

# WHITBREAD

## Guide to the Tender Offer

for Qualifying Shareholders issued with Tender Forms  
Important information—please study carefully

Unless the context otherwise requires, words and expressions defined in the circular published by Whitbread PLC (the “**Company**”) on 31 May 2019 in relation to the Tender Offer (the “**Circular**”) shall have the same meanings in this guide. **This guide is not a summary of the Circular or the Tender Form and should not be regarded as a substitute for reading (and recipients of this guide should read) the Circular and Tender Form in full.**

If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

None of the Company, its Directors, officers, employees or advisers or their respective affiliates makes any recommendation to any Qualifying Shareholder whether to tender or refrain from tendering any or all of its, his or her Ordinary Shares in the Tender Offer, and none of them has authorised any person to make any such recommendation. Shareholders are urged to evaluate carefully all information in the Circular and the Tender Form, consult their own investment and tax advisers and make their own decisions as to whether to tender Ordinary Shares, and, if so, the number of Ordinary Shares to tender.

The availability of the Tender Offer to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Shareholders who are not resident in the United Kingdom should read paragraph 6 of Part III (*Details of the Tender Offer*) of the Circular and should inform themselves about, and observe, any applicable legal or regulatory requirements. In addition, the attention of Shareholders who are resident in the United States is drawn to the Notice for US Shareholders on page 2 of the Circular.

The Tender Offer is not being made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and e-mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction and the Tender Offer cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, unless otherwise determined by the Company and permitted by applicable law and regulation, neither the Circular nor the Tender Form nor any related document is being, nor may it be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed, or sent in, into or from any Restricted Jurisdiction, and persons receiving the Circular, the Tender Form and/or any related document (including, without limitation, trustees, nominees or custodians) must not mail or otherwise forward, distribute or send it in, into or from such Restricted Jurisdiction, as to do so may invalidate any purported acceptance of the Tender Offer. Any person (including, without limitation, trustees, nominees or custodians) who would or otherwise intends to, or who may have a contractual or legal obligation to, forward the Circular, the Tender Form and/or any related document to any jurisdiction outside the United Kingdom, should seek appropriate advice before taking any action.

The Tender Offer is conditional on approval from Shareholders of certain matters, which is being sought at the General Meeting. Notice of the General Meeting to be held at Church House Conference Centre, Dean’s Yard, Westminster, London SW1P 3NZ at 2.45 p.m. on 19 June 2019 (or as soon thereafter as the Company’s AGM convened for that date has concluded or been adjourned) is set out at the end of the Circular.

**Qualifying Shareholders should not tender their Ordinary Shares except on the basis of information in the Circular and Tender Form.**

**The Tender Form should only be used to tender Ordinary Shares held in certificated form. Different procedures apply to tender Ordinary Shares held in uncertificated form, which are explained at paragraph 3.3 of Part III (*Details of the Tender Offer*) of the Circular.**

## **PART A | What is happening?**

Whitbread completed the sale of Costa to Coca-Cola on 3 January 2019 and in return received Net Cash Proceeds of £3.8 billion. Whitbread has committed to return at least £2.5 billion of the Net Cash Proceeds to Shareholders in three phases.

### *Phase 1—initial on-market share buyback programme*

On 17 January 2019, Whitbread began an initial on-market share buyback programme. This completed on 10 May 2019 and resulted in the purchase of approximately £480 million of Ordinary Shares.

### *Phase 2—the Tender Offer*

Whitbread is pursuing a Tender Offer to return up to £2 billion to Shareholders and this is why you have been contacted now. The Tender Offer is a means for Qualifying Shareholders to sell all or some of their Ordinary Shares for purchase by Morgan Stanley. There are then option arrangements in place that allow Morgan Stanley or Whitbread to ensure the sale of those Ordinary Shares by Morgan Stanley to Whitbread. You are not obliged to tender any Ordinary Shares if you do not wish to do so. Full details of the Tender Offer are set out in the Circular. There is an explanation of what the Tender Offer is in Part B of this guide.

### *Phase 3—review any further surplus capital*

If the full amount of £2 billion is not returned to Shareholders through the Tender Offer, Whitbread will consider whether and, if so the appropriate means by which, to return such balance to Shareholders.

## **What is in this pack?**

### *Circular*

The Circular has been prepared in compliance with the requirements of the Listing Rules and sets out the background to and benefits of, and the terms and conditions of, the Tender Offer. The Tender Offer and related matters require the approval of Shareholders. A General Meeting is being convened for 19 June 2019 for this purpose. You must read the Circular and you should seek appropriate advice if any of the information in the Circular is not clear.

### *Tender Form and pre-paid reply envelope*

The Tender Form sets out the options available to you to participate in the Tender Offer, if you wish to do so. You must complete and return the Tender Form if you hold Ordinary Shares in certificated form and you wish to participate in the Tender Offer.

A pre-paid reply envelope to return your Tender Form is enclosed (for use if you are posting your Tender Form within the UK). If you are outside the United Kingdom (but not within a Restricted Jurisdiction), you will need to send your Tender Form to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

**If you wish to tender any Ordinary Shares, please return your Tender Form on or after 20 June 2019 (when the Tender Offer opens) and so as to be received by not later than 1.00 p.m. on 19 July 2019. Tender Forms returned before 20 June 2019 will be treated as invalid.**

If you hold Ordinary Shares in uncertificated form (that is, in CREST) and you wish to participate in the Tender Offer, different procedures apply. These are set out in the Circular.

### *Form of Proxy and pre-paid reply envelope*

Unless you have opted to appoint a proxy via electronic means, a Form of Proxy to be used in connection with the General Meeting is enclosed in this pack, together with a pre-paid reply envelope for returning your completed Form of Proxy (for use if you are posting your Form of Proxy within the UK). If you are outside the United Kingdom, you will need to send your Form of Proxy to Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

**Completed Forms of Proxy must be received by not later than 2.45 p.m. on 17 June 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting).**

**Likewise, if you choose to submit a proxy appointment via the internet at [www.whitbread-shares.com](http://www.whitbread-shares.com), you must ensure that the appointment is received by not later than 2.45 p.m. on 17 June 2019 (or, in the case of an adjournment, not later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting).**

## ***What should I do now?***

Please complete and return your Form of Proxy in accordance with the instructions printed on it or submit a proxy appointment via the internet at [www.whitbread-shares.com](http://www.whitbread-shares.com).

You should read the Circular, the Tender Form and this guide carefully. Should anything in these documents not be clear, you should seek separate advice or contact the Shareholder Helpline, details of which are set out on the final page of this guide.

You have three main options to consider in relation to the Tender Offer:

Option 1: tender none of your Ordinary Shares

Option 2: tender some of your Ordinary Shares

Option 3: tender all of your Ordinary Shares

**If, after carefully considering the Circular, you intend to take Option 1, you do not need to take any action.**

**If, after carefully considering the Circular, you intend to take Option 2 or Option 3, you must submit the completed Tender Form to Link Asset Services on or after 20 June 2019 and so as to be received by not later than 1.00 p.m. on 19 July 2019. Tender Forms returned before 20 June 2019 will be treated as invalid.**

## ***Timetable***

The following key dates and times should be considered when assessing your options. Each of the times and dates in the table below is indicative only and may be subject to change by Whitbread, in which event details of the new times and dates will be notified to Shareholders by announcement through a Regulatory Information Service.

|  |                           |
|--|---------------------------|
| Latest time and date for receipt of Forms of Proxy for the General Meeting (to vote on the Tender Offer and related matters)   | 2.45 p.m. on 17 June 2019 |
| General Meeting (shareholder vote on the Tender Offer and related matters)   | 2.45 p.m. on 19 June 2019 |
| Tender Offer opens, subject to approval at the General Meeting (when you can begin to send Tender Forms)   | 20 June 2019              |
| Latest time and date for receipt of Tender Forms and share certificates or other documents of title for tendered certificated Ordinary Shares (i.e. close of the Tender Offer) | 1.00 p.m. on 19 July 2019 |
| Record Date for the Tender Offer (the time and date used to calculate how many Ordinary Shares you are entitled to tender)   | 6.00 p.m. on 19 July 2019 |
| Announcement of the Strike Price and the results of the Tender Offer   | 22 July 2019              |
| Unconditional Date for the Tender Offer and purchase of Ordinary Shares under the Tender Offer   | 23 July 2019              |
| Cheques despatched, and (where applicable) Bacs payments made, in respect of Tender Offer proceeds for certificated Ordinary Shares  | 30 July 2019              |
| Return of share certificates in respect of unsuccessful tenders of certificated Ordinary Shares  | 30 July 2019              |
| Despatch of balance share certificates in respect of unsold Ordinary Shares in certificated form   | 30 July 2019              |

The dates for CREST-related matters are set out in the Circular.

## ***Assistance***

**Should anything in these documents not be clear, you should seek separate advice or contact the Shareholder Helpline, details of which are set out on the final page of this guide.**

## PART B | About the Tender Offer

### ***What is the Tender Offer?***

The Tender Offer provides an opportunity for Qualifying Shareholders to tender (meaning offer to sell) some or all of their Ordinary Shares for purchase by Morgan Stanley within a specified price range. The price range at which tenders can be made is based on the volume-weighted average price (“**VWAP**”) of Whitbread’s shares in a short period up to and including the closing date of the Tender Offer. Qualifying Shareholders are not obliged to tender any Ordinary Shares if they do not wish to do so.

The price range will comprise the following five VWAP-based price points per Ordinary Share (each of which will be rounded down to the nearest whole penny):

- VWAP;
- VWAP plus an amount equal to 1% of VWAP;
- VWAP plus an amount equal to 2% of VWAP;
- VWAP plus an amount equal to 3% of VWAP; and
- VWAP plus an amount equal to 4% of VWAP.

As discussed below, the price paid for each Ordinary Share under the Tender Offer is also subject to a Price Cap of £50.00 per Ordinary Share. Please see paragraph 2.2 of Part III (*Details of the Tender Offer*) of the Circular for further details on these five VWAP-based price points.

The Tender Offer requires shareholder approval. A General Meeting has been convened for 19 June 2019 to seek approval to proceed with the Tender Offer. If the Tender Offer is approved, you can choose to tender none, some or all of your Ordinary Shares.

If you wish to tender any Ordinary Shares, you may do so in the following ways:

- A. submit a tender to sell some or all of your Ordinary Shares at whatever price is ultimately determined under the terms of the Tender Offer to be the Strike Price (referred to as a “**Strike Price Tender**”), without selecting one of the specific VWAP-based prices within the price range; or
- B. submit a tender to sell some or all of your Ordinary Shares at one of the specified VWAP-based prices within the price range; or
- C. submit tenders at more than one of the VWAP-based prices within the price range (which could include a Strike Price Tender of some of your Ordinary Shares).

The total number of Ordinary Shares tendered must not exceed the total number of Ordinary Shares that you hold at 6.00 p.m. on 19 July 2019 (the “**Record Date**”).

A single price per Ordinary Share, known as the Strike Price, will be paid in respect of all Ordinary Shares purchased pursuant to the Tender Offer. The Strike Price is subject to a Price Cap of £50.00 per Ordinary Share. The Strike Price will be set once the VWAP-based prices in the price range have been calculated and once tenders received have been reviewed. In the event that more than £2 billion of Ordinary Shares are tendered to Whitbread, priority will be given to Qualifying Shareholders tendering at the lower VWAP-based price points or as Strike Price Tenders. Additional scaling-back applies if tenders are received in respect of Ordinary Shares representing 25 per cent. or more of Whitbread’s issued ordinary share capital. Full details of how the Strike Price is set are contained in paragraph 2 of Part III (*Details of the Tender Offer*) of the Circular.

The Company will announce the absolute price to be paid to successfully participating Qualifying Shareholders as soon as this has been determined, which is expected to be on 22 July 2019, together with the results of the Tender Offer.

### ***Why the Tender Offer instead of a special dividend?***

If Whitbread were to return the £2 billion via a special dividend, all Shareholders would receive a cash amount per Ordinary Share. This route would not provide Shareholders with a choice as to whether to receive cash or how much.

The Tender Offer allows Qualifying Shareholders to choose whether to receive no cash and retain what will be an increased proportion of the share capital of Whitbread (via Option 1) or to receive cash for such number of their Ordinary Shares as they choose to tender (via Option 2 or Option 3). Qualifying Shareholders can choose the best individual outcome based on their own needs and tax position.

***Why the Tender Offer rather than an extension of the Share Buyback Programme?***

A share buyback programme provides choice for Shareholders in much the same way as a tender offer. However, the Listing Rules, regulations which apply to Whitbread as a UK-listed company, and investor association guidance would not allow such a substantial return of value to be made entirely by way of repurchasing Ordinary Shares in the market.

In addition, the Tender Offer provides a faster route to return surplus capital to Shareholders than would be possible by repurchasing Ordinary Shares in the market through an extension of the Share Buyback Programme. Also, unlike a share buyback programme, the Tender Offer facilitates the participation of all Qualifying Shareholders rather than just principally institutional market participants.

***What else should I know about participating in the Tender Offer?***

The price at which Ordinary Shares will be purchased pursuant to the Tender Offer, which will be a single price for all successfully tendered Ordinary Shares, will be set only once the Tender Offer has closed.

Tenders are irrevocable once made. If you choose to participate in the Tender Offer, during the Tender Offer period you should not sell to a third party buyer the Ordinary Shares that you are tendering.

For other features of the Tender Offer, please read the Circular in full.

***What if I do not participate in the Tender Offer?***

If you do not participate in the Tender Offer, you will not receive any cash.

Following completion of the Tender Offer, the purchased Ordinary Shares will be cancelled. As a result, there will be fewer Ordinary Shares in issue and each Ordinary Share will represent a greater proportion of the total issued share capital of Whitbread. Assuming earnings remain the same, the Tender Offer should have a positive impact on the Group's earnings per share and, in addition, any future dividends will be paid in respect of fewer Ordinary Shares.

***Will I sell all the Ordinary Shares that I tender?***

There can be no certainty that any or all of the Ordinary Shares that you tender will be accepted for purchase in the Tender Offer. First, your tender may be at a price that exceeds the Strike Price, meaning that it would be rejected. Secondly, even if your tender is at or below the Strike Price there are circumstances in which the terms of the Tender Offer will scale down your tender and, in those circumstances, not all of the Ordinary Shares that you tender will be acquired.

***Will I receive dividends on the Ordinary Shares that I tender?***

Shareholders on the Register at close of business on 31 May 2019 will be entitled to receive the final dividend for the 2018 financial year in respect of the number of Ordinary Shares registered in their names at that time and date. This dividend will be paid on 5 July 2019.

You will not be eligible for any future dividends announced by Whitbread in respect of any Ordinary Shares that you successfully tender.

## **PART C | Your options and how to take them up**

### ***Option 1: tender NONE of your Ordinary Shares***

If, after carefully considering the Circular, you intend to take Option 1, you do not need to take any action.

### ***Option 2 or Option 3: tender SOME or ALL of your Ordinary Shares***

If, after carefully considering the Circular, you intend to take Option 2 or Option 3, you must submit the completed Tender Form to Link Asset Services **on or after 20 June 2019** and so as to be received by Link Asset Services **not later than 1.00 p.m. on 19 July 2019**. **Tender Forms returned before 20 June 2019 will be treated as invalid.**

Qualifying Shareholders who hold Ordinary Shares in certificated form and wish to participate in the Tender Offer should refer to the guidance on how to complete the Tender Form set out on the following page of this guide.

If you hold Ordinary Shares in uncertificated form (that is, in CREST) and you wish to participate in the Tender Offer, different procedures apply. These are set out in the Circular.

# STEP-BY-STEP GUIDE TO COMPLETING A TENDER FORM FOR QUALIFYING SHAREHOLDERS WHO WISH TO TENDER ORDINARY SHARES HELD IN CERTIFICATED FORM

1

## Shareholder information

1. Check that your name and address and contact telephone number are printed correctly in **Box 1**. Please refer to Note 6 on page 4 of the Tender Form if any of these details are incorrect.
2. **Box 1A** sets out the total number of Ordinary Shares recorded against your name(s) on the register of members of the Company at close of business on 24 May 2019. This is provided for information purposes only.
3. Please provide a daytime telephone number in **Box 1B**.

IF YOU WISH TO TENDER ORDINARY SHARES, YOU MUST RETURN YOUR TENDER FORM ON OR AFTER 20 JUNE 2019 AND SO AS TO BE RECEIVED NOT LATER THAN 1.00 P.M. ON 19 JULY 2019

2

## Ordinary Shares tendered

1. Please insert in the first row of the table in **Box 2** the number of Ordinary Shares (if any) that you wish to tender at the Strike Price. Please insert in the other rows of the table, as applicable, the number of Ordinary Shares (if any) that you wish to tender at any of the specified VWAP-based prices in the Price Range.
2. In **Box 2A**, please indicate the total number of Ordinary Shares that you wish to tender: this cannot exceed the total number of Ordinary Shares that you hold as at 6.00 p.m. on 19 July 2019.
3. Please tick **Box 2B** to confirm that you have enclosed with your Tender Form (a) share certificate(s) in respect of the total number of Ordinary Shares tendered. If you are unable to tick this Box 2B, please refer to Notes 4 and 5 on page 4 of the Tender Form.

DO NOT COMPLETE AND RETURN THIS TENDER FORM IF YOU DO NOT WISH TO TENDER ANY ORDINARY SHARES. IF YOU DO WISH TO TENDER ORDINARY SHARES, DO NOT RETURN THIS TENDER FORM BEFORE 20 JUNE 2019. YOU SHOULD ONLY RETURN THIS FORM ON OR AFTER 20 JUNE 2019, WHICH IS WHEN THE TENDER OFFER OPENS. TENDER FORMS RETURNED BEFORE 20 JUNE 2019 WILL BE TREATED AS INVALID

**1** NAME AND ADDRESS OF REGISTERED SHAREHOLDER(S) (to be written in BLOCK CAPITALS)

Barcode and investor code:

**1A** Number of Ordinary Shares held as at close of business on 24 May 2019 (for information purposes only)

**1B** Your contact telephone number:

**2** NUMBER OF ORDINARY SHARES TENDERED

| Price               | Number of Ordinary Shares | Notes:   |
|---------------------|---------------------------|--|
| Strike Price Tender |                           | Strike Price Tender - an amount (in pence per Ordinary Share) equal to the Strike Price  |
| A: VWAP             |                           | A: VWAP - an amount (in pence per Ordinary Share) equal to Average VWAP (rounded down to the nearest whole penny)  |
| B: VWAP+1%          |                           | B: VWAP + 1% - an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to 1 per cent. of Average VWAP (rounded down to the nearest whole penny) |
| C: VWAP+2%          |                           | C: VWAP + 2% - an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to 2 per cent. of Average VWAP (rounded down to the nearest whole penny) |
| D: VWAP+3%          |                           | D: VWAP + 3% - an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to 3 per cent. of Average VWAP (rounded down to the nearest whole penny) |
| E: VWAP+4%          |                           | E: VWAP + 4% - an amount (in pence per Ordinary Share) equal to Average VWAP plus an amount equal to 4 per cent. of Average VWAP (rounded down to the nearest whole penny) |

**2A** Total number of Ordinary Shares tendered\*

**2B**  Tick here to confirm you have enclosed (a) share certificate(s) in respect of the total number of Ordinary Shares tendered

\*This total amount can be less than, but must not be more than, the total number of Ordinary Shares held by you at the Record Date. The total number should represent the aggregate of the numbers entered in the rows above.

**3** SIGN HERE TO PARTICIPATE IN THE TENDER OFFER. DO NOT SIGN AND RETURN THIS TENDER FORM BEFORE 20 JUNE 2019

**3A** Signature by individuals:  
Executed and delivered as a deed by:  
Signature of first holder: \_\_\_\_\_

Witnessed by:  
1. Name \_\_\_\_\_ Address \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_

Signature of joint holders:  
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_  
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_  
4. Name \_\_\_\_\_ Address \_\_\_\_\_  
Signature \_\_\_\_\_  
Date \_\_\_\_\_

Note: the signature of each registered shareholder must be witnessed and the witness must also sign and print his or her name and address where indicated.

**3B** Execution by a company:  
Executed and delivered as a deed or under the common seal of the company named below:

Date: \_\_\_\_\_

Signature of director \_\_\_\_\_ Name of director \_\_\_\_\_  
Signature of director/company secretary/witness \_\_\_\_\_ Name of director/company secretary/witness \_\_\_\_\_

**4** ALTERNATIVE ADDRESS  
Alternative address to which consideration and/or returned documents should be sent, if not as set out in Box 1 (to be written in BLOCK CAPITALS)  
Name and address: \_\_\_\_\_

3

## Sign the Tender Form

1. **Box 3A:** Each individual shareholder should sign in the presence of a witness, who should also sign, date and indicate their address in the space provided. The witness must be over 18 years of age and should not be one of the joint registered holders or otherwise have any financial interest in the relevant Ordinary Shares or in the proceeds resulting from the execution of this Tender Form. The same person may witness the signature of each joint holder. Please see Note 1 on page 4 of the Tender Form where a power of attorney has been granted, and Notes 2 and 3 on page 4 if the sole registered holder, or any joint holder, has died.
2. **Box 3B:** A company incorporated in England and Wales or Scotland may affix its common seal, which should also be witnessed in accordance with its articles of association or other applicable regulation. Alternatively, a company to which the Companies Act 2006 applies may execute the Tender Form as a deed by two directors or by one director and the company secretary or by one director in the presence of a witness. If the holder is a company incorporated outside the UK, it may sign in accordance with the laws of its jurisdiction of incorporation.

4

## Indicate a preferred alternative correspondence address

Any documents enclosed with your Tender Form will be returned to you at the address of the sole or first-named registered holder in Box 1, along with any cheque in payment for successfully tendered Ordinary Shares.

Please complete **Box 4** to indicate the address, if different from that printed in Box 1, for the Registrar to send any such documents or cheques to you.

## **PART D | Your main questions answered**

Part II (*Questions and Answers on the Return of Value*) of the Circular contains some principal questions and answers to help you understand what is involved in the Tender Offer.

**If after reading this guide, together with the Circular and Tender Form, you have any further questions, please contact the Shareholder Helpline on 0344 855 2327 between the hours of 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding UK public holidays). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in the Circular and the Tender Form and will be unable to give advice on the merits of the Tender Offer or to provide financial, investment or taxation advice.**