommodation on Stagecoach business. Mr Bilefield is covered by Stagecoach's directors' and officers' liability insurance during his appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his appointment to the Board.

(d) ***Karen Thomson, Stagecoach Non-Executive Director, member of the Audit Committee, member of the Remuneration Committee, member of the Nomination Committee and member of the Health, Safety & Environmental Committee***

Karen Thomson's appointment as a Stagecoach Non-Executive Director commenced on 31 March 2016.

Ms Thomson is entitled to a fee of £60,900 per annum for acting as a Stagecoach Non-Executive Director. Ms Thomson's fee is subject to an annual review by the Board. In the context of the Covid-19 situation, Ms Thomson waived £10,658 of her annual fee for the six months to 30 September 2020.

In addition to her annual fee, Ms Thomson is also entitled to reimbursement of reasonable expenses incurred in the performance of her duties as a Stagecoach Non-Executive Director and payment or reimbursement for the cost of travel and accommodation on Stagecoach business. Ms Thomson is covered by Stagecoach's directors' and officers' liability insurance during her appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of her appointment to the Board.

(e) ***Lynne Weedall, Stagecoach Non-Executive Director, Chair of the Remuneration Committee, member of the Nomination Committee and member of the Health, Safety & Environmental Committee***

Lynne Weedall's appointment as Stagecoach Non-Executive Director commenced on 1 August 2020.

Ms Weedall is entitled to a fee of £60,900 per annum for acting as a Stagecoach Non-Executive Director and chair of the Remuneration Committee. Ms Weedall's fee is subject to an annual review by the Board. In the context of the Covid-19 situation, Ms Weedall waived £2,030 of her annual fee for August and September 2020.

In addition to her annual fee, Ms Weedall is also entitled to reimbursement of reasonable expenses incurred in the performance of her duties as a Stagecoach Non-Executive Director and payment or reimbursement for the cost of travel and accommodation on Stagecoach business. Ms Weedall is covered by Stagecoach's directors' and officers' liability insurance during her appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of her appointment to the Board.

(f) ***Sir Brian Souter, Stagecoach Non-Executive Director and member of the Nomination Committee***

The effective date of Sir Brian Souter's reappointment as a Stagecoach Non-Executive Director is 1 January 2020 following his decision to step down from his position as Chairman of the Board on 31 December 2019.

Sir Brian is entitled to a fee of £60,900 per annum for acting as a Stagecoach Non-Executive Director. Sir Brian's fee is subject to an annual review by the Board. In the context of the Covid-19 situation, Sir Brian waived £10,658 of his annual fee for the six months to 30 September 2020.

In addition to his annual fee, Sir Brian is also entitled to reimbursement of reasonable expenses incurred in the performance of his duties as a Stagecoach Non-Executive Director including payment or reimbursement for the cost of travel and accommodation on Stagecoach business. Sir Brian is covered by Stagecoach's directors' and officers' liability insurance during his appointment and was granted an indemnity from Stagecoach in respect of liability incurred as a result of his appointment to the Board.

8. Material contracts

(a) ***PEIF III Bidco material contracts***

(i) **Cooperation Agreement**

PEIF III Bidco and Stagecoach have entered into a cooperation agreement dated 9 March 2022 with respect to conduct of the Offer. Under the terms of the Cooperation Agreement, which also contains provisions in relation to Stagecoach Share Schemes and certain other arrangements regarding employment matters and employee incentives, PEIF III Bidco and Stagecoach have agreed, among other things, that (in summary):

- (A) PEIF III Bidco will consult with Stagecoach as to the timing of publication, form and content of this document; and
- (B) PEIF III Bidco will not, except in circumstances where the National Express Offer has been withdrawn or lapsed, take any action pursuant to Rule 31.6 of the Code which could cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the Acceptance Condition, prior to Day 60.

(ii) **Memorandum of Understanding**

PEIF III Bidco has entered into a legally binding Memorandum of Understanding with the trustees of the SGPS dated 9 March 2022 relating to the future funding and investment strategy of the SGPS.

The key terms of the Memorandum of Understanding, to be implemented as soon as reasonably practicable after the MoU Effective Date, include:

- (A) an agreement for Stagecoach to work collaboratively with the trustees of the SGPS to agree, within 12 months of the MoU Effective Date, a transition plan towards a lower-risk investment strategy for the SGPS;
- (B) in addition to ongoing contributions for the annual service costs, following the MoU Effective Date, there will be paid to the SGPS by Stagecoach Group contributions of £12.5 million per annum, increasing at 3 per cent. per annum compound, for ten years or until the scheme's long-term funding objective is met, whichever is earlier; and
- (C) an agreed protocol under which the Stagecoach Group will provide information to the trustees of the SGPS that is relevant for their assessment of the covenant supporting the SGPS.

(iii) **Equity Commitment Letter**

PEIF III Bidco and PEIF III (acting through its general partner PEIF III GP (Lux) S.à r.l.) have entered into an equity commitment letter dated 9 March 2022, which sets out the basis on which PEIF III will, directly or indirectly, invest up to £600.8 million in PEIF III Bidco for the purposes of financing amounts required to be paid in connection with the Offer.

(b) ***Stagecoach material contracts***

Save as disclosed below, no member of the Stagecoach Group has, during the period beginning 21 September 2019 (being the date two years prior to the date of 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 have been entered into by the Stagecoach Group otherwise than in the ordinary course of business since 21 September 2019 (the date two years prior to the date of the commencement of the Offer Period) which are or may be material:

Acquisitions and disposals

(i) **Disposal of Scottish Citylink stake and the retail and customer service activities of Megabus UK and Falcon**

On 14 December 2021, Stagecoach entered into a share purchase agreement and a business purchase agreement to sell the marketing, retail and customer service activities of three of its inter-city coach businesses to CDG, as further detailed below. From completion, Stagecoach will continue to provide sub-contracted bus and coach operational services to the inter-city coach operations which will then be owned by CDG.

The total consideration for the Disposal is £8.75 million, comprising £7 million payable in cash at completion and the assumption by CDG of an existing shareholder loan of £1.75 million extended to Stagecoach Bus Holdings Limited (“**Stagecoach Bus**”) by Scottish Citylink Coaches Limited (“**Scottish Citylink**”).

Unless waived by Stagecoach, completion of the Disposal is subject to the conditions that (i) the National Express Offer has not been withdrawn, lapsed or terminated, and (ii) on the completion date, the Stagecoach Board has not withdrawn or otherwise changed its recommendation to Stagecoach Shareholders in respect of the National Express Offer as contained in the National Express Firm Offer Announcement.

The Disposal proactively addresses potential regulatory considerations in respect of the National Express Offer. Following the issue of the IEO preventing Stagecoach from disposing of material UK assets, the completion date of the Disposal has been delayed. The Disposal does not automatically terminate as a result of the Offer and Stagecoach continues to comply with its contractual obligations to CDG.

Share Purchase Agreement

As part of the Disposal, a share purchase agreement was entered into between Stagecoach Bus and Braddell Limited (a wholly-owned subsidiary of CDG), pursuant to which Stagecoach Bus agreed to sell its 35 per cent. interest in Scottish Citylink (a joint venture between Stagecoach and CDG which markets and retails inter-city coach services in Scotland and between Scotland and England) (the “**Share Purchase Agreement**”).

The Share Purchase Agreement contains customary warranties and other obligations given and incurred by Stagecoach Bus, including a covenant not to launch a new coach business brand within the United Kingdom within one year of completion which would compete with any business carried on at completion by Scottish Citylink. In addition, Stagecoach Bus has provided the following indemnities: (i) an indemnity of £1,000,000 for costs incurred by CDG in respect of any engagement with the Competition and Markets Authority relating to the Disposal, and (ii) an indemnity of £300,000 for transaction costs incurred by CDG in the event that the Share Purchase Agreement is terminated as a result of the conditions (mentioned above) not being satisfied or waived.

On completion of the Share Purchase Agreement the existing shareholders' agreement and management agreement in respect of Scottish Citylink will terminate. In addition to the Share Purchase Agreement, the parties also entered into a management agreement termination agreement ("**Management Agreement Termination Agreement**") (with the termination of the management agreement taking effect from completion) which contains a non-solicit clause pursuant to which Stagecoach undertakes for two years not to solicit certain employees who will be transferring to Scottish Citylink under the Management Agreement Termination Agreement to leave their employment (subject to customary exceptions).

Business Purchase Agreement

A business purchase agreement was entered into between Stagecoach and its wholly-owned subsidiaries Stagecoach Bus, Midland Red (South) Limited, Stagecoach Services Limited and Stagecoach Devon Limited (as sellers), Scottish Citylink (as purchaser) and Braddell Limited (as purchaser guarantor) pursuant to which the sellers agreed to sell the marketing, retail and customer services activities of the Megabus and Falcon inter-city coach business to Scottish Citylink, which (at the time of completion) will be a wholly-owned subsidiary of Braddell Limited (the "**Business Purchase Agreement**").

Completion of the Business Purchase Agreement is conditional upon and will occur immediately following completion of the Share Purchase Agreement.

The Business Purchase Agreement contains customary warranties and other obligations given and incurred by Stagecoach, including a non-solicit clause pursuant to which Stagecoach undertakes for two years not to solicit employees who will be transferring to Scottish Citylink under the Business Purchase Agreement to leave their employment.

On completion it is envisaged that the parties will enter into, amongst other things, an IP assignment agreement to document the transfer of intellectual property pursuant to the Business Purchase Agreement and a transitional services agreement.

Financing

(i) **Covid Corporate Financing Facility**

In May 2020, Stagecoach issued £300 million of commercial paper as an eligible issuer under the UK Government and Bank of England's Covid Corporate Financing Facility. £300 million was contractually payable by Stagecoach during February and March 2021. This was repaid in February 2021 and March 2021 and Stagecoach issued a further £300 million under the facility for a duration of approximately one year. This has been repaid by Stagecoach during February and March 2022.

(ii) **Stagecoach Bilateral Facility Summaries**

On 11 March 2020 Stagecoach entered into six bilateral multicurrency facility agreements with Barclays Bank plc, Bayerische Landesbank, BNP Paribas, Lloyds Bank Plc, MUFG Bank, Ltd. and The Royal Bank of Scotland plc (respectively) (the "**Bilateral Facility Agreements**"). Each of the Bilateral Facility Agreements are on substantially the same terms and were each amended and restated on 28 July 2021 to incorporate provisions in relation to LIBOR transition.

The commitments under the facilities made available under the Bilateral Facility Agreements (the "**Facilities**") total £325,000,000.

The amounts borrowed under the Facilities may be utilised for some or all of the following purposes: (a) to refinance the existing debt of the Stagecoach Group; (b) to make payments to shareholders by way of dividends, distributions, bonus issues, share buy-backs and/or other forms of

capital reduction; and (c) for the general corporate and working capital purposes of the Stagecoach Group, including acquisitions.

The rate of interest on each cash advance borrowed under the Facilities is the percentage rate per annum which is the sum of applicable margin and the relevant reference rate (for advances drawn after 2 August 2021, in respect of pounds sterling, the reference rate will be a daily compounded SONIA (Sterling Overnight Index Average) rate and, in respect of US dollars, the reference rate will be a daily compounded SOFR (Secured Overnight Financing Rate)). There is also commission payable in respect of any letters of credit, performance bonds and bank guarantees issued in relation to the Facilities.

The Bilateral Facility Agreements require that Stagecoach complies with certain financial covenants and other general covenants, which, among other things, place restrictions on allowing the members of the Stagecoach Group to grant, or allow to subsist, any security over its assets and place restrictions on members of the Stagecoach Group on disposing of its assets, in each case, with permitted exceptions (for example, disposals in the ordinary course of trading).

The Bilateral Facility Agreements include customary representations that are deemed repeated on the first day of each interest period, on the date of each advance, on the date of each utilisation request, on the date on which any additional borrower accedes, and, whilst the Facility is utilised only by way of letters of credit, performance bonds or bank guarantees, on 31 March, 30 June, 30 September and 31 December falling within such period. Representations to be repeated on such dates include representations as to the status and corporate powers of each borrower, the requisite authorisations of each borrower, pari passu ranking of obligations, and that neither Stagecoach, nor any members of the Stagecoach Group is a person that is, or is controlled by persons that are, the subject of any sanctions.

On 17 June 2020, 13 November 2020 and 13 April 2021, each of the lenders of the Bilateral Facility Agreements provided their consent to Stagecoach's request for a waiver of the financial covenants set out in the Bilateral Facility Agreements. These waivers provided that a breach of the financial covenants would not constitute a breach of the relevant financial covenants, nor would it constitute a termination event for the periods ending on or about 31 October 2020 and 1 May 2021, the period ending on or about 31 October 2021 and the period ending on or about 30 April 2022 respectively. In addition to this, each of the lenders of the Bilateral Facility Agreements also agreed to amend the Bilateral Facility Agreements for the period up to and including 30 October 2022 to provide that any effects of COVID-19 would not be considered a material adverse change.

Whenever Stagecoach wishes to borrow an advance, Stagecoach must deliver a utilisation request to the relevant lender specifying, among other things: the amount to be utilised, the length of the interest period, the currency of the utilisation, and the proposed date of the utilisation. Stagecoach may have up to six advances outstanding at any time.

Each of the Bilateral Facility Agreements contains a change of control provision that is triggered if Stagecoach merges with any person(s) who obtains control of it. There is no change of control triggered if: a company acquires the entire share capital of and voting rights in Stagecoach, the shareholders in the new company immediately following the acquisition are the same as the shareholders of Stagecoach immediately prior to the acquisition, and each shareholder's proportionate interest in the share capital and voting rights in the new company immediately following the acquisition is approximately equal to its proportionate interest in the share capital and voting rights in Stagecoach immediately prior to the acquisition. Stagecoach must notify the banks if it becomes aware of a change of control, following which the banks shall give written notice to Stagecoach either requiring prepayment of all outstanding advances and requiring cash cover, or confirming its consent to the change of control.

The termination date of each of the Bilateral Facility Agreements is 11 March 2025, with options for Stagecoach to extend this to 11 March 2027.

Each Bilateral Facility Agreement is governed by English law.

9. Offer-related arrangements

(a) Confidentiality and Clean Team Agreements

DWS Alternatives and Stagecoach have entered into a mutual non-disclosure agreement dated 25 November 2021 pursuant to which each of DWS Alternatives and Stagecoach has undertaken,

among other things, to keep certain information relating to the Offer and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

DWS Alternatives and Stagecoach have also entered into a clean team confidentiality agreement dated 25 November 2021 which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared.

(b) Cooperation Agreement

See paragraph 8(a)(ii) above for details of the Cooperation Agreement between PEIF III Bidco and Stagecoach.

(c) Memorandum of Understanding

See paragraph 8(a)(iii) above for details of the Memorandum of Understanding between PEIF III Bidco and the trustees of the SGPS.

10. Bases of calculations and sources of information

(a) The aggregate value of the consideration of £594.9 million is calculated by multiplying the offered amount of 105 pence in cash per Stagecoach Share by Stagecoach's fully diluted share capital (as referred to in paragraph 10(b) below).

(b) The fully diluted share capital of Stagecoach of 566,563,439 Stagecoach Shares is calculated on the basis of:

(i) Stagecoach's issued share capital as at the close of business on 18 March 2022, (being the latest practicable date prior to the publication of this document) of 576,099,960 Stagecoach Shares *less* the 24,581,369 Stagecoach Shares held in treasury; and

(ii) 15,044,848 Stagecoach Shares which may be issued, or transferred out of treasury, on or after the date of this document to satisfy the vesting of awards under the Stagecoach Share Schemes.

References to a percentage of Stagecoach Shares are based on the number of Stagecoach Shares as set out in this paragraph 10(b).

(c) 2,785,575 awards relating to the Stagecoach LTIP have not been included in the calculation of the existing issued and to be issued ordinary share capital of Stagecoach set out in paragraph 10(b) above, as these are expected to be cash settled on completion of the Offer.

(d) The International Securities Identification Number for Stagecoach Shares is GB00B6YTLS95.

(e) For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation.

(f) Unless otherwise stated, the financial information relating to Stagecoach has been extracted or derived (without material adjustment) from the audited consolidated financial statements of Stagecoach for the year ended 1 May 2021.

(g) Unless otherwise stated, all prices quoted for Stagecoach Shares have been derived from the Daily Official List of the London Stock Exchange and represent the Closing Price on the relevant date.

(h) The premium calculations to the price per Stagecoach Share used in this document have been calculated by reference to the Closing Price of a Stagecoach Share or a National Express Share (as applicable) sourced from S&P Capital IQ on any particular date.

(i) The look-through value of the National Express Offer used in this document has been calculated based on the disclosed key terms of the National Express Offer that Stagecoach Shareholders would receive (being 0.36 new National Express Shares for each Stagecoach Share) and the Closing Price of a National Express Share sourced from S&P Capital IQ on any particular date.

(j) Certain figures included in this document have been subject to rounding adjustments.

11. Financing arrangements and cash confirmation

(a) The cash consideration payable by PEIF III Bidco under the terms of the Offer will be financed by equity capital committed by PEIF III.

- (b) PEIF III may syndicate part of its interest in Stagecoach to a co-invest vehicle(s) managed by DWS Infrastructure following the Offer becoming or being declared unconditional.
- (c) Following completion of the Offer, and subject to the maintenance of an investment grade credit rating of Stagecoach and its £400 million bonds due 2025, it is intended that part of the equity capital used to finance the cash consideration will be refinanced with debt finance provided by one or more third party lenders to PEIF III Bidco and/or another member of the Wider PEIF III Topco Group.
- (d) Morgan Stanley confirms that it is satisfied that resources are available to PEIF III Bidco sufficient to satisfy full acceptance of the Offer.

12. Significant change

Save as disclosed in this document and in the update provided in the trading statement published by Stagecoach on 2 March 2022, as described in paragraph 5 of the letter of recommendation from the Chairman of Stagecoach in Part I of this document, there has been no significant change in the financial or trading position of the Stagecoach Group since 30 October 2021, being the date to which Stagecoach's last published interim accounts were prepared.

13. General

- (a) Morgan Stanley has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- (b) Each of Deutsche Bank and RBC has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- (c) Save as disclosed in this document, no agreement, arrangement or understanding (including any compensation arrangement) exists between PEIF III Bidco or any person acting or presumed to be acting in concert with it and any of the Directors or recent directors, shareholders or recent shareholders of Stagecoach having any connection with, or dependence upon, the Offer.
- (d) Save as disclosed in this document, there is no agreement, arrangement or understanding whereby the beneficial ownership of any of the Stagecoach Shares to be acquired by PEIF III Bidco pursuant to the Offer will be transferred to any other person, save that PEIF III Bidco reserves the right to transfer any such Stagecoach Shares to any member of the PEIF III Topco Group.
- (e) Save as disclosed in this document, PEIF III Bidco is not party to any agreement or arrangement which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer.

14. Offer related fees and expenses

- (a) The aggregate fees and expenses expected to be incurred by PEIF III Bidco in connection with the Offer (exclusive of any applicable VAT) are:

<u>Category</u>	<u>Amount</u>
Financial and corporate broking advice ⁽¹⁾	£10m
Legal advice ⁽¹⁾⁽²⁾	£3.2m
Accounting advice	£1m
Public relations advice	£0.4m
Other professional services	£0.9m
Other costs and expenses	£0.9m
Total	£16.4m

Notes:

- (1) A proportion of such fees are success-based and payable depending on the outcome of the Offer.
- (2) The fees are charged by reference to hourly or daily rates. Amounts included here reflect the time incurred up to the latest practicable date and an estimate of the further time required.

- (b) The aggregate fees and expenses expected to be incurred by Stagecoach in connection with the Offer (exclusive of any applicable VAT) are:

<u>Category</u>	<u>Amount</u>
Financial and corporate broking advice ⁽¹⁾	£6.5m
Legal advice	£2.1m
Public relations advice	£0.1m
Other professional services ⁽²⁾	£0.5m
Other costs and expenses ⁽²⁾	£0.1m
Total	£9.3m

Notes:

- (1) A proportion of such fees are success-based and payable depending on the outcome of the Offer.
- (2) These services may vary depending on the service volumes and types of services provided. Amounts included here reflect an estimate of the expected services required.

15. Documents available for inspection

Copies of the following documents will be published on Stagecoach’s website at www.stagecoachgroup.com and PEIF III Bidco’s website at https://www.dws.com/en-gb/Our-Profile/media/media-releases/dws_infrastructure/ until the end of the Offer Period:

- (a) the articles of association of PEIF III Bidco and Stagecoach;
- (b) the consent letters referred to in paragraph 13 of this Appendix III;
- (c) copies of the irrevocable undertaking and letter of intent to accept the Offer given by the persons referred to in paragraph 6 of this Appendix III;
- (d) the following documents referred to in paragraphs 8 and 9 of this Appendix III:
 - (i) the Confidentiality Agreement;
 - (ii) the Clean Team Agreement;
 - (iii) the Cooperation Agreement;
 - (iv) the Memorandum of Understanding; and
 - (v) the Equity Commitment Letter;
- (e) this document and the Form of Acceptance; and
- (f) the documents incorporated by reference (in accordance with Rule 24.15) in Appendix II.

APPENDIX IV DEFINITIONS

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

“ Acceleration Statement ”	a statement in which PEIF III Bidco, in accordance with Rule 31.5 of the Code, brings forward the latest date by which all of the Conditions to the Offer must be satisfied or waived;
“ Acceptance Condition ”	the Condition set out in paragraph 1 of Part A of Appendix I;
“ associated undertaking ”	has the meaning given in section 344(3) of the Companies Act;
“ Board ”	as the context requires, the board of directors of Stagecoach or the board of directors of PEIF III Bidco and the terms “Stagecoach Directors” and “PEIF III Bidco Board” shall be construed accordingly;
“ Business Day ”	a day on which the London Stock Exchange is open for the transaction of business;
“ Business Purchase Agreement ”	the business purchase agreement entered into between Stagecoach Bus and Braddell Limited dated 14 December 2021;
“ CDG ”	ComfortDelGro Corporation Limited;
“ certificated ” or “ in certificated form ”	a share or other security which is not in uncertificated form (that is, not in CREST);
“ City Code ” or “ Code ”	the City Code on Takeovers and Mergers, as amended from time to time;
“ Clean Team Agreement ”	the clean team agreement entered into between DWS Alternatives and Stagecoach on 25 November 2021;
“ Closing Price ”	the closing middle market quotation of a share as derived from the Daily Official List of the London Stock Exchange;
“ CMA ”	UK Competition and Markets Authority;
“ Companies Act ”	the Companies Act 2006 (as amended, modified, consolidated, re-enacted or replaced from time to time);
“ Conditions ”	the conditions of the Offer set out in Appendix I and a “ Condition ” shall mean any one of them;
“ Confidentiality Agreement ”	the mutual confidentiality agreement entered into between DWS Alternatives and Stagecoach on 25 November 2021;
“ Cooperation Agreement ”	the agreement dated 9 March 2022 between PEIF III Bidco and Stagecoach and relating, among other things, to the implementation of the Offer;
“ Court ”	the Court of Session at Edinburgh;
“ Court Meeting ”	should the Offer be implemented by way of a Scheme, the meeting(s) of the Stagecoach Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof;
“ CREST ”	the relevant system to facilitate the transfer of title to shares in uncertificated form (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
“ CREST member ”	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations);

“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
“CREST payment”	shall have the meaning given in the CREST manual issued by Euroclear;
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Daily Official List”	the Daily Official List of the London Stock Exchange;
“Day 60”	21 May 2022 or such other date as may otherwise be set as being such Day of the timetable of the Offer in accordance with the Code;
“Dealing Disclosure”	has the same meaning as in Rule 8 of the City Code;
“Deutsche Bank”	Deutsche Bank AG, London Branch;
“Directors of Stagecoach” or “Stagecoach Directors”	the directors of Stagecoach listed in paragraph 1 of Appendix III and/or, where the context so requires, the directors of Stagecoach from time to time;
“Directors of PEIF III Bidco” or “PEIF III Bidco Directors”	the directors of PEIF III Bidco at the date of this document;
“Disclosed”	the information fairly disclosed by, or on behalf of Stagecoach: (i) in the annual report and accounts of Stagecoach Group for the financial year ended 1 May 2021; (ii) in the Rule 2.7 Announcement; (iii) in any other public announcement made by Stagecoach in accordance with the UK Market Abuse Regulation, the Listing Rules and the Disclosure Rules and Transparency Rules prior to this Announcement; or (iv) as disclosed in writing prior to the date of the Rule 2.7 Announcement by or on behalf of Stagecoach to PEIF III Bidco (or its respective officers, employees, agents or advisers in their capacity as such);
“Disclosure Date”	18 March 2022, being the latest practicable date prior to the publication of this document;
“Disposal”	Stagecoach’s agreements to sell the marketing, retail and customer service activities of three of its inter-city coach businesses to CDG;
“DWS”	DWS Group GmbH & Co. KGaA;
“DWS Alternatives”	DWS Alternatives Global Limited, incorporated in England and Wales with registered number 05603289;
“DWS Infrastructure”	DWS’ infrastructure business;
“Electronic Acceptance”	means 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;
“Equity Commitment Letter”	the equity commitment letter entered into between PEIF III (acting through its general partner PEIF III GP (Lux) S.à r.l.) and PEIF III Bidco on 9 March 2022;
“ESA instruction”	means an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST manual issued by Euroclear);
“Escrow Agent”	Link Market Services Limited, a company incorporated in England and Wales with registered number 02605568 in its capacity as an escrow agent, as described in the CREST manual issued by Euroclear;
“Euroclear”	Euroclear UK & International Limited;
“FCA”	the Financial Conduct Authority;

“Form” or “Form of Acceptance”	the form of acceptance and authority relating to the Offer, which may only be completed by holders of Stagecoach Shares in certificated form;
“HMRC”	HM Revenue & Customs;
“holder”	a registered holder (including any person(s) entitled by transmission);
“IEO”	the initial enforcement order dated 26 January 2022 imposed by the CMA on Stagecoach and National Express;
“Link Group”	Link Market Services Limited, a company incorporated in England and Wales with registered number 2605568 acting in its capacity as the receiving agent for the Offer and trading under the name Link Group;
“Listing Rules”	the Listing Rules of the FCA;
“London Stock Exchange”	London Stock Exchange plc;
“Long-Stop Date”	midnight on 9 September 2022 or such later date (if any) as PEIF III Bidco may, with the consent of Stagecoach or with the consent of the Panel, specify
“Management Agreement Termination Agreement”	the management agreement termination agreement entered into between Stagecoach Bus and Braddell Limited dated 14 December 2021;
“member account ID”	the identification code or number attached to any member account in CREST;
“Memorandum of Understanding”	the memorandum of understanding dated 9 March 2022 entered into between trustees of the SGPS and PEIF III Bidco;
“Morgan Stanley”	Morgan Stanley & Co. International plc, a company which is authorised and regulated by the FCA and whose registered address is Legal Department, 25 Cabot Square, Canary Wharf, London, E14 4QA;
“MoU Effective Date”	the date upon which the Offer becomes unconditional in all respects (or, should the Offer be implemented by way of a Scheme, the date upon which the Scheme becomes effective);
“National Express”	National Express Group PLC, incorporated in England and Wales with registered number 02590560;
“National Express Firm Offer Announcement”	the announcement by National Express on 14 December 2021 of its firm intention to make the National Express Offer;
“National Express Offer”	the proposed all share offer by National Express for the entire issued and to be issued share capital of Stagecoach, as described in the National Express Firm Offer Announcement;
“National Express Offer Director Irrevocable Undertakings”	the irrevocable undertakings to vote in favour of the National Express Offer at each of the court meeting and the general meeting convened in respect of the scheme of arrangement to implement the National Express Offer (or, if the National Express Offer is to be implemented by way of a contractual takeover offer, to accept such offer) by the Stagecoach Directors that hold Stagecoach Shares;
“National Express Possible Offer Announcement”	the announcement released by National Express under Rule 2.4 of the Code on 21 September 2021 in relation to the National Express Offer;
“National Express Shares”	the ordinary shares of 5 pence in the capital of National Express;

“Offer”	the recommended cash offer being made by PEIF III Bidco to acquire the Stagecoach Shares on the terms and subject to the conditions set out in this document including, where the context so requires, any subsequent revision, variation, extension, or renewal of such Offer;
“Offer Period”	the period referred to in paragraph 1 of Part C of Appendix I;
“Offer Price”	105 pence per Stagecoach Share;
“Official List”	the Official List of the UK Listing Authority;
“Opening Position Disclosure”	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position;
“Overseas Shareholders”	Stagecoach Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or the United States;
“Panel”	the Panel on Takeovers and Mergers;
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant;
“PEIF III”	Pan-European Infrastructure III, SCSp;
“PEIF III Bidco”	Inframobility UK Bidco Limited, incorporated in England and Wales with registered number 13957417 and registered address Solent Business Park, Forum 4, C/O Aztec Financial Services (Uk) Limited, Parkway South, Whiteley, Fareham, United Kingdom, PO15 7AD;
“PEIF III Responsible Persons”	the individuals whose names are set out in paragraph 2(b) of Appendix III;
“PEIF III Topco”	Inframobility UK Topco Limited, incorporated in England and Wales with registered number 13919225 and registered address Forum 4 Parkway, Whiteley, Fareham, England, PO15 7AD;
“PEIF III Topco Group”	PEIF III Topco, its subsidiaries and its subsidiary undertakings from time to time;
“PRA”	the Prudential Regulation Authority;
“RBC”	RBC Europe Limited (trading as RBC Capital Markets);
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) as amended from time to time;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Relevant Entities”	DWS Investment GmbH and DWS Investment S.A.;
“Remuneration Committee”	the remuneration committee of Stagecoach;
“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 Stagecoach Shareholders in that jurisdiction;
“Rule 2.7 Announcement”	the announcement by PEIF III Bidco on 9 March 2022 of its firm intention to make the Offer;
“Scheme”	should the Offer be implemented by way of a scheme of arrangement under Part 26 of the Companies Act, such scheme of arrangement between Stagecoach and the Stagecoach Shareholders to implement the Offer with or subject to any modification, addition or condition approved or imposed by the Court;

“Scheme Document”	should the Offer be implemented by way of a Scheme, the document to be dispatched to Stagecoach Shareholders including the particulars required by section 897 of the Companies Act;
“Scottish Citylink”	Scottish Citylink Coaches Limited, incorporated in Scotland with registered number SC091931 and registered address Buchanan Bus Station, Killermont Street, Glasgow, G2 3NP;
“SGPS”	the Stagecoach Group Pension Scheme, a defined benefit pension scheme operating in the UK;
“Share Purchase Agreement”	the share purchase agreement entered into between Stagecoach Bus and Braddell Limited dated 14 December 2021;
“Significant Interest”	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (a) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (b) the relevant partnership interest;
“Stagecoach”	Stagecoach Group PLC, incorporated in Scotland with registered number SC100764 and registered address 10 Dunkeld Road, Perth, Perthshire, PH1 5TW;
“Stagecoach BAYE”	the Stagecoach Share Incentive Plan;
“Stagecoach Bus”	Stagecoach Bus Holdings Limited, incorporated in Scotland with registered number SC176671 and registered address 10 Dunkeld Road, Perth, Perthshire, PH1 5TW;
“Stagecoach EPP”	the Stagecoach 2013 Executive Participation Plan;
“Stagecoach Executive Director”	each of Martin Griffiths and Ross Paterson and collectively the “Stagecoach Executive Directors”;
“Stagecoach General Meeting”	should the Offer be implemented by way of a Scheme, the general meeting of Stagecoach Shareholders (and any adjournment thereof) to be convened for the purpose of considering and, if thought fit, approving the shareholder resolutions necessary to enable Stagecoach to implement the Scheme;
“Stagecoach Group”	Stagecoach and its subsidiaries and subsidiary undertakings;
“Stagecoach LTIP”	the Stagecoach 2013 Long Term Incentive Plan;
“Stagecoach Non-Executive Director”	each of Ray O’Toole, James Bilefield, Karen Thomson, Lynne Weedall and Sir Brian Souter and collectively the “Stagecoach Non-Executive Directors”;
“Stagecoach RSP”	the Stagecoach Restricted Share Plan;
“Stagecoach Share Schemes”	the Stagecoach BAYE, the Stagecoach EPP, the Stagecoach LTIP and the Stagecoach RSP, each as amended from time to time;
“Stagecoach Shareholders”	holders of Stagecoach Shares;
“Stagecoach Shares”	the ordinary shares of 125/228 th pence each in the capital of Stagecoach and includes: <ol style="list-style-type: none"> 1. the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 125/228th pence each in the capital of Stagecoach; 2. any further ordinary shares of 125/228th pence each in the capital of Stagecoach which are unconditionally allotted or issued and fully paid (or credited as fully paid) before the date on which the Offer closes or before such earlier date as PEIF III Bidco (subject to the Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional; and

3. any Stagecoach Shares held as treasury shares that cease to be held as treasury shares before the date on which the Offer closes or before such earlier date as PEIF III Bidco (subject to the Code) may determine not being earlier than the date on which the Offer becomes or is declared unconditional,

but excludes any shares held as treasury shares on such date as PEIF III Bidco may determine before the date on which the Offer closes (which may be a different date to the dates referred to in 2. and 3. above) and “**Stagecoach Share**” means any one of them;

“ subsidiary ”	has the meaning given in section 1159 of the Companies Act;
“ subsidiary undertaking ”	has the meaning given in section 1162 of the Companies Act;
“ TFE instruction ”	a Transfer from Escrow instruction (as described in the CREST manual issued by Euroclear);
“ TTE instruction ”	a Transfer to Escrow instruction (as described in the CREST manual issued by Euroclear) in relation to Stagecoach Shares in uncertificated form meeting the requirements set out in paragraph 15(g) of the letter from PEIF III Bidco in Part II of this document;
“ UK ” or “ United Kingdom ”	the United Kingdom of Great Britain and Northern Ireland;
“ uncertificated ” or “ in uncertificated form ”	recorded on the relevant register of the share or security concerned 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 Date ”	Day 60 or such earlier date as PEIF III Bidco may specify in any Acceleration Statement unless, where permitted, it has withdrawn that statement;
“ United States of America ” or “ United States ” or “ US ”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“ US Exchange Act ”	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“ Wider PEIF III Topco Group ”	PEIF III Topco and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which PEIF III Topco and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider Stagecoach Group); and
“ Wider Stagecoach Group ”	Stagecoach and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which Stagecoach and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider PEIF III Topco Group).

All references to time in this document are to London time unless otherwise stated.

All references to “**pence**”, “**sterling**”, “**£**” or “**p**” are to the lawful currency of the United Kingdom.

All references to “**Euro**” are to the lawful currency of the European Union.

All references to 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.

Terms defined in the CREST manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

