

---

---

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE TO**  
**Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)**  
**of the Securities Exchange Act of 1934**

**Diversified Energy Company plc**  
(Name of Subject Company (Issuer) and Filing Person (as Offeror))

**Ordinary Shares, nominal (par) value £0.20 per share**  
(Title of Class of Securities)

**G2891G 204**  
(CUSIP Number of Class of Securities)

**Bradley G. Gray**  
**Diversified Energy Company plc**  
**1600 Corporate Drive**  
**Birmingham, Alabama 35242**  
**Telephone: +1 205 408 0909**

(Name, address and telephone number of person authorized to receive notices  
and communication on behalf of the filing person)

*Copies to:*

**Benjamin Sullivan**  
**Diversified Energy Company plc**  
**1600 Corporate Drive**  
**Birmingham, Alabama 35242**  
**Telephone: +1 205 408 0909**

**David J. Miller**  
**Ryan J. Lynch**  
**Latham & Watkins LLP**  
**300 Colorado Street, Suite 2400**  
**Austin, Texas 78701**  
**+1 737 910 7300**

**Anna Ngo**  
**Latham & Watkins (London) LLP**  
**99 Bishopsgate**  
**London EC2M 3XF**  
**United Kingdom**  
**+44 20 7710 1000**

- Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transaction to which the statement relates:

- third party tender offer subject to Rule 14d-1.  
 issuer tender offer subject to Rule 13e-4.  
 private transaction subject to Rule 13e-3.  
 amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

- Rule 13e-4(i) (Cross-Border Issuer Tender Offer)  
 Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
- 
-

## SCHEDULE TO

This Tender Offer Statement on Schedule TO (this “Schedule TO”) relates to the return of capital to the holders of ordinary shares, par value £0.20 per share (the “Shares”), of Diversified Energy Company plc (the “Company”) of approximately \$42 million, which is being implemented by way of (i) the previously announced interim dividend of 4.375 cents per ordinary share of £0.01 in the Company for the three-month period ended September 30, 2023, payable on April 3, 2024 to shareholders who hold Shares at the record date of March 1, 2024 (the “Q323 Dividend”) or (ii) for shareholders who would like to waive their Q323 Dividend entitlement in consideration for the ability to tender Shares in the Tender Offer, the Company hereby offers (the “Offer”) to purchase for cash a maximum of approximately \$42 million, in value, of Shares, without interest, less any applicable withholding taxes, with such purchases to be made by Stifel Nicolaus Europe Limited (“Stifel” or the “Counterparty Bank”) acting as principal, and on the terms and subject to the conditions described in the offer to purchase (together with any amendments or supplements hereto, the “Offer to Purchase”) and the Circular to shareholders, dated February 26, 2024 (the “Circular”), copies of which are filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. This Schedule TO is intended to satisfy the reporting requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended.

This Schedule TO is intended to satisfy the disclosure requirements of Rule 13e-4(c)(2) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All of the information set forth in the Offer to Purchase is incorporated by reference in response to Items 1 through 11 of this Schedule TO, as more particularly set forth below, except for those Items as to which information is specifically provided herein. All capitalized terms used but not specifically defined in this Schedule TO shall have the meanings given to such terms in the Offer to Purchase.

### Item 1. Summary Term Sheet.

The information set forth under “Summary” in the Offer to Purchase is incorporated herein by reference.

### Item 2. Subject Company Information.

- (a) Name and Address: The name of the issuer is Diversified Energy Company plc, a public limited company incorporated in the United Kingdom and registered in England and Wales. The address of its principal executive office is 1600 Corporate Drive, Birmingham, Alabama 35242 and its telephone number is +1 205 408 0909.
- (b) Securities: The information set forth under “Part IV — Additional Information — Share Information” in the Offer to Purchase is incorporated herein by reference.
- (c) Trading Market and Price: The information set forth under “Additional Information — Share Information” in the Offer to Purchase is incorporated herein by reference.

### Item 3. Identity and Background of Filing Person.

- (a) Name and Address: Diversified Energy Company plc, a public limited company incorporated in the United Kingdom and registered in England and Wales, is the filing person and subject company. The address of its principal executive office is 1600 Corporate Drive, Birmingham, Alabama 35242 and its telephone number is +1 205 408 0909. The information set forth in the section captioned “Additional Information — Directors’ and Officers’ Interests” of the Offer to Purchase is incorporated herein by reference. The business address of each of the Company’s executive officers and directors is c/o Diversified Energy Company plc, 1600 Corporate Drive, Birmingham, Alabama 35242.

### Item 4. Terms of the Transaction.

- (a) Material Terms: The information set forth in “Summary”, Part II (“Terms and Conditions of the Return of Capital”), Part III (“Taxation”) and Part IV (“Additional Information”) of the Offer to Purchase is incorporated herein by reference.
-

- (b) Purchases: The information set forth in the sections captioned “Additional Information — Directors’ and Officers’ Interests” and “Additional Information — Transactions in the Shares” of the Offer to Purchase is incorporated herein by reference.

**Item 5. Past Contacts, Transactions, Negotiations and Agreements.**

- (e) Agreements Involving the Subject Company’s Securities: The information set forth in the sections captioned “Summary” and “Additional Information — Transactions in the Shares” of the Offer to Purchase is incorporated herein by reference.

**Item 6. Purposes of the Transaction and Plans or Proposals.**

- (a) Purposes: The information set forth in Part I (“Letter from the Chairman of Diversified Energy Company plc”) of the Offer to Purchase is incorporated herein by reference.
- (b) Use of the Securities Acquired: The information set forth in the sections captioned “Summary” and Part II (“Terms and Conditions of the Return of Capital”) of the Offer to Purchase is incorporated herein by reference.
- (c) Plans: Not applicable.

**Item 7. Source and Amount of Funds or Other Consideration.**

- (a) Source of Funds: The information set forth in Part I (“Letter from the Chairman of Diversified Energy Company plc”) of the Offer to Purchase is incorporated herein by reference.
- (b) Conditions: The information set forth in Part I (“Letter from the Chairman of Diversified Energy Company plc”) of the Offer to Purchase is incorporated herein by reference.
- (d) Borrowed Funds: Not applicable.

**Item 8. Interest in Securities of the Subject Company.**

- (a) Securities Ownership: The information set forth in the section captioned “Additional Information — Directors’ and Officers’ Interests” of the Offer to Purchase is incorporated herein by reference.
- (b) Securities Transactions: The information set forth in the section captioned “Additional Information — Transactions in the Shares” and “Additional Information — Agreements Relating to the Shares” of the Offer to Purchase is incorporated herein by reference.

**Item 9. Persons/Assets, Retained, Employed, Compensated or Used.**

- (a) Solicitations or Recommendations: The information set forth in the sections captioned “Terms and Conditions of the Return of Capital — Parties Engaged in Solicitations” and “Additional Information — Agreements Relating to the Shares” of the Offer to Purchase is incorporated herein by reference.

**Item 10. Financial Statements.**

Not applicable, in reliance on Instruction 2 to this Item 10.

**Item 11. Additional Information.**

- (a) Agreements, Regulatory Requirements and Legal Proceedings: The information set forth in Part IV (“Additional Information”) of the Offer to Purchase is incorporated herein by reference.
  - (c) Other Material Information: The information set forth in the Offer to Purchase, a copy of which is filed as Exhibit (a)(1)(A) hereto, as may be amended or supplemented from time to time, is incorporated herein by reference.
-

**Item 12. Exhibits.**

The following exhibits are included or incorporated by reference in this Schedule TO:

Exhibit No.	Description	Incorporation by Reference			
		Form	File Number	Exhibit No.	Filing Date
(a)(1)(A)*	<a href="#">Offer to Purchase, dated February 26, 2024</a>				
(a)(1)(B)*	<a href="#">Circular to Shareholders, dated February 26, 2024</a>				
(a)(2)	Not Applicable.				
(a)(3)	Not Applicable.				
(a)(4)	Not Applicable.				
(a)(5)(A)	<a href="#">Press Release, dated February 15, 2024.</a>	6-K	001-41870	99.1	February 15, 2024
(a)(5)(B)*	<a href="#">Press Release, dated February 26, 2024.</a>				
(b)	Not Applicable.				
(d)(1)*	<a href="#">Put and Call Option Agreement, dated February 26, 2024, by and between Diversified Energy Company plc and Stifel Nicolaus Europe Limited.</a>				
(d)(2)	<a href="#">Diversified Gas &amp; Oil plc 2017 Equity Incentive Plan</a>	20-F	001-41870	4.33	November 16, 2023
(d)(3)	<a href="#">Diversified Energy Company plc Employee Stock Purchase Plan</a>	20-F	001-41870	4.34	November 16, 2023
(g)	Not Applicable.				
(h)	Not Applicable.				
107*	<a href="#">Filing Fee Table.</a>				

\* Filed herewith.

**Item 13. Information Required by Schedule 13E-3.**

Not Applicable.

---

**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

**Diversified Energy Company plc**

/s/ Benjamin Sullivan

Name: Benjamin Sullivan

Title: Senior Executive Vice President,  
Chief Legal & Risk Officer, and  
Corporate Secretary

Date: February 26, 2024

---

## Exhibit (a)(1)(A)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. 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 financial advice as soon as possible from your stockbroker, bank, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or, if you are not, from another appropriately authorised independent professional adviser.**

*If you sell or transfer or have sold or transferred all of your ordinary shares of £0.20 each (the “Shares”) in Diversified Energy Company PLC (the “Company”), please send this document at once 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, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain these documents and consult the stockbroker, bank, or other agent through whom the sale or transfer was effected. Shares may not be tendered in the Tender Offer by guaranteed delivery.*

*This document does not constitute an offer or a solicitation to any person in any state jurisdiction within the United States in which the Company (as defined herein) is prohibited from making such offer or solicitation by administrative or judicial action pursuant to a state statute after a good faith effort of the Company to comply with such statute. If the Company becomes aware of any valid law of any jurisdiction prohibiting the making of the Tender Offer (and from which it does not have an exemption), it will make a good faith effort to comply with that law or seek to have such law declared inapplicable to the Tender Offer. If after a good faith effort, the Company cannot comply with the law of that jurisdiction, it will not market the Tender Offer to that jurisdiction.*

**DIVERSIFIED ENERGY COMPANY PLC**

(incorporated in England and Wales with registered number 09156132)



**Return of Capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend, or (ii) Tender Offer to acquire Shares in the Company**

Diversified Energy Company PLC, a public limited company incorporated in the United Kingdom and registered in England and Wales (the “Company”), previously announced an interim dividend of 4.375 cents per ordinary share of £0.01 in the Company for the three-month period ended 30 September 2023, payable on 3 April 2024 to Shareholders who hold Shares at the record date of 1 March 2024 (the “**Q323 Dividend**”), which was adjusted to 87.5 cents per ordinary share of £0.20 each in the Company (the “Shares”) following the Company’s share consolidation announced on 7 December 2023.

The Company has been considering various ways of returning cash to Shareholders and following consultation with Shareholders and after careful consideration of the feedback received, the Company has decided to offer Shareholders with optionality as to how it will return cash to its Shareholders. Shareholders will have the opportunity to waive some or all of their Q323 Dividend and tender Shares in the Tender Offer for an amount up to their respective entitlement to the Q323 Dividend (the “**Entitlement**”). Shareholders who do not wish to waive their Q323 Dividend will remain unimpacted and will receive their Q323 Dividend on 3 April 2024.

For Shareholders who would like to waive their Q323 Dividend entitlement in consideration for the ability to tender Shares in the Tender Offer, the Company hereby offers (the “**Offer**”) to purchase for cash a

maximum of approximately \$42 million, in value, of Shares, without interest, less any applicable withholding taxes, with such purchases to be made by Stifel Nicolaus Europe Limited (“**Stifel**” or the “**Counterparty Bank**”) acting as principal and on the terms and subject to the conditions described in this offer to purchase (together with any amendments or supplements hereto, this “**Offer to Purchase**”). The total number of Shares that may be purchased pursuant to the Tender Price may not exceed 3,881,238 Shares.

In accordance with the terms of the Tender Offer, the Company and Stifel entered into a Put and Call Option Agreement on February 26, 2024, pursuant to which the Company has agreed to purchase from Stifel, on market, such number of Shares as Stifel shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by Stifel for the Shares (the “**Put and Call Option Agreement**”). In the United States, Stifel, Nicolaus & Company, Incorporated, the registered US broker-dealer affiliate of the Counterparty Bank, will also participate in the Tender Offer to the extent required. **The Tender Offer will commence at 8:00 a.m. (London time) on 26 February 2024 and expire at 10:00 a.m. (London time) on 27 March 2024, unless withdrawn, extended or varied by the Company.** Tenders in respect of Shares may be withdrawn by input and settlement in CREST of an ESA instruction in accordance with the procedures set out in paragraph 6 of Part II of this Offer to Purchase, at any time until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). After 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), all tenders will be irrevocable.

Stifel, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and for no one else in connection with the Return of Capital and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in connection with the Return of Capital or any other matters set out in this document.

Our ordinary shares are listed on the New York Stock Exchange (“NYSE”) under the symbol “DEC.” On 23 February 2024, the last full trading day prior to the commencement of the Tender Offer, the last reported sale price of the Company’s ordinary shares as reported on NYSE was \$12.36 per share. The purchase price (the “**Tender Price**”) payable in the Tender Offer will be 105% of the average market value per Share for the five Business Days immediately preceding the date on which the Shares are to be purchased, 27 March 2024 (the “**Closing Date**”). The Tender Price will be announced by the Company via a Regulatory Information Service, which will also be available at <https://www.ir.div.energy/stock-data/lse-dec>, and an amendment to the tender offer statement on Schedule TO that the Company has filed with the U.S. Securities Exchange Commission (the “SEC”) relating to the Tender Offer (the “**Schedule TO**”) on the date preceding the Closing Date, which the Company expects to be 26 March 2024, on or around 10:35 a.m. New York City time. The average market value per Share through each day during which the Offer is open will be available at <https://www.ir.div.energy/stock-data/lse-dec> and from the Information Agent (as defined herein), which may be contacted at the address and telephone number set forth below on the cover page to this Offer to Purchase.

Shareholders will be entitled to validly submit tenders for purchase of Shares at the Tender Price in the amount up to their Entitlement. Shareholders will not be able to tender Shares in excess of their Entitlement. If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.

The board of directors of the Company (the “**Board of Directors**”), has authorized and approved the Tender Offer. However, none of the Company, the Board of Directors, the Counterparty Bank, Computershare Investor Services PLC, as receiving agent in the United Kingdom (the “**Receiving Agent**”), Georgeson LLC, as information agent in the United States (the “**Information Agent**”), or any of their respective affiliates, is making any recommendation to you as to whether to waive your rights to the Q323 Dividend in consideration for your ability to tender your Shares or retain your rights to the Q323 Dividend and refrain from tendering your Shares. You must make your own decision as to whether to waive your rights to the Q323 Dividend in consideration for your ability to tender your Shares for an amount equal to your respective entitlement to the Q323 Dividend (the “**Entitlement**”). **Shareholders are strongly urged to review and**

---

**evaluate carefully all information in the Offer to Purchase, to consult their own financial, tax and legal advisors, and to make their own decisions as to whether to waive their rights to the Q323 Dividend and tender their Shares. The receipt of cash pursuant to the Tender Offer by a Shareholder who is a U.S. Holder (as defined below) will be a taxable transaction for U.S. federal income tax purposes. Shareholders should carefully consider the tax consequences of accepting the Tender Offer and tendering their Shares. See Part III of the Offer to Purchase, “United Kingdom” and Part III of the Offer to Purchase, “Material United States Federal Income Tax Considerations.”**

Shares may not be tendered in the Tender Offer by guaranteed delivery.

**IF YOU WISH TO RECEIVE THE Q323 DIVIDEND, MEANING YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES IN THE TENDER OFFER, YOU DO NOT NEED TO TAKE ANY ACTION.**

**Shareholders must make their own decisions as to whether to waive their rights to the Q323 Dividend in consideration for your ability to tender their Shares for an amount equal to their Entitlement.**

Shareholders wishing to waive their Q323 Dividend in consideration for their ability to sell part or all of their respective shareholdings for an aggregate amount equal to their Entitlement and to receive their respective share of the cash which the Company is seeking to return must comply in all respects with the delivery procedures described herein. For Shareholders who currently hold Shares through DTC or directly on the Company’s register of members and wish to participate in the Tender Offer, certain actions will be required to be completed so as to be holding Depository Interests prior to 6:00 p.m. (London time) on 1 March 2024. See Section 3 of Part II of the Offer to Purchase, “Procedures for Tendering Shares” for further details.

The Offer qualifies as a “Tier II” offer in accordance with Rule 14d-1(d) under the Exchange Act and, as a result, is exempt from certain provisions of otherwise applicable U.S. statutes and rules relating to tender offers. U.S. and English law and practice relating to tender offers are different in certain material respects. The Company intends to rely on the Tier II exemption from Rule 14e-1(c) on prompt payment where it will follow English law and practice.

**Neither the SEC nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Offer to Purchase. Any representation to the contrary is a criminal offense.**

**To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Stifel or any of their respective affiliates may make certain purchases of, or arrangements to purchase, Shares outside the United States before and during the period in which the Tender Offer remains open for participation, including sales and purchases of Shares effected by Stifel or its affiliates acting as market maker in the Shares on the London Stock Exchange. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the Listing Rules, and the relevant provisions of the Exchange Act. Any information about such purchases will be disclosed as required in the UK and the US and, if required, will be reported via a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).**

**If you have any queries relating to the waiver of your Entitlement to the Q323 Dividend in consideration for your ability to tender your Shares in the Tender Offer, please contact Computershare Investor Services PLC on 0370 702 0151 (or +44 (0) 370 702 0151) if calling from outside the United Kingdom). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m. London time, Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer,**



**please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**THE TENDER OFFER WILL COMMENCE AT 8:00 A.M. (LONDON TIME) ON 26 FEBRUARY 2024 AND EXPIRE AT 10:00 A.M. (LONDON TIME) ON 27 MARCH 2024, UNLESS WITHDRAWN, EXTENDED OR VARIED BY THE COMPANY (SUCH TIME AND DATE, THE “CLOSING DATE”).**

**Offer to Purchase, dated 26 February, 2024**

---

## FORWARD-LOOKING STATEMENTS

Certain statements contained in the document constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. These forward-looking statements include, but are not limited to, statements regarding the expiration of the Tender Offer, the timing of the opportunity to waive entitlement to the Q323 Dividend in consideration for the ability to participate in the Tender Offer, the financing of the Tender Offer and Stifel’s, the Receiving Agent’s and Information Agent’s roles in the Tender Offer. Forward-looking statements should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in this document containing forward-looking statements are qualified by these cautionary statements.

Forward-looking statements are based on information available at the time they are made, underlying estimates and assumptions made by management and management’s good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. Such risks and uncertainties include, but are not limited to, compliance with or waiver of the conditions to the Tender Offer, the extent to which Shareholders determine to waive their entitlement to the Q323 Dividend in consideration for the ability to tender their Shares in the Tender Offer and the risks described in the Company’s registration statement on Form 20-F, initially filed on 16 November 2023 and in the Company’s other continuous disclosure filings available at the SEC’s website at [www.sec.gov](http://www.sec.gov). The Company cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance and results may vary significantly from those expected.

There can be no assurance that the actual results, performance, events or activities anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. Readers are urged to consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on any forward-looking statements. Other than as required by applicable securities laws, the Company undertakes no obligation to update or revise any such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Information on the SEC’s website or any other website is not incorporated by reference into the Offer to Purchase and does not constitute a part of the Offer to Purchase unless specifically so designated and filed with the SEC.

## INFORMATION FOR UNITED STATES SHAREHOLDERS

This Offer is made by the Company for its own securities, and the Offer to Purchase has been prepared by the Company in accordance with the disclosure requirements of applicable English laws and U.S. laws. The disclosure requirements in the United Kingdom may be different from those of the United States. In addition, the format and presentation of the Offer to Purchase generally follow market practice in the United Kingdom.

## CURRENCY

In the Offer to Purchase, references to “GBP£” and “GBP sterling” are to the lawful currency of the United Kingdom and references to “US\$” and “U.S. dollars” are to the lawful currency of the United States.

---

CONTENTS

	<u>Page</u>
<u>SUMMARY</u>	<u>2</u>
<u>EXPECTED TIMETABLE OF PRINCIPAL EVENTS</u>	<u>5</u>
<u>PART I LETTER FROM THE CHAIRMAN</u>	<u>6</u>
<u>PART II TERMS AND CONDITIONS OF THE RETURN OF CAPITAL</u>	<u>12</u>
<u>PART III TAXATION</u>	<u>25</u>
<u>PART IV ADDITIONAL INFORMATION</u>	<u>33</u>
<u>PART V DEFINITIONS</u>	<u>38</u>

## SUMMARY

*This general summary is solely for the convenience of Shareholders and is qualified in its entirety by reference to the full text and more specific details in this Offer to Purchase. Shareholders are urged to read the entire Offer to Purchase in its entirety as it contains a complete discussion of the Tender Offer.*

### **The Tender Offer**

Subject to the terms and conditions of the Tender Offer, for Shareholders who would like to waive their Q323 Dividend Entitlement in consideration for the ability to tender Shares, the Company hereby offers to purchase for cash a maximum of approximately \$42 million in value of shares of the Company, without interest, less any applicable withholding taxes, with such purchases to be made by Stifel, acting as principal, pursuant to the terms and conditions herein.

### **Expiration Date**

The Offer will commence at 8:00 a.m. (London time) on 26 February 2024 and expire at 10:00 a.m. (London time) on 27 March 2024, unless withdrawn, extended or varied by the Company pursuant to Sections 6, 7, or 8 of the Offer to Purchase, "Extension of the Offer." If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely the nominee has established an earlier deadline for you to act to instruct the nominee to accept the Tender Offer on your behalf. The Company urges you to contact the broker, dealer, commercial bank, trust company or other nominee to find out the nominee's deadline.

### **Number of Shares to be Purchased; Tender Price**

The Company is offering to purchase Shares of approximately \$42 million in value at a purchase price equal to 105% of the average market value per Share for the five Business Days immediately preceding the date on which the Shares are to be purchased, 27 March 2024. The Tender Price will be announced by the Company via a Regulatory Information Service, which will also be available at <https://www.ir.div.energy/stock-data/lse-dec>, and an amendment to the Schedule TO on the date preceding the Closing Date, which the Company expect to be 26 March 2024, on or around 10:35 a.m. New York City time. The average market value per Share through each day during which the Offer is open will be available at <https://www.ir.div.energy/stock-data/lse-dec> and from the Information Agent (as defined herein), which may be contacted at the address and telephone number set forth herein.

### **Procedures for Tendering Shares**

All transactions under the Tender Offer will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE. Should you elect to waive your Q323 Dividend in consideration for your ability to tender your Shares for an aggregate amount equal to your Q323 Dividend entitlement, you should tender your Shares electronically through CREST so that the TTE instruction settles no later than 10:00 a.m. (London time) on 27 March 2024 (or such later date and time as may

	<p>be notified by the Company). For further details of the procedures for tendering and settlement, please see Part II of the Offer to Purchase or you may contact Computershare Investor Services PLC or the Information Agent, as applicable, for assistance. The contact information for Computershare Investor Services PLC and the Information Agent appears on the cover of this Offer to Purchase. <i>See</i> Section 3 of Part II this Offer to Purchase.</p>
<b>Currency of Payment</b>	<p>The Tender Price will be denominated in GBP sterling and payments of amounts owing to holders of tendered shares will be made in GBP sterling.</p>
<b>Brokerage Commissions</b>	<p>Tendering Shareholders pursuant to the Tender Offer will not be obligated to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Stifel of Shares pursuant to the Tender Offer. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their own brokers or other intermediaries in connection with the tendering of their shares pursuant to the Offer.</p>
<b>Terms and Conditions of the Offer</b>	<p>The obligation of the Company to effect the purchase of all tendered Shares under the Tender Offer is subject to the terms and conditions described in Section 2 of Part II of the Offer to Purchase, “Terms of the Tender Offer.”</p>
<b>Withdrawal Rights</b>	<p>Tenders in respect of Shares may be withdrawn by input and settlement in CREST of an ESA instruction in accordance with the procedures set out in paragraph 6 of Part II of this Offer to Purchase, at any time until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). After 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), all tenders will be irrevocable.</p>
<b>Position of the Company, its Directors, the Receiving Agent or the Information Agent</b>	<p>None of DEC, the Board of Directors, the Counterparty Bank, the Receiving Agent, the Information Agent or any of their respective affiliates, is making any recommendation to you as to whether to waive your rights to the Q323 Dividend in consideration for your ability to tender your Shares or retain your rights to the Q323 Dividend and refrain from tendering your Shares. You must make your own decision as to whether to waive your rights to the Q323 Dividend and tender your Shares for an amount equal to your respective Entitlement. Shareholders are strongly urged to review and evaluate carefully all information in the Offer to Purchase, to consult their own financial, tax and legal advisors, and to make their own decisions as to whether to waive their rights to the Q323 Dividend and tender their Shares.</p>

**Tax Considerations**

**The receipt of cash pursuant to the Tender Offer by a Shareholder who is a U.S. Holder (as defined below) will be a taxable transaction for U.S. federal income tax purposes. Shareholders should carefully consider the income tax consequences of accepting the Tender Offer to waive their entitlement to the Q323 Dividend and tender their shares. See Part III of the Offer to Purchase, “Taxation” for certain details concerning the U.K. and U.S. tax consequences. Shareholders should consult their own tax advisors.**

**Further Information**

For further information regarding the Tender Offer, Shareholders may contact the Receiving Agent or the Information Agent or consult their own brokers. The contact information for the Receiving Agent and Information Agent is set forth on the cover of this Offer to Purchase.

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Q323 Dividend announcement	15 November 2023
Publication of this Offer to Purchase	26 February 2024
Tender Offer opens	26 February 2024
Q323 Dividend ex-dividend date	29 February 2024
Record Date for the Q323 Dividend	6:00 p.m. (London time) on 1 March 2024
Latest time for Shareholders who currently hold Shares through DTC or on the Company's register of members to have completed actions so as to be holding Depository Interests prior to this time	6:00 p.m. (London time) on 1 March 2024
Announcement of the GBP:USD exchange rate for the Q323 Dividend	20 March 2024
Announcement of the Tender Price	on or around 4:35 p.m. (London time) on 26 March 2024
Tender Offer Closing Date and latest time for receipt of TTE Instructions in CREST	10:00 a.m. (London time) on 27 March 2024
Announcement of the results of the Tender Offer	27 March 2024
Trade date for the Tender Offer	27 March 2024
Payment of the respective Entitlement to the Q323 Dividend to Shareholders who elected to not participate in the Tender Offer	28 March 2024
CREST accounts credited with Tender Offer consideration for Shareholders who elected to participate in the Tender Offer	28 March 2024

The dates and times given in this document are London time and are based on the Company's current expectations and may be subject to change. Any changes to the expected timetable will be announced via a Regulatory Information Service and an amendment to the Schedule TO furnished with the SEC.

**If you wish to receive your Entitlement to the Q323 Dividend, you do not have to take any further action and you will be paid your Entitlement to the Q323 Dividend on 28 March 2024.**

**If you have any queries relating to the waiver of your Entitlement to the Q323 Dividend in consideration for the ability to tender your Shares in the Tender Offer, please contact Computershare Investor Services PLC on 0370 702 0151 (or +44 (0) 370 702 0151) if calling from outside the United Kingdom). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8:30 a.m. – 5.30 p.m London time., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer, please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**PART I**  
**LETTER FROM THE CHAIRMAN**  
**DIVERSIFIED ENERGY COMPANY PLC**  
*(Registered in England and Wales No: 09156132)*

*Directors:*  
David Edward Johnson  
Robert “Rusty” Russell Hutson Jr.  
Martin Keith Thomas  
Sylvia Kerrigan  
David Jackson Turner, Jr.  
Kathryn Z. Klaber  
Sandra (Sandy) Mary Stash

*Registered Office:*  
4<sup>th</sup> Floor Phoenix House  
1 Station Hill, Reading  
Berkshire, RG1 1NB  
United Kingdom

26 February 2024

Dear Shareholders

**Return of Capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend or  
(ii) the Tender Offer to acquire Shares in the Company**

**Introduction**

As announced on 30 January 2024, the Company continues to focus on its strategic initiatives of cash flow generation, capital discipline and balance sheet management, alongside continually evaluating opportunities to return capital to its Shareholders.

On 15 November 2023, the Company announced the Q323 Dividend of \$0.04375 per ordinary share of £0.01 each in the Company for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at 1 March 2024, which was adjusted to \$0.875 per Share following the Company’s Share consolidation as announced on 7 December 2023.

The Directors believe that the current trading price of the Shares does not reflect the quality of the Company’s assets nor the significant opportunities in relation to the Company’s long-term strategy. The Directors therefore consider that the repurchase of Shares is a prudent use of capital for the Company and is in the best interests of the Shareholders.

Following consultation with its Shareholders and after careful consideration of the feedback received, the Company is proposing to offer Shareholders with optionality as to the Return of Capital, pursuant to which Shareholders will have an opportunity to elect as to how they will receive capital in an amount of approximately \$42 million, in aggregate. The Company will return the same amount of the previously declared Q323 Dividend, but Shareholders will be offered the optionality as to how they receive that payment.

Specifically, Shareholders can elect to either:

- Do nothing, in which case they will remain unimpacted and will be paid their respective Entitlement to the Q323 Dividend on 28 March 2024; or
- Elect to waive some or all of their respective Entitlement in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price (which will include a premium) up to the amount of their waived Entitlement.

The Company will fund the Tender Offer for up to \$42 million using funds available from the Company’s cash and cash equivalents. The Tender Offer is not conditioned upon obtaining financing. As of the date of this Offer to Purchase, the Company has no plans to use alternative financing arrangements or alternative financing plans in the event that its available cash and cash equivalents are insufficient to fund the purchase of Shares in the Tender Offer.



This Return of Capital allows Shareholders to be paid the same total amount of the previously declared Q323 Dividend while providing optionality for Shareholders to receive that payment in the form of a cash dividend payment or a cash payment as consideration for the purchase of their Shares in the Tender Offer. The aggregate amount of funds the Company will utilise in relation to the Return of Capital will be approximately \$42 million, which is the approximate amount of the Q323 Dividend announced on 15 November 2023.

The Board is making no recommendation to Shareholders in relation to any election for the Return of Capital. Shareholders are not obliged to do anything, if they do not wish to do so. Shareholders who do not take any action will be paid their respective Entitlement on 28 March 2024.

### **The Q323 Dividend**

On 15 November 2023, the Company announced the Q323 Dividend of \$0.04375 per ordinary share of £0.01 each for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at the record date of 1 March 2024, which was adjusted to \$0.875 per Share following the Company's share consolidation as announced on 7 December 2023. The ex-dividend date for the Q323 Dividend is 29 February 2024.

However, Shareholders may elect to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price up to the amount of their waived Entitlement. Shareholders who do not wish to waive their Entitlement will remain unimpacted and they will be paid their respective Entitlement to the Q323 Dividend on 28 March 2024.

### **The Tender Offer**

On 15 February 2024, the Company announced that as part of the Return of Capital, it would undertake a tender offer for an amount of approximately \$42 million, pursuant to which Shareholders have the opportunity to waive some or all of their Entitlement to the Q323 Dividend in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price for an aggregate amount equal to their waived Entitlement. Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part II of this document.

The Tender Offer is being made by Stifel, as principal, on the basis that all Shares that it buys under the Tender Offer will be purchased from it by the Company under its Existing Authority (subject to the overall limit of the Tender Offer). All Share purchase transactions by Stifel will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE. The Tender Price payable will be 105 percent of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased. The Tender Price will be announced by the Company via a Regulatory Information Service, which will also be available at <https://www.ir.div.energy/stock-data/lse-dec>, and an amendment to the tender offer statement on Schedule TO that the Company has filed with the U.S. Securities Exchange Commission (the "SEC") relating to the Tender Offer (the "Schedule TO") on the date preceding the Closing Date, which the Company expects to be 26 March 2024, on or around 10:35 a.m. New York City time. The average market value per Share through each day during which the Offer is open will be available at <https://www.ir.div.energy/stock-data/lse-dec> and from the Information Agent (as defined herein), which may be contacted at the address and telephone number set forth herein. The Tender Price will be denominated in GBP sterling and payments of amounts owing to Shareholders who have validly tendered their Shares will be made in GBP sterling.

Shareholders who wish to participate in the Tender Offer should transmit the appropriate TTE Instruction (or procure that their broker, dealer, commercial bank, trust company or other intermediary who ultimately holds the Shares through the CREST settlement system transmits the appropriate TTE Instruction) in CREST so that TTE instructions settle no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). Tenders in respect of Shares may be withdrawn by input and settlement in CREST of an ESA instruction in accordance with the procedures set out in paragraph 6 of Part II of this Offer to Purchase, at any time until 10.00 a.m. (London

time) on 27 March 2024 (or such later date and time as may be notified by the Company). After 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), all tenders will be irrevocable.

The maximum aggregate consideration for the Shares to be purchased under the Tender Offer is \$42 million, being the aggregate amount of the Q323 Dividend. Shareholders can elect to tender their Shares in the Tender Offer for an aggregate amount equal to their respective waived Entitlement only.

All Shares purchased by Stifel will be repurchased by the Company for cancellation. All transactions will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE.

The accounting for the purchase of Shares pursuant to the Tender Offer will result in a reduction of the Company's shareholders' equity in an amount equal to the aggregate purchase price of the Shares the Company purchases pursuant to the Tender Offer plus related fees and a corresponding reduction in the Company's cash and cash equivalents.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged, or otherwise disposed of other than in accordance with the Tender Offer.**

**Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised under FSMA.**

***Entitlements under the Tender Offer and waiver of Entitlement to the Q323 Dividend***

Shareholders will be entitled to waive some or all of their Entitlement in consideration for their ability to validly submit tenders for purchase of Shares in the Tender Offer at the Tender Price up to amount of their waived Entitlement. However, Shareholders are not obliged to waive their Entitlement to the Q323 Dividend and tender any of their Shares if they do not wish to do so. Shareholders who do not submit any instructions to waive some or all of their Entitlement amount in consideration for the ability to tender their Shares in the Tender Offer will remain unimpacted and will be paid their Entitlement to the Q323 Dividend on 28 March 2024; they do not need to take any action.

A Shareholder will not be entitled to tender Shares in excess of its respective Entitlement. Applications made by Shareholders in excess of their respective Entitlements will be scaled back to their Entitlement. A Shareholder who elects to waive only some of their Entitlement in consideration for their ability to validly submit tenders for purchase of Shares at the Tender Price will be paid the remainder of the Entitlement to the Q323 Dividend in cash that they have elected to not waive pursuant to their TTE instructions in CREST on 28 March 2024.

Shareholders will only be entitled to validly tender such Shares that they still hold as at the Closing Date. Any such Shareholder's waived Entitlement will be calculated as the total number of Shares validly tendered by them multiplied by the Tender Price, and they will be paid the remainder of the Entitlement in cash on 28 March 2024.

If the amount of Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.

The Company also expects to announce the GBP:USD exchange rate for the Q323 Dividend via a Regulatory Information Service on or around 20 March 2024. As the Q323 Dividend has been declared in US dollars, such exchange rate will also determine the amount of the Entitlement in pound sterling (GBP) for Shareholders who wish to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer.

Any rights of Shareholders who choose not to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer will be unaffected and they will be paid their Entitlement to the

Q323 Dividend on 28 March 2024. The reduction in the Company's issued share capital may result in a reduction in the liquidity of the Shares in the secondary market.

#### **Taxation**

The attention of Shareholders is drawn to Part III of this document, which provides a summary of certain UK and US taxation consequences for Shareholders of accepting the Tender Offer. This information is a general guide and is not exhaustive. **Shareholders who are in any doubt as to their taxation position or who are subject to tax in a jurisdiction outside the UK and US should consult their own professional advisers.**

#### **Notification of interests**

Under DTR 5, certain substantial Shareholders are required to notify the Company and the FCA of the percentage of voting rights they hold as Shareholders or through their direct or indirect holding of financial instruments within the limits referred to in the DTR. Following the completion of the Tender Offer, the percentage of voting rights held by a Shareholder may change, which may give rise to an obligation on the Shareholder to notify the Company and the FCA within two trading days of becoming aware (or being deemed to have become aware) of such change. Shareholders who are in any doubt as to whether they should notify the Company or as to the form of that notification should consult their own professional advisers.

#### **Overseas Shareholders**

Shareholders with registered or mailing addresses outside the UK, or who are citizens or nationals of, or resident in, a jurisdiction other than the UK, should read paragraph 10 of Part II of this Offer to Purchase. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction in relation to the Tender Offer.

#### **Put and Call Option Agreement**

The Company and Stifel entered into a Put and Call Option Agreement on February 26, 2024 pursuant to which the Company has agreed to purchase from Stifel, on market, such number of Shares as Stifel shall purchase pursuant to the Tender Offer, at the Tender Price. In the United States, Stifel, Nicolaus & Company, Incorporated, Stifel's registered US broker-dealer affiliate, will also participate in the Tender Offer to the extent required.

The Company may terminate the Tender Offer if, in the Company's reasonable opinion, one or more of the Conditions set out in paragraph 7 of Part II of this Offer to Purchase have not been satisfied. In acquiring Shares pursuant to valid tenders made in the Tender Offer and in selling such Shares to the Company, Stifel will act as principal.

#### **Existing Authority**

By a resolution passed at the Company's annual general meeting on 2 May 2023, the Company was authorised to make one or more market purchases of fully paid Shares subject to certain limitations, including that:

- (A) the maximum aggregate number of Shares to be purchased is 4,870,500 Shares (as adjusted for the share consolidation undertaken by the Company in December 2023); and
- (B) the maximum price (exclusive of any expenses) that may be paid for a Share shall be the higher of (i) 105 percent of the average market value of the Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the Company agrees to buy the Shares, and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent purchase bid at the time on the trading venue where the purchase is carried out.

#### **Action to be taken**

Shareholders can choose to:

- elect to do nothing, and such Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024; or

- waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer for purchase to receive cash in consideration of such purchase, up to their waived Entitlement.

Shareholders who wish to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer should tender electronically through CREST so that the TTE instruction settles by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). Further details of the procedures for tendering and settlement are set out in Part II of this Offer to Purchase.

**Shareholders who do not wish to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer do not need to take any action or send a TTE Instruction. Such shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024.**

**For Shareholders who currently hold Shares through DTC or directly on the Company’s register of members and wish to participate in the Tender Offer, certain actions will be required to be completed so as to be holding Depositary Interests prior to 6:00 p.m. (London time) on 1 March 2024.**

**Shareholders that currently hold Shares through the systems of DTC will be required to submit a Depositary Interest issuance request to Computershare Trust Company, N.A. (the “Transfer Agent”) and deliver their Shares in DTC to the DTC participant account nominated by the Transfer Agent, which will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholder’s nominated CREST participant account as a result. Shareholders holding through a broker, custodian or nominee that is a DTC participant should contact their broker, custodian or nominee, who will submit this instruction on their behalf. The issuance of a Depositary Interest following the submission of a valid Depositary Interest issuance request may take up to two Business Days.**

**Shareholders who hold their Shares in certificated form will be required to submit a Depositary Interest issuance request to the Transfer Agent, together with their share certificate(s) and stock transfer forms, complete with a medallion signature guarantee. The Transfer Agent will deposit the Shares to their nominated DTC participant account that will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholder’s nominated CREST participant account as a result.**

**The process for the issuance of Depositary Interests to Shareholders who currently hold Shares through the systems of DTC or in certificated form may be subject to an administration fee charged by the Transfer Agent. For assistance with the Depositary Issuance process, timings and costs, please contact the Transfer Agent, by email at [uk.globaltransactions@computershare.com](mailto:uk.globaltransactions@computershare.com). Shareholders holding Shares through a broker, custodian or nominee, should also consult with their broker, custodian or nominee in respect of any additional processes, timings and costs applied by them.**

**If you have any questions relating to the waiver of your Entitlement to the Q323 Dividend in consideration for the ability to tender your Shares in the Tender Offer, please call Computershare Investor Services PLC on +44 (0) 370 702 0151. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm London time, Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer, please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

#### **Recommendation**

The Board considers the Return of Capital to be in the best interests of the Company and Shareholders as a whole. However, the Board is not making, and does not intend to make, any recommendation to

Shareholders in relation to any election for the Return of Capital. Whether or not Shareholders decide to elect to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer is a decision for individual Shareholders.

Shareholders should take into account their own individual circumstances, including their tax position, when deciding whether or not to elect to waive some or all of their Entitlement in consideration for the ability to participate in the Tender Offer. A summary of material UK and US taxation considerations in connection with the Return of Capital is set out in Part III of this Offer to Purchase. Shareholders are recommended to consult with their duly authorised independent advisers (including tax advisers).

No Director of the Company will be waiving any of their Entitlement to the Q323 Dividend in consideration for their ability to tender any of their Shares under the Tender Offer.

Yours faithfully

**David E. Johnson**  
*Chair*

**PART II**  
**TERMS AND CONDITIONS OF THE RETURN OF CAPITAL**

**1. INTRODUCTION**

- 1.1 Shareholders are being invited to choose how they receive their respective Entitlement in connection with the Return of Capital.
- 1.2 Shareholders may elect to do nothing and they will remain unimpacted and will be paid their Entitlement to the Q323 Dividend on 28 March 2024. Alternatively, Shareholders may elect to waive some or all of their Entitlement in consideration for their ability to tender their Shares in the Tender Offer for purchase by Stifel on the terms and subject to the conditions set out in this Offer to Purchase.
- 1.3 For Shareholders who would like to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer, Stifel will purchase such Shares at the Tender Price up to the amount of the waived Entitlement for each Shareholder on the terms and subject to the conditions set out in this Offer to Purchase, as a riskless principal acting on the instruction of the Company.
- 1.4 All of the Shares purchased by the Company under the Put and Call Option Agreement in connection with the Tender Offer will be cancelled.
- 1.5 All transactions under the Tender Offer will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE.

**2. TERMS OF THE TENDER OFFER**

- 2.1 Notwithstanding any other provision of the Tender Offer, the Company will not be required to accept for payment, purchase or pay for any Shares tendered, and may terminate or amend the Tender Offer or may postpone the acceptance for payment of, or the purchase of and the payment for Shares tendered, subject to Rule 13e-4(f)(5) under the Exchange Act (which requires that the issuer making the tender offer shall either pay the consideration offered or return tendered shares promptly after the termination or withdrawal of the tender offer), if prior to the Closing Date (or such later date as may be notified by the Company) any of the following events has occurred (or shall have been reasonably determined by the Company to have occurred) that, in the Company's reasonable judgment and regardless of the circumstances giving rise to the event or events (other than any such event or events that are proximately caused by the Company's action or failure to act), make it inadvisable to proceed with the Tender Offer or with acceptance for payment (together, the "**Tender Conditions**"):
  - (a) the Put and Call Option Agreement having been terminated in accordance with its terms;
  - (b) the Company not being satisfied that it has available to it sufficient distributable profits (in accordance with section 705 CA 2006) to effect the purchase of all tendered Shares in accordance with the Put and Call Option Agreement; as of the date of this Offer to Purchase, the Board has determined that the Company has sufficient distributable profits (in accordance with section 705 CA 2006) to effect the purchase of all tendered Shares in accordance with the Put and Call Option Agreement);
  - (c) the Tender Offer having been terminated in accordance with paragraph 8 of this Part II on or prior to 27 March 2024 (or such later time and date as the Company and Stifel may agree) prior to the fulfilment of the Tender Conditions referred to above;
  - (d) the aggregate consideration to be paid by Stifel in respect of the Tender Offer exceeds \$42 million, being the amount of the Q323 Dividend;
  - (e) the Tender Price being less than £9.35 per Share;
  - (f) the total number of Shares purchased pursuant to the Tender Price is more than 3,881,238 Shares;

- (g) there shall have been threatened, taken or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction:
    - (A) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Tender Offer, the acceptance for payment of some or all of Shares by the Company or otherwise directly or indirectly relating in any manner to or affecting the Tender Offer; or
    - (B) that otherwise, in the reasonable judgment of the Board of Directors, has or may have a material adverse effect on the Shares or the business, income, condition (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries, taken as a whole, or has impaired or may materially impair the contemplated benefits of the Tender Offer to the Company;
  - (h) there shall have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Tender Offer or the Company or any of its subsidiaries by any court, government or governmental authority or regulatory or administrative authority or agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that would directly or indirectly result in any of the consequences referred to in clauses (A) or (B) of paragraph (f) above or would prohibit, prevent, restrict or delay consummation of the Tender Offer or would materially impair the contemplated benefits of the Tender Offer to the Company or otherwise make it inadvisable, in the reasonable judgment of the Company, to proceed with the Tender Offer;
  - (i) there shall have occurred:
    - (A) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in the United States or the United Kingdom;
    - (B) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or the United Kingdom (whether or not mandatory);
    - (C) a natural disaster or the commencement or material worsening of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving the United States or any other country or region in which the Company or its subsidiaries maintain significant business activities;
    - (D) any limitation by any government or governmental authority or regulatory or administrative authority or agency or any other event that would reasonably be expected to affect the extension of credit by banks or other lending institutions to the Company or its subsidiaries;
    - (E) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Company's and its subsidiaries', taken as a whole, businesses, operations or prospects or fair market value of the Shares; or
    - (F) in the case of any of the foregoing existing at the time of the commencement of the Tender Offer, a material acceleration or worsening thereof;
  - (j) there shall have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Company or any of its subsidiaries that, individually or in the aggregate, has, have or may have material adverse significance with respect to the Company and its subsidiaries, taken as a whole;
  - (k) any take-over bid or tender or exchange offer with respect to some or all of the securities of the Company, or any amalgamation, arrangement, merger, business combination or acquisition proposal, disposition of material assets, or other similar transaction with or involving the Company
-

or any of its affiliates, other than the Tender Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;

- (l) the Company shall have concluded, in its reasonable discretion, that the Tender Offer or effecting the purchase of all tendered Shares is illegal or not in compliance with applicable law, or that necessary exemptions or approvals under applicable securities laws, are not available or not available on terms reasonably acceptable to the Company in respect of the Tender Offer and, if required under any such laws, the Company shall not have received the necessary exemptions from, or waivers, of the appropriate courts or securities regulatory authorities in respect of the Tender Offer; or
- (m) Stifel not being satisfied, acting reasonably, that at all times up to immediately prior to the time at which the Tender Offer becomes unconditional, that the Company has complied with its obligations, and is not in material breach of any of the representations and warranties given by it under the Repurchase Agreement.

Each of the foregoing conditions must be complied with or waived at or prior to the Closing Date. If any of the conditions referred to above are triggered, the Company will promptly notify Shareholders whether or not the triggered condition has been waived. Any waiver of a condition, or the withdrawal of the Tender Offer by the Company, shall be deemed to be effective on the date on which notice of such waiver or withdrawal by the Company is delivered or otherwise communicated to the Receiving Agent. The Company, after giving notice to the Receiving Agent of any waiver of a condition or the withdrawal of the Tender Offer, shall forthwith thereafter make a public announcement by way of a Regulatory Information Service of such waiver or withdrawal and will file such notice as an amendment to its tender offer statement on Schedule TO (“Schedule TO”) filed with the SEC with respect to the Tender Offer. If the Tender Offer is withdrawn, the Company shall not be obligated to effect the purchase of any tendered Shares under the Tender Offer and each tendering Shareholder will be entitled to receive the transfer by the Receiving Agent by TFE instruction to the original available balances of those unsold Shares or the credit of the balance of the unsold Shares by the Receiving Agent by an ARAN message.

If the Company materially changes the terms of the Tender Offer, including any waiver of a material condition, or the information concerning the Tender Offer, the Company will extend the Tender Offer to the extent required by Rules 13e-4(d)(2), 13e-4(e)(3) and 13e-4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information; however, in no event will the Tender Offer remain open for fewer than five Business Days following such a material change in the terms of, or information concerning, the Tender Offer. The Company intends for the Tender Price to remain fixed throughout the Tender Offer. If the Company increases or decreases the Tender Price and the Tender Offer is scheduled to expire at any time earlier than the expiration of a period ending at the end of the day, 12:00 midnight, London time, on the tenth Business Day from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in this Section 2, then the Tender Offer will be extended until the expiration of such period of 10 Business Days.

The foregoing conditions are for the exclusive benefit of the Company and Stifel and may be asserted by the Company at any time prior to the Closing Date in its reasonable discretion regardless of the circumstances giving rise to any such assertion (excluding any action or inaction by the Company), or may (subject to applicable law, be waived by the Company in whole or in part at any time prior to the Closing Date in its reasonable discretion, without prejudice to any other rights which the Company may have). The failure by the Company at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right, and the waiver of any such right with respect to particular facts and other circumstances shall not constitute a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right that may be asserted at any time or from time to time. Any determination by the Company concerning the events described



- in this paragraph 2 of Part II of this Offer to Purchase shall be final and binding on all parties, subject to such parties disputing such determination in a court of competent jurisdiction.
- 2.2 The Tender Offer is made at the Tender Price, being 105 percent of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased.
  - 2.3 Shareholders will be entitled to validly submit tenders for purchase of Shares at the Tender Price in the amount up to their Entitlement. No Shares may be tendered in the Tender Offer by guaranteed delivery. Only Shares tendered by a Shareholder with an Entitlement will be accepted, and all Shares validly tendered by any Shareholder for their Entitlement will be accepted, provided that the appropriate TTE instructions have settled in CREST by no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company).
  - 2.4 Shareholders will not be able to tender Shares in excess of their respective Entitlement. Applications in excess of the Entitlement will be scaled back to the Entitlement.
  - 2.5 If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.
  - 2.6 The Receiving Agent (on behalf of the Company) and Stifel will calculate the number of Shares successfully tendered at the Tender Price based on the amount of the waived Entitlement and election of each Shareholder, and such calculations will be conclusive and binding on all Shareholders who have waived some or all of their Entitlement in order to tender Shares in the Tender Offer at the Tender Price.
  - 2.7 Shareholders who submit a valid TTE instruction in respect of the Tender Offer will be deemed to have irrevocably waived their right to receive their respective Entitlement and shall also be deemed to have agreed that where the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company.
  - 2.8 TTE instructions that have settled in respect of the Tender Offer will become irrevocable at 10:00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company) and cannot be withdrawn thereafter. All questions as to the validity (including time of receipt) of tenders will be determined by the Company in its sole discretion, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, Stifel, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.
  - 2.9 The Tender Offer will close at 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company) and no TTE Instructions received after that time will be accepted unless otherwise approved by the Company.
  - 2.10 Shares successfully tendered under the Tender Offer will be sold to Stifel fully paid and free from all liens, charges, equitable interests, and encumbrances and with all rights attaching to the same. Under the Put and Call Option Agreement, Shares successfully tendered under the Tender Offer (or a corresponding number of Shares) will be sold by Stifel to the Company through the facilities of the London Stock Exchange and will subsequently be cancelled and will not rank for any dividends, distribution or other equity related rights declared by the Company after that date.
  - 2.11 All tenders of Shares must be made by the input and settlement of an appropriate TTE instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST
-

Manual which together constitute part of the terms of the Tender Offer. Such tenders will be valid only when the procedures contained in this Offer to Purchase and in the relevant parts of the CREST Manual are complied with.

- 2.12 The Tender Offer and all tenders will be governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.13 The results of the Tender Offer are expected to be announced on 27 March 2024.
- 2.14 All documents and remittances sent by or to Shareholders and all instructions made by or on behalf of a Shareholder in CREST relating to the Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Tender Offer does not become unconditional, or does not proceed, and lapses, the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TFE instruction to the original available balances to which those Shares relate.
- 2.15 All Shares successfully tendered will be purchased by Stifel, as principal, at the Tender Price.
- 2.16 All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Shares under the Tender Offer will be determined by the Company in its sole discretion, which determination shall be final and binding on all parties except as otherwise required under applicable law. The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right to waive any of the terms or conditions of the Tender Offer (other than the Tender Conditions that are not capable of being waived) and any defect or irregularity in the tender of any particular Shares or any particular holder thereof. Unless the Company determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be made by way of CREST payment to the relevant Shareholder until after the relevant TTE instruction has settled. None of the Receiving Agent, Stifel, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.17 Shares will be purchased from Shareholders under the Tender Offer free of all commissions and dealing charges.
- 2.18 The failure of any person to receive a copy of this Offer to Purchase shall not invalidate any aspect of the Tender Offer.
- 2.19 Shareholders will have no appraisal rights in connection with the Tender Offer.

### 3. PROCEDURE FOR TENDERING SHARES

- 3.1 If you are a Shareholder and wish to waive some or all of your Entitlement in consideration for the ability to tender your Shares in the Tender Offer at the Tender Price, you must tender your Shares by TTE Instruction in accordance with the procedure set out in paragraph 3 of this Part II and, if those 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 how to complete the TTE Instruction or as to the procedure for waiving some or all of your Entitlement in order to tender your Shares, please contact the Receiving Agent on +44 (0) 370 702 0151. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm London time, Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**Beneficial owners of Shares wishing to tender Shares in the Tender Offer prior to 10:00 a.m. (London Time) on 27 March 2024 are advised to contact their CREST Sponsor (or their appointed broker, dealer,**

**commercial bank, trust company or other nominee) in good time to confirm the process for relaying such a tender instruction, the time by which they require an instruction to be received by them (so as to be able to complete the required TTE instruction, described below, in time) and any fees or administration costs for submitting an instruction on their behalf.**

- 3.2 You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.
  - 3.3 If you wish to waive some or all of your Entitlement in consideration for your ability to tender your Shares in the Tender Offer at the Tender Price, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Tender Offer to an escrow balance, specifying the Receiving Agent (in its capacity as a CREST receiving agent under its Participant ID and Member Account IDs referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). The Company shall be entitled (in its sole discretion) to accept late transfers to escrow.
  - 3.4 If you are a CREST Sponsored Member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your Participant ID and the Member Account ID under which your Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the details set out below.
  - 3.5 After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as Escrow Agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares that are accepted for purchase by Stifel to itself for the purposes of effecting the Tender Offer.
  - 3.6 You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above. 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 Shares to settle prior to 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Stifel shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.
  - 3.7 To elect to waive some or all of your Entitlement in consideration for your ability to tender your Shares in the Tender Offer, 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 the number of Shares that you want to sell in the Tender Offer.
  - 3.8 A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:
    - (a) the number of Shares to be transferred to an escrow balance, this is the maximum number of Shares you wish to tender for sale;
    - (b) your Member Account ID;
    - (c) your Participant ID;
    - (d) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent — this is 3RA14;
-

- (e) the Member Account ID of the Escrow Agent. This is DIVTEN01;
- (f) the Corporate Action Number — this is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (g) the intended settlement date for the transfer to escrow — this should be as soon as possible and, in any event, by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company);
- (h) the ISIN for the depositary interests representing Shares — this is GB00BQHP5P93; and
- (i) the standard TTE instruction of priority 80.

An appropriate announcement will be made if any of the details contained in this sub-paragraph 3.8 are altered.

#### **Transfer of Shares from DTC to CREST**

- 3.9 For Shareholders who currently hold Shares through DTC or directly on the Company’s register of members and wish to participate in the Tender Offer, certain actions will be required to be completed so as to be holding Depository Interests prior to 6:00 p.m. (London time) on 1 March 2024.
- 3.10 Shareholders that currently hold Shares through the systems of DTC will be required to submit a Depository Interest issuance request to Computershare Trust Company, N.A. (the “**Transfer Agent**”) and deliver their Shares in DTC to the DTC participant account nominated by the Transfer Agent, which will act as custodian for the issuer of Depository Interests. Depository Interests will be issued and credited to the Shareholder’s nominated CREST participant account as a result. Shareholders holding through a broker, custodian or nominee that is a DTC participant should contact their broker, custodian or nominee, who will submit this instruction on their behalf.
- 3.11 Shareholders that hold their Shares in certificated form will be required to submit a Depository Interest issuance request to the Transfer Agent, together with their share certificate(s) and stock transfer form, complete with a medallion signature guarantee. The Transfer Agent will deposit the Shares to their nominated DTC participant account that will act as custodian for the issuer of Depository Interests. Depository Interests will be issued and credited to the Shareholder’s nominated CREST participant account as a result.
- 3.12 The process for the issuance of Depository Interests to Shareholders that currently hold Shares through the systems of DTC or in certificated form may be subject to an administration fee charged by the Transfer Agent. For assistance with the Depository Issuance process, timings and costs, please contact the Transfer Agent, by email at [uk\\_globaltransactions@computershare.com](mailto:uk_globaltransactions@computershare.com). Shareholders holding Shares through a broker, custodian or nominee, should also consult with their broker, custodian or nominee in respect of any additional processes, timings and costs applied by them.

#### **4. SETTLEMENT**

- 4.1 Settlement of the consideration to which any Shareholder is entitled pursuant to valid tenders accepted by Stifel (which will be rounded down to the nearest whole penny) will be effected by the crediting of CREST accounts. For the accepted tender of Shares held in uncertificated form, settlement of the consideration due will be paid by means of CREST by the Receiving Agent procuring the creation of a CREST payment in favour of the tendering Shareholder’s payment bank in accordance with CREST payment arrangements. Settlement for Shares validly tendered under the Tender Offer will occur not later than 10 days after the Closing Date. The Company intends to rely on the Tier II exemption from Rule 14e-1(c) on prompt payment where the Company will follow English law and practice. Under no circumstances will interest accrue or be paid by the Company or the Receiving Agent to persons tendering Shares in the Tender Offer by reason of any delay in effecting payment for the tendered Shares or otherwise.

- 4.2 If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.
- 4.3 If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any Shares tendered in excess of the Entitlement are not purchased pursuant to the terms of the Tender, the unsold Shares will be transferred by the Escrow Agent by means of a TFE Instruction or ARAN message to the original CREST account from which those Shares came.

## 5. TENDERS THROUGH CREST

- 5.1 Each Shareholder by whom, or on whose behalf, a tender through CREST is made in respect of Shares hereby irrevocably undertakes, represents, warrants, and agrees to and with Stifel (so as to bind him, his personal representatives, heirs, successors and assigns) that:
- (a) the input of the TTE Instruction shall constitute an offer to sell to Stifel up to such number of Shares as is specified in the TTE Instruction on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable at 10:00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), unless withdrawn before such time;
- (b) such Shareholder has full power and authority to waive their Entitlement in order to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Stifel, Stifel will acquire such Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date and that such representation shall be deemed repeated at the time Stifel purchases such Shares;
- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, in respect of the Shares, constitute the irrevocable appointment of the Receiving Agent and any director or officer of Stifel as an attorney and/or agent as may be necessary or expedient for the purposes of, or in connection with, the Tender Offer (each an "agent") and an irrevocable instruction and authority to the agent (i) to complete and execute the transfer to itself by means of CREST and then to transfer to Stifel (or to such person or persons as Stifel may direct) by means of CREST all of the Relevant Shares (as defined below) (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer lapses or is terminated, or withdrawn, or there are Shares that have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the lapsing or termination of the Tender Offer, to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this sub-paragraph (c), "**Relevant Shares**" means Shares in uncertificated form in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part II;
- (d) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional and the TTE Instruction not having been validly withdrawn prior to 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), in respect of the Shares, constitute the irrevocable agreement of the Shareholder whose Entitlement amount that has been waived does not result in an exact number of Shares at the Tender Price that such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Shareholder and will be retained by the Company.

- (e) such Shareholder will ratify and confirm each and every act or thing that may be done or effected by Stifel or any of its directors, officers or any person nominated by Stifel or the Receiving Agent in the proper exercise of its or his or her respective powers and/or authorities hereunder (including its appointed agent);
  - (f) such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Stifel to be desirable, in each case to complete the purchase of the Relevant Shares (as defined in sub-paragraph (c) above) and/or to perfect any of the authorities expressed to be given hereunder;
  - (g) if such Shareholder is an Overseas Shareholder, (a) it is not resident or located in any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer, (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located, and (c) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
  - (h) the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 of this Part II will, to the extent of the obligations so created, discharge fully any obligation of Stifel to pay to such Shareholder the cash consideration to which he is entitled under the Tender Offer;
  - (i) the input of the TTE Instruction constitutes such Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer; and
  - (j) if the appointment of an agent provision under sub-paragraph (c) of this Part II shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Stifel or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Stifel or the Receiving Agent to secure the full benefits of sub-paragraph (c) of this Part II.
- 5.2 To the extent not prohibited by or ineffective under applicable law, each Shareholder by whom a TTE Instruction is given irrevocably agrees to assume liability for, pay and indemnify the Company and Stifel from and against any and all liabilities, obligations, damages, losses, settlements, judgments, claims, actions, suits, penalties, costs, expenses and other sanctions (civil or criminal) suffered or incurred by any of them as a result of the breach by such Shareholder of any of the undertakings, representations, warranties, or agreements contained in section 5.1 above, **provided that** nothing in this paragraph shall serve to exclude or limit any responsibilities which Stifel may have under FSMA or the regulatory regime established thereunder.

## 6. WITHDRAWAL

- 6.1 In the case of Shares tendered in the Tender Offer, withdrawals of such tenders are permitted up until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), and a Shareholder may withdraw their electronic tender through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each electronic tender to be withdrawn. Beneficial owners of Shares tendered in the Tender Offer that may consider the need to withdraw such tenders prior to 10.00 a.m. (London Time) on 27 March 2024, are advised to contact their CREST Sponsor (or their appointed broker, dealer, commercial bank, trust company or other nominee) in good time to confirm the process for relaying such a withdrawal instruction, the time by which they require an instruction to be received by them (so as to be able to complete the required ESA instruction, described below, in time) and any fees or administration costs for submitting an instruction on their behalf. Each ESA instruction must, in order for it to be valid and settle, include the following details:
- (a) the number of Shares to be withdrawn, together with the corporate action ISIN, which is GB00BQHP5P93;

- (b) your Member Account ID;
  - (c) your participant ID;
  - (d) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent — this is 3RA14;
  - (e) the transaction reference number of the electronic tender to be withdrawn;
  - (f) the intended settlement date for the withdrawal; and
  - (g) the standard TTE instruction of priority 80.
- 6.2 Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Stifel reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or receiving agent accept (AEAN) message.
- 6.3 An appropriate announcement through a Regulatory Information Service and by amendment to the Schedule TO will be made if any of the details contained in paragraph 6.1 or paragraph 6.2 or paragraph 6.3 are altered.
- 7. EXTENSION OF THE OFFER**
- 7.1 The Company expressly reserves the right, in its sole discretion, at any time prior to the Closing Date and from time to time, and regardless of whether or not any of the events set forth in paragraph 2 above shall have occurred or shall be deemed by the Company to have occurred, to extend the period of time during which the Tender Offer is open and thereby delay acceptance of, and payment for, any Shares by giving oral or written notice of such extension to the Receiving Agent and making an announcement of such extension by way of a Regulatory News Service in the United Kingdom and an amendment to the Schedule TO. The Company's reservation of the right to delay payment for Shares that the Company has accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that the Company must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of a tender offer.
- 8. TERMINATION OF THE TENDER OFFER**
- 8.1 Subject to Rule 14e-1(c) and Rule 13e-4(f) under the Exchange Act (which requires that an offeror pay the consideration offered or return securities deposited by or on behalf of holders thereof promptly after the termination or withdrawal of a tender offer), if (i) the Company (acting by the Directors) shall, at any time prior to the Tender Offer becoming unconditional, notify Stifel in writing that there would or may be unexpected adverse tax consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, or (ii) at any time after 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company), any of the Tender Conditions have not been satisfied, Stifel shall either (a) postpone the Tender Offer until such time as the Company (acting by the Directors) and Stifel agree that no such circumstances exist as set out in (i) above or the Conditions have been satisfied or (b) by a public announcement withdraw the Tender Offer (and in such event the Tender Offer shall cease and determine absolutely without any liability on the part of the Company or Stifel). If the Tender Offer is withdrawn, all Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024.
- 9. MISCELLANEOUS**
- 9.1 Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Stifel of Shares pursuant to the Tender Offer.
- 9.2 Except as contained in this Offer to Purchase, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Stifel

or the Company. Under no circumstances should the delivery of this Offer to Purchase or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, liabilities, business, or affairs of the Company since the date of this Offer to Purchase.

- 9.3 The Company reserves the absolute right to reject any tender that does not in the Company's sole judgement (acting reasonably) meet the requirements of the Tender Offer. The Company also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any TTE Instruction. None of Stifel, the Company, the Receiving Agent, the Registrar, or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 9.4 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

## **10. OVERSEAS SHAREHOLDERS**

- 10.1 Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 10.2 The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, or who are citizens, residents, or nationals of countries outside the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, the Receiving Agent and Stifel and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extension of the Tender Offer in any territory outside the United Kingdom other than in the United States. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, the Company has filed with the SEC an issuer tender offer statement on Schedule TO, which contains additional information with respect to the Tender Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, by writing or calling the Information Agent for the Tender Offer at the telephone numbers set forth on the cover of this Offer to Purchase.
- 10.3 In particular, the Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or of any facility of a national securities exchange of, a Restricted Jurisdiction. All Shareholders who do not waive their Entitlement in consideration for the ability to tender Shares will be paid their Entitlement to the Q323 Dividend on 28 March 2024.
- 10.4 Accordingly, copies of this Offer to Purchase and any related documents are not being and must not be mailed or otherwise distributed or sent in, into, or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Shares for persons in a Restricted Jurisdiction.
- 10.5 Persons receiving such documents (including, without limitation, custodians, nominees, and trustees) should not distribute, send, or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the



Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the Tender Offer.

- 10.6 If, in connection with making the Tender 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 Offer to Purchase or any related documents in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such persons should:
- (a) inform the recipient of such fact;
  - (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (c) draw the attention of the recipient to this section of this Offer to Purchase.
- 10.7 The provisions of this paragraph and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied, or modified as regards specific Shareholders or on a general basis by the Company and Stifel in its absolute discretion, but only if the Company is satisfied that such waiver, variation, or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed "Overseas Shareholders" supersede any terms of the Tender Offer inconsistent therewith.

## 11. PARTIES ENGAGED IN SOLICITATIONS

- 11.1 The following parties have been engaged on behalf of the Company to make solicitations in connection with the Tender Offer:
- (a) **Stifel (Counterparty Bank):** The Company and Stifel entered into a Put and Call Option Agreement on February 26, 2024 pursuant to which (i) Stifel has agreed to carry out the Tender Offer as principal; (ii) the Company agreed to grant Stifel an option for Stifel to require the Company to acquire from Stifel up to 3,881,238 Shares; and (iii) Stifel agreed to grant the Company an option for the Company to require Stifel to sell up to 3,881,238 Shares to the Company, subject to the maximum consideration payable by Stifel not exceeding US \$42,000,000. The Tender Offer is being carried out by Stifel outside the United States and by Stifel, Nicolaus & Company, Incorporated in the United States on the terms and conditions set out in this Offer to Purchase, respectively. Stifel and its affiliates have provided, and may in the future provide, various investment banking and other services to the Company, for which the Counterparty Bank has received and expects to receive, as the case may be, customary compensation from the Company. In the ordinary course of business, including in their trading and brokerage operations and in a fiduciary capacity, the Counterparty Bank and its affiliates may hold positions, both long and short, for their own accounts and for those of their customers, in the Company's securities.
  - (b) **Information Agent and Receiving Agent:** The Company has retained Georgeson LLC to act as Information Agent and Computershare Investor Services PLC to act as Receiving Agent in connection with the Tender Offer with respect to U.S. and non-U.S. shareholders and with respect to receiving inquiries from U.S. and non-U.S. shareholders, respectively. The Information Agent and the Receiving Agent may contact shareholders by mail, telephone, email, facsimile and personal interviews and may request brokers, dealers and other nominee shareholders to forward materials relating to the Tender Offer to beneficial owners. The Information Agent and the Receiving Agent will each receive reasonable and customary compensation for their respective services, will be reimbursed by us for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Offer, including certain liabilities under the federal securities laws.
- 11.2 The Company will not pay any fees or commissions to brokers, dealers or other persons (other than fees to the Counterparty Bank, Receiving Agent and Information Agent as described above) for soliciting

tenders of Shares pursuant to the Tender Offer. Shareholders holding Shares through brokers or banks are urged to consult the brokers or banks to determine whether transaction costs may apply if Shareholders tender Shares through the brokers or banks and not directly to the Receiving Agent. The Company will, however, upon request, reimburse brokers, dealers and commercial banks for customary mailing and handling expenses incurred by them in forwarding the materials related to the Tender Offer to the beneficial owners of Shares held by them as a nominee or in a fiduciary capacity. No broker, dealer, commercial bank or trust company has been authorized to act as the Company's agent or the agent of the Counterparty Bank, the Information Agent or the Receiving Agent for purposes of the Tender Offer.

**PART III**  
**TAXATION**

**UNITED KINGDOM**

**General**

The following statements are intended only as a general guide to certain UK tax considerations in relation to the Q323 Dividend and the Tender Offer. They are based on current UK law and what is understood to be the current practice of His Majesty's Revenue and Customs ("HMRC") (which may not be binding on HMRC) as at the date of this document, all of which may change, possibly with retrospective effect. They apply only to Shareholders who are resident, and in the case of individuals domiciled, for tax purposes in (and only in) the UK ("UK Shareholders"), who hold their Shares as an investment (other than in an individual savings account or exempt pension arrangement), who are the absolute beneficial owner of both the Shares and any dividends paid on them, and who currently hold their Shares either within the systems of DTC or within CREST.

The tax position of certain categories of 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 holding their Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, trustees of certain trusts, charities, exempt pension funds, and temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK. The tax position of any Shareholder who either directly or indirectly holds or controls 10% or more of the Company's share capital, voting power or profits is not considered.

**The statements below summarise the current position and are intended as guidance only. Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers.**

**UK taxation of dividends**

The following statements apply in respect of UK Shareholders who receive dividends from the Company (including the Q323 Dividend).

*Withholding tax*

The Company will not be required to withhold UK tax at source when paying dividends.

*Corporate Shareholders*

Corporate UK Shareholders should not be subject to UK corporation tax on any dividends received from the Company so long as the dividends qualify for one of the dividend exemptions, which require certain conditions to be met (including anti-avoidance conditions).

If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Shareholder (the main rate of UK corporation tax is currently 25%).

*Individual Shareholders*

An individual UK Shareholder may, depending on his or her particular circumstances, be subject to UK income tax on dividends received from the Company.

All dividends received from the Company by an individual UK Shareholder or from other sources will form part of the Shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £1,000 (reducing to £500 from 6 April 2024) of taxable dividend income received by the Shareholder in a tax year (the "dividend allowance"). Income within

the dividend allowance will be taken into account in determining whether income in excess of the dividend allowance falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the dividend allowance will be taxed at 8.75% to the extent that the excess amount falls within the basic rate tax band, 33.75% to the extent that the excess amount falls within the higher rate tax band and 39.35% to the extent that the excess amount falls within the additional rate tax band.

Any U.S. federal withholding tax withheld from the dividend, should, to the extent that such U.S. federal withholding tax does not exceed the withholdable amount assuming that the relevant individual UK Shareholder has correctly furnished a valid IRS Form W-8BEN (expected to be 15% of the dividend amount based on the provisions of the U.S — UK double tax treaty), be able to credit the U.S. federal withholding tax against their UK income tax liability on the dividend. Accordingly, for an individual UK Shareholder paying income tax on the dividend at the higher or additional dividend tax rates, their overall effective tax charge should equal their UK income tax liability. For other individual UK Shareholders, the amount withheld on account of U.S. federal withholding tax may exceed their UK income tax liability, in which case their overall effective charge will be equal to the U.S. tax withheld.

#### **UK taxation of the Tender Offer**

The following statements apply in respect of UK Shareholders who elect to waive all or part of their Entitlement and who receive Tender Offer consideration.

##### *Dividend waiver*

As the Q323 Dividend is an interim dividend, it would only be treated as paid (and thereby received by a Shareholder) for UK tax purposes when it is actually paid. Prior to the Q323 Dividend being paid, a Shareholder may waive all or part of its Entitlement in respect of the Q323 Dividend and such Shareholder will be treated as not having received a dividend of such waived amount.

Shareholders are advised to take independent professional advice as to the potential application of any anti-avoidance provisions in relation to the dividend waiver.

##### *Corporate Shareholders*

As Stifel will be making the Tender Offer as principal, a corporate UK Shareholder which sells Shares to Stifel pursuant to the Tender Offer should be treated, for the purposes of UK taxation, as though it had sold them on market to a third party in the normal way. A chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains could therefore arise depending on that Shareholder's particular circumstances (including the availability of any exemptions, reliefs and allowable losses).

Part 15 of the Corporation Tax Act 2010 permits HMRC to counteract tax advantages arising from transactions in securities in certain circumstances. Even where the relevant circumstances are present, these provisions do not apply where the relevant Shareholder can show that the transaction was entered into for genuine commercial reasons and did not involve, as one of its main objects or purposes, the obtaining of a tax advantage. No application has been made to HMRC for clearance that these provisions will not apply to the Tender Offer. Shareholders are advised to take independent professional advice as to the potential application of any anti-avoidance provisions (including in respect of those not discussed herein).

A corporate Shareholder will be subject to UK corporation tax on chargeable gains at the rate of corporation tax applicable to that Shareholder (the main rate of UK corporation tax is currently 25%).

##### *Individual Shareholders*

Section 396A of the Income Tax (Trading and Other Income) Act 2005 applies where an individual is able to choose between receiving a dividend (or other distribution subject to income tax) from a company resident in the United Kingdom and receiving an alternative receipt from the company or a third party of the same or substantially the same value which would, but for section 396A, not be charged to income tax. Section 396A applies to deem the alternative receipt to be a distribution which is subject to income tax. Accordingly, an individual UK Shareholder who elects to receive Tender Offer consideration is expected to

be treated as if he or she received a dividend from the Company equal to the amount of Tender Offer consideration received. See the *Individual Shareholders* section of the **UK taxation of dividends** section above for further information.

Any U.S. federal withholding tax withheld from the Tender Offer consideration, as described further below under the *Distributions* section of the **Non-U.S. Holders** section, should, to the extent that such U.S. federal withholding tax does not exceed the withholdable amount assuming that the relevant individual UK Shareholder has correctly furnished a valid IRS Form W-8BEN (expected to be 15% of the Tender Offer consideration based on the provisions of the U.S.—UK double tax treaty), be able to credit the U.S. federal withholding tax against their UK income tax liability on the Tender Offer consideration. Accordingly, for an individual UK Shareholder paying income tax on the Tender Offer consideration at the higher or additional dividend tax rates, their overall effective tax charge should equal their UK income tax liability. For other individual UK Shareholders, the amount withheld on account of U.S. federal withholding tax may exceed their UK income tax liability, in which case their overall effective charge will be equal to the U.S. tax withheld.

Individual UK Shareholders are not expected to accrue a chargeable gain in relation to their Tender Offer consideration (and are therefore not expected to incur both income tax and capital gains tax).

Shareholders are advised to take independent professional advice as to the income tax charge and the rules on chargeable gains and losses applicable to their circumstances.

#### *UK stamp duty/stamp duty reserve tax*

Shareholders will have no liability to UK stamp duty or stamp duty reserve tax in respect of the sale of their Shares pursuant to the Tender Offer.

Stamp duty at the rate of 0.5% of the Tender Price will be payable by the Company on Shares tendered pursuant to the Tender Offer.

#### **U.S. taxation for UK Shareholders**

All UK Shareholders should carefully consider the discussion below on the material U.S. federal income tax consequences for U.S. Holders and Non-U.S. Holders. Shareholders are advised to take independent professional advice on any potential U.S. tax considerations.

#### **UNITED STATES**

##### **Material United States Federal Income Tax Considerations**

The following discussion is a summary of the material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders (each, as defined below) of the Tender Offer, but does not purport to be a complete analysis of all potential U.S. federal tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed herein. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Shareholder. The Company has not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the Tender Offer.

This discussion is limited to U.S. Holders and Non-U.S. Holders that each hold Shares as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Shareholder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Shareholders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding Shares as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes and other pass-through entities (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell Shares under the constructive sale provisions of the Code;
- persons who hold or receive Shares pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax qualified retirement plans;
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities of all the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Shares being taken into account in an applicable financial statement.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds a Share, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding a Share and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE TENDER OFFER ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

#### **U.S. Tax Status of Diversified Energy**

Pursuant to Section 7874 of the Code, the Directors believe that the Company is and will continue to be treated as a U.S. corporation for all purposes under the Code. Since the Company will be treated as a U.S. corporation for all purposes under the Code, the Company will not be treated as a “passive foreign investment company,” as such rules apply only to non-U.S. corporations for U.S. federal income tax purposes.

#### **Tax Treatment of the Tender Offer**

No statutory, administrative or judicial authority directly addresses the treatment of a Shareholder participating in the Tender Offer for U.S. federal income tax purposes and, therefore, that treatment is not entirely clear. The Company expects each Shareholder that elects to tender such Shareholder’s Shares to be treated as receiving a distribution in an amount equal to the Tender Price. The Company intends to treat the Tender Offer in this manner and, by electing to tender your Shares, you will agree to adopt such treatment for U.S. federal income tax purposes. For additional information regarding the treatment of each Shareholder that elects to tender such Shareholder’s Shares as a distribution, U.S. Holders should refer to the discussion below under “*U.S. Holders — Distributions*” and Non-U.S. Holders should refer to the discussion below under “*Non-U.S. Holders — Distributions*”.

The Directors strongly urge each Shareholder to consult his or her own tax advisor regarding participation in the Tender Offer. The balance of this discussion assumes that the characterization of the Tender Offer described above is respected for U.S. federal income tax purposes.

#### **U.S. Holders**

For purposes of this discussion, a “U.S. Holder” is any beneficial owner of a Share that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

#### *Distributions*

As discussed above, the Company intends to treat the receipt of the Tender Price by a U.S. Holder as the receipt of a distribution. Distributions generally will be included in a U.S. Holder’s income as ordinary dividend income to the extent of the Company’s current or accumulated earnings and profits. Distributions in excess of the Company’s current and accumulated earnings and profits will be treated, first, as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the Shares and thereafter as capital gain (this excess portion, the “excess distribution”). Dividends received by a corporate U.S. Holder may be eligible for a dividends-received deduction, subject to applicable limitations. Dividends received by certain non-corporate U.S. Holders (including individuals) are generally taxed at the lower applicable long-term capital gains rates, provided certain holding period and other requirements are satisfied.

#### *Excess Distributions*

Any excess distribution will result in capital gain and such capital gain will be long-term capital gain if a U.S. Holder’s holding period at the time of the Tender Offer is longer than one year. Long-term capital gains recognized by certain non-corporate U.S. Holders (including individuals) are generally subject to a reduced rate of U.S. federal income tax.

#### **Non-U.S. Holders**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of a Share that is neither a U.S. Holder nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

#### *Distributions*

The Company intends to treat the Company’s payment of the Tender Price to a Non-U.S. Holder as a distribution of cash on such Non-U.S. Holder’s Shares. Distributions of cash on the Shares will constitute dividends for U.S. federal income tax purposes to the extent paid from the Company’s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will first, constitute a return of capital and be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in its Shares, but not below zero, then, as an “excess distribution.” Excess distributions will generally result in capital gains and be treated as described below under the subsection titled “— *Excess Distributions.*”

Generally, a distribution that constitutes a return of capital will be subject to U.S. federal withholding tax at a rate of 15% if the Non-U.S. Holders’ Shares constitute a USRPI (as defined below). However, the Company may elect, and expect to elect, to withhold at a rate of up to 30% of the entire amount of the Tender Price paid to a Non-U.S. Holder, even if the Non-U.S. Holders’ Shares do not constitute a USRPI. For additional information regarding when a Non-U.S. Holder may treat its ownership of the Shares as not

constituting a USRPI, see below under the subsection titled “— *Excess Distributions.*” Furthermore, because a Non-U.S. Holder would not have any U.S. federal income tax liability with respect to a return of capital distribution, a Non-U.S. Holder would be entitled to request a refund of any U.S. federal income tax that is withheld from a return of capital distribution (generally by timely filing a U.S. federal income tax return for the taxable year in which the tax was withheld).

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder of a Share will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the payment of the Tender Price that is treated as dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

#### *Excess Distributions*

Subject to the discussion below on information reporting, backup withholding and FATCA (as defined below), a Non-U.S. Holder will not be subject to U.S. federal income tax on any portion of the payment of the Tender Price that is treated as an excess distribution, unless:

- the excess distribution is treated as gain that is effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the payment of the excess distribution and certain other requirements are met; or
- our Shares constitute a U.S. real property interest (“USRPI”) because we are (or have been during the shorter of the five-year period ending on the date of the payment of the excess distribution or the Non-U.S. Holder’s holding period) a U.S. real property holding corporation (“USRPHC”) for U.S. federal income tax purposes.

The gain from the excess distribution described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on the excess distribution, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.



With respect to the third bullet point above, due to the nature of the Company's assets and operations, the Company believes it is (and will continue to be) a USRPHC under the Code and the Shares constitute (and we expect the Shares to continue to constitute) a USRPI. Non-U.S. Holders generally are subject to a 15% withholding tax on the amount of the Tender Price treated as an excess distribution. However, as noted above under "*Distributions*" the Company may elect, and expects to elect, to withhold at a rate of up to 30% of the entire amount of the Tender Price paid to a Non-U.S. Holder, even if the Non-U.S. Holders' Shares do not constitute a USRPI. A Non-U.S. Holder may, by filing a U.S. tax return, be able to claim a refund for any withholding tax deducted in excess of such Non-U.S. Holder's tax liability on any excess distribution.

Furthermore, such Non-U.S. Holders are subject to U.S. federal income tax (at the regular rates) in respect of any excess distribution amount and are required to file a U.S. tax return to report such excess distribution and pay any tax liability that is not satisfied by withholding. Any excess distribution amount should be determined in U.S. dollars. However, if the Shares are considered "regularly traded on an established securities market" (within the meaning of the Treasury Regulations) and the Non-U.S. Holder actually or constructively owns or owned, at all times during the shorter of the five-year period ending on the date of the payment of the Tender Price or the Non-U.S. Holder's holding period, 5% or less of the Shares (taking into account applicable constructive ownership rules), such Non-U.S. Holder may treat its ownership of the Shares as not constituting a USRPI and will not be subject to U.S. federal income tax on any excess distribution or U.S. tax return filing requirements. The Company expects the Shares to be treated as "regularly traded on an established securities market" so long as the Company's Shares continue to be listed on the NYSE and regularly quoted by brokers or dealers making a market in such Shares.

Non-U.S. Holders should consult their tax advisors regarding tax consequences of the Company's treatment as a USRPHC and regarding potentially applicable income tax treaties that may provide for different rules.

### **Information Reporting and Backup Withholding**

#### *U.S. Holders*

Information reporting requirements generally will apply to payments of distributions on the Shares, such as the payment of the Tender Price to a U.S. Holder, unless the U.S. Holder is an exempt recipient and, if requested, certifies as to that status. Backup withholding generally will apply to those payments if the U.S. Holder fails to provide an appropriate certification with its correct taxpayer identification number or certification of exempt status. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### *Non-U.S. Holders*

Payments of dividends on the Shares, including payments of the Tender Price that are treated as a payment of a dividend, will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on the Shares, including the payment of the Tender Price paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, excess distributions received through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Excess distributions received through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**Additional Withholding Tax on Payments Made to Foreign Accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) excess distributions paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on the Shares, including the payment of the Tender Price to the extent treated as a dividend. While withholding under FATCA would have applied also to any excess distributions received, on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on excess distribution payments. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Shareholders should consult their tax advisors regarding the potential application of withholding under FATCA to the Tender Offer.

**PART IV**  
**ADDITIONAL INFORMATION**

**1. SHARE INFORMATION**

- 1.1 The issued and fully paid share capital of the Company as at 31 December 2023 (being the latest practicable date prior to the publication of this Offer to Purchase) is as follows:

Issued Number of Shares	Par Value Amount (£) per Share
47,222,211	£0.20

- 1.2 There are 0 treasury shares held by the Company as at 23 February 2024 (being the latest practicable date prior to the publication of this Offer to Purchase).
- 1.3 The Shares are admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange. The high and low quarterly trading prices of the Shares on the London Stock Exchange in the period from 1 January 2022 until 23 February 2024 (being the latest practicable date prior to publication of this Offer to Purchase) are as follows (in GBP sterling):

	2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	To 23 February
<b>High</b>	£23.76	£25.16	£28.40	£27.26	£23.72	£19.78	£19.20	£15.73	£12.20
<b>Low</b>	£20.80	£22.28	£21.46	£23.26	£18.17	£16.63	£16.13	£10.78	£ 8.45

- 1.4 On 18 December 2023, the Shares were admitted to trading on the NYSE. The high and low trading prices of the Shares on the NYSE in the period from 18 December 2023, the commencement of the listing, until 23 February 2024 are as follows (in U.S. Dollars):

	2023	2024
	From 18 December	To 23 February
<b>High</b>		\$17.92
<b>Low</b>		\$11.60

**2. DIRECTORS' AND OFFICERS' INTERESTS**

- 2.1 The following table sets forth information relating to the beneficial ownership of the Shares as at 7 February 2024 (being the latest practicable date prior to publication of this Offer to Purchase) by:
- (a) each person, or group of affiliated persons, known by the Company to beneficially own 3% or more of the outstanding Shares;
  - (b) each of the Directors and executive officers individually; and
  - (c) all of the Directors and executive officers as a group.
- 2.2 The number of ordinary shares beneficially owned by each entity, person, executive officer or Board member is determined in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any Shares over which the individual has sole or shared voting power or investment power as well as any Shares that the individual has the right to acquire within 60 days of 7 February 2024 through the exercise of any option, restricted stock unit, performance stock units, warrant or other right. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all Shares held by that person.

Unless otherwise indicated below, the address for each beneficial owner listed is c/o Diversified Energy Company plc, 1600 Corporate Drive, Birmingham, Alabama 35242.

Name of Beneficial Owner	Number of Shares	Percentage of Issued Shares
<b>3% or Greater Shareholders</b>		
M&G Investment Management Ltd	1,998,712	4.19%
Abrdn Investment Management Ltd	1,929,927	4.04%
BlackRock	2,054,151	4.30%
JO Hambro Capital Management Ltd	2,319,294	4.86%
GLG Partners LP	2,274,172	4.76%
Columbia Management Investment Advisors, LLC	2,394,439	5.01%
Interactive Investor (EO)	2,337,308	4.89%
NYSE Control Account	1,951,706	4.09%
Vanguard Group	2,294,412	4.80%
Jupiter Asset Management	1,431,320	3.00%
Hargreaves Landsdown, stockbrokers (EO)	2,659,011	5.57%
<b>Executive Officers and Directors</b>		
Robert Russell (“Rusty”) Hutson, Jr (Co-Founder, Chief Executive Officer and Director)	1,207,645	2.53%
Bradley G. Gray (President and Chief Financial Officer)	—	[*]
Benjamin Sullivan (Senior Executive Vice President, Chief Legal & Risk Officer, and Corporate Secretary)	112,250	[*]
David E. Johnson (Independent Chairman of the Board)	23,750	[*]
Martin K. Thomas (Vice Chairman of the Board)	112,250	[*]
David J. Turner, Jr. (Independent Director)	26,924	[*]
Kathryn Z. Klaber (Independent Director)	1,050	[*]
Sylvia J. Kerrigan (Senior Independent Director)	1,341	[*]
Sandra M. Stash (Independent Director)	2,234	[*]
<b>All executive officers and Directors as a group (9 persons)</b>	<b>1,375,194</b>	<b>2.88%</b>

\* Indicates ownership of less than 1%.

- 2.3 Our directors, executive officers and affiliated shareholders are entitled to participate in the Tender Offer on the same basis as all other Shareholders, and one or more of such persons may, but are under no obligation to, do so. As of 23 February 2024, none of our directors has informed the Company that they will be waiving any of their Entitlement to the Q323 Dividend in order to tender any of their Shares under the Tender Offer.

### 3. TRANSACTIONS IN THE SHARES

- 3.1 During the 60 days between 28 December 2023 and the opening of the Tender Offer the Company repurchased the following ordinary shares in transactions on the London Stock Exchange (in GBP sterling):

Date of Transaction	Number of Shares Purchased	Average Price per Share
January 5, 2024	10,000	£11.57
January 15, 2024	25,000	£10.00
January 16, 2024	100,000	£10.20
January 30, 2024	12,000	£ 9.30
January 31, 2024	12,000	£ 9.22

Date of Transaction	Number of Shares Purchased	Average Price per Share
February 1, 2024	7,500	£ 9.10
February 12, 2024	24,000	£ 9.06
February 13, 2024	37,000	£ 9.08
February 14, 2024	60,000	£ 9.04
February 15, 2024	20,000	£ 9.34
February 16, 2024	40,000	£ 9.30

Based on the Company's records, information provided to the Company by its executive officers, Directors and subsidiaries and, with respect to other affiliates, notifications of substantial interests in the total voting rights of the Company, as disclosed to the Company under the Disclosure and Transparency Rules with respect to its other affiliates as of 23 February 2024 (being the latest practicable date prior to the publication of this Offer to Purchase), other than as set forth above, neither the Company nor any of its Directors, executive officers, affiliates or subsidiaries nor, to the best of the Board of Directors' knowledge, any associates or subsidiaries of any of the foregoing, have effected any transactions involving the Shares during the sixty (60) days prior to 26 February 2024.

- 3.2 To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Stifel or any of their respective affiliates may make certain purchases of, or arrangements to purchase, Shares outside the United States before and during the period in which the Tender Offer remains open for participation, including sales and purchases of Shares effected by Stifel or its affiliates acting as market maker in the Shares on the London Stock Exchange. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the Listing Rules, and the relevant provisions of the Exchange Act. Any information about such purchases will be disclosed as required in the UK and the US and, if required, will be reported via a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

#### 4. EQUITY COMPENSATION ARRANGEMENT

- 4.1 The Board adopted the Diversified Gas & Oil plc 2017 Equity Incentive Plan on January 30, 2017, which was amended and restated on March 29, 2021 (as amended, the "2017 Equity Incentive Plan"). Under the 2017 Equity Incentive Plan, the Company offers incentives to employees and executive directors. Awards granted under the 2017 Equity Incentive Plan are administered by the Board (or duly constituted committee thereof), which are also responsible for, among other things, construing and interpreting the 2017 Equity Incentive Plan. Subject to certain conditions, a total of up to 3,284,030 new ordinary shares of the Company are or shall be, from time to time, available to satisfy awards under the 2017 Equity Incentive Plan. Shares available for distribution under the Equity Incentive may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares reacquired by the Company in any manner. The 2017 Equity Incentive Plan provides for the potential award of two types of share option awards: incentive stock options and non-qualified stock options. The 2017 Equity Incentive Plan sets out eligibility conditions that must be followed, including that incentive stock options are only to be granted to employees and each award granted under the 2017 Equity Incentive Plan must be evidenced by an award agreement. The 2017 Equity Incentive Plan also provides for other awards consisting of stock appreciation rights, restricted awards, performance share awards and performance compensation awards. Performance compensation awards may take the form of a cash bonus, a portion of which may be deferred through the grant of restricted stock units. Award levels are determined each year by the Remuneration Committee of the Board (the "**Remuneration Committee**"). An award may not be granted to an individual if such grant would cause the aggregate total market value (as measured at the respective dates of grant) of the maximum number of shares that may be acquired on realization of the individual's 2017 Equity Incentive Plan awards in relation to the same financial year to exceed 200% of the individual's base salary at the date of grant. The vesting of awards granted

to executive Directors and other senior employees is normally dependent upon the satisfaction of performance of conditions that are appropriate to the strategic objectives of the Company. If the Remuneration Committee so determines upon the grant of certain types of awards, the number of shares under an award may be increased to account for dividends paid on any vesting shares in the period between grant and vesting (or such other period as the Remuneration Committee may determine). Alternatively, participants may receive a cash sum equal to the value of dividends paid on any vesting shares in the relevant period. Where appropriate, awards under the 2017 Equity Incentive Plan are granted subject to the Company's policy relating to malus and clawback and post-vesting holding periods and the Company's Policy for Recovery of Erroneously Awarded Compensation. In any 10-year period, the Company may not grant awards under the 2017 Equity Incentive Plan if such grant would cause the number of shares that could be issued under the 2017 Equity Incentive Plan or any other share plan adopted by the Company or any other company under the Company's control on or after the Company's admission on the London Stock Exchange to exceed 10% of the Company's issued ordinary share capital at the proposed date of grant. The 2017 Equity Incentive Plan is governed by the laws of the State of Alabama.

- 4.2 The Company's executive officers are entitled to matching contributions from the Company of up to \$26,000 per annum into their 401(k) retirement plans. They also receive a range of core benefits such as life insurance, private medical coverage and annual health screens.
- 4.3 The aggregate fees and any benefits of the Chairman of the Board and non-executive directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees, which is currently £1,055,000 per annum. In addition, non-executive directors are reimbursed all necessary and reasonable expenses incurred in connection with the performance of their duties and any tax thereon in accordance with the Company's Non-Executive Director Expense Reimbursement Policy.

## 5. AGREEMENTS RELATING TO THE SHARES

The Company has entered into the following agreements in respect of the Shares:

- 5.1 Put and Call Option Agreement:** On February 26, 2024, the Company entered into the Put and Call Option Agreement with the Counterparty Bank. Pursuant to the terms of the Put and Call Option Agreement, the Company appointed the Counterparty Bank to carry out the Tender Offer as principal. Under the terms of the Put and Call Option Agreement, the Company will pay into an escrow account held by the Receiving Agent for the sole purpose of receiving and holding up to an amount equal to the pound sterling equivalent of US \$42 million at the announced USD/GBP Rate or such other amount as may be agreed between the parties, which is required to be paid by the Company to the Counterparty Bank in order to effect the subsequent repurchase of the Shares following the Tender Offer. The Company will fund into the escrow account on the second Business Day prior to the Closing Date. The Company shall direct the Receiving Agent to apply the funds to settle payment of the consideration for purchases of the tendered Shares by Stifel in accordance with paragraph 4 of Part II of this Offer to Purchase. Stifel will receive customary compensation for its services, will be reimbursed by the Company for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Tender Offer.
- 5.2 Information Agent Engagement Letter:** The Company has retained Georgeson LLC to act as Information Agent in connection with the Tender Offer in relation to the Shares listed on the NYSE and in relation to receiving inquiries from holders of Shares located in the United States. The Information Agent may contact Shareholders by mail, telephone, email, facsimile and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Tender Offer to beneficial owners. The Information Agent will receive customary compensation for its services, will be reimbursed by the Company for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Tender Offer, including certain liabilities under the federal securities laws.
- 5.3 Receiving Agent Engagement Letter:** The Company has retained Computershare Investor Services PLC to act as Receiving Agent in connection with the Tender Offer in relation to the Shares. The

Receiving Agent may contact holders of shares by mail, facsimile and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials relating to the Tender Offer to beneficial owners. The Receiving Agent will receive customary compensation for its services, will be reimbursed by the Company for reasonable out-of-pocket expenses and will be indemnified against certain liabilities in connection with the Tender Offer, including certain liabilities under the federal securities laws.

**PART V**  
**DEFINITIONS**

“ <b>Business Day</b> ”	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
“ <b>Company</b> ”	Diversified Energy Company PLC
“ <b>Closing Date</b> ”	10:00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company)
“ <b>CREST Manual</b> ”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“ <b>CREST Member</b> ”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“ <b>CREST Participant</b> ”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“ <b>CREST Regulations</b> ”	the Uncertificated Securities Regulations 2001 (SI 20013755)
“ <b>CREST Sponsor</b> ”	a CREST participant admitted to CREST as a CREST sponsor
“ <b>CREST Sponsored Member</b> ”	a CREST member admitted to CREST as a CREST sponsored member
“ <b>Depository Interest</b> ”	a depository interest issued through CREST by Computershare Investor Services PLC, in its capacity as the issuer of the Depository Interests, representing a beneficial interest in a Share;
“ <b>Directors</b> ” or the “ <b>Board</b> ”	the board of directors of the Company
“ <b>DTC</b> ”	The Depository Trust Company
“ <b>DTR</b> ”	The Disclosure Guidance and Transparency Rules
“ <b>Entitlement</b> ”	the amount of the Q323 Dividend as declared by the Company on 15 November 2023 that the Shareholders are entitled to respectively as at the Record Date
“ <b>Escrow Agent</b> ”	the Receiving Agent
“ <b>Euroclear</b> ”	Euroclear UK and International Limited
“ <b>Exchange Act</b> ”	U.S. Securities and Exchange Act of 1934, as amended.
“ <b>Existing Authority</b> ”	the authority of the Company to make one or more market purchases of fully paid Shares pursuant to a resolution passed on 2 May 2023 more particularly described in Part I of this document
“ <b>FSMA</b> ”	The Financial Services and Markets Act, 2000, as amended from time to time
“ <b>Information Agent</b> ”	Georgeson LLC
“ <b>London Stock Exchange</b> ”	London Stock Exchange plc
“ <b>Member Account ID</b> ”	the identification code or number attached to any member account in CREST
“ <b>Offer to Purchase</b> ”	this document
“ <b>Overseas Shareholders</b> ”	a Shareholder whose address in the Company’s register of members is outside the UK
“ <b>Panel</b> ”	the UK 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
“Put and Call Option Agreement”	the agreement dated February 26, 2024 between (1) the Company and (2) Stifel for the repurchase by the Company of the Shares purchased by Stifel pursuant to the Tender Offer (or otherwise a corresponding number of Shares) by way of an on-market purchase
“Q323 Dividend”	the interim dividend of \$0.875 per Shares for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at the Record Date
“Receiving Agent”	Computershare Investor Services PLC
“Record Date”	6.00 p.m. (London time) on 1 March 2024
“Repurchase”	the purchase by the Company of Shares by way of an on-market purchase pursuant to the Put and Call Option Agreement
“Return of Capital”	the proposed return of capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend, or (ii) the Tender Offer, as described in this Offer to Purchase
“Restricted Jurisdiction”	each of Canada, Australia, South Africa and Japan and any other jurisdiction in which the making of the Tender Offer and mailing of this document into or inside would constitute a violation of the laws and regulations of such jurisdiction
“Shareholders”	holders of Shares in the Company
“Shares”	ordinary shares of £0.20 each in the capital of the Company, including depositary interests representing an interest in such shares
“Stifel”	Stifel Nicolaus Europe Limited
“Takeover Code”	the City Code on Takeovers and Mergers
“Tender Offer”	the invitation to Shareholders to tender Shares for sale to Stifel on the terms and subject to the conditions set out in this document
“Tender Price”	105 percent of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased by the Company from Stifel pursuant to the Put and Call Option Agreement
“tender” and “tendered”	refers to tenders of Shareholders in relation to the Tender Offer
“Transfer Agent”	Computershare Trust Company, N.A.
“TFE instruction”	a transfer from escrow instruction (as defined by the CREST Manual)
“TTE instruction”	a transfer to escrow instruction (as defined by the CREST Manual)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. 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 financial advice as soon as possible from your stockbroker, bank, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (“FSMA”) if you are in the United Kingdom, or, if you are not, from another appropriately authorised independent professional adviser.**

If you sell or transfer or have sold or transferred all of your ordinary shares of £0.20 each (the “Shares”) in Diversified Energy Company PLC (the “Company”), please send this document at once 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, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Shares, you should retain these documents and consult the stockbroker, bank, or other agent through whom the sale or transfer was effected. Shares may not be tendered in the Tender Offer by guaranteed delivery.

The release, publication, or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document has been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of England.

The contents of this document are not to be construed as legal, business or tax advice. Each Shareholder should consult their own solicitor, independent financial adviser, or tax adviser for legal, financial or tax advice. Shareholders should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company.



**DIVERSIFIED**  
energy

**DIVERSIFIED ENERGY COMPANY PLC**

*(incorporated in England and Wales with registered number 09156132)*

**Return of Capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend, or (ii) the Tender Offer to acquire Shares in the Company**

---

The Shares are admitted to listing on the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange plc (the “LSE”), in addition to being listed on the New York Stock Exchange (“NYSE”). The Tender Offer commences at 8.00 a.m. (London time) on 26 February 2023 and will close at 10.00 a.m. (London time) on 27 March 2024, unless withdrawn, extended or varied by the Company. All Share purchase transactions by Stifel will be carried out on the LSE only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE.

Only those Shareholders, other than those with registered addresses in a Restricted Jurisdiction, who are on the depositary interest register of the Company at 6.00 p.m. (London time) on 1 March 2024 (the “Qualifying Shareholders”) will be eligible to tender their Shares for purchase in the Tender Offer for

---

up to the amount of their Entitlement. If you are a Qualifying Shareholder and wish to participate in the Tender Offer, you should ensure that (i) you are on the depositary interest register, and your interest in the Shares are capable of being settled in CREST, at 6.00 p.m. (London time) on 1 March 2024, and (ii) your acceptances of the Tender Offer are made electronically through CREST so that TTE instructions settle, no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). The procedure for acceptance of the Tender Offer is set out in this Circular. It is important that you read this Circular carefully and, if you decide to accept the Tender Offer, that you act promptly and in any event before the Closing Date. For Shareholders who currently hold Shares through DTC or directly on the Company's register of members and wish to participate in the Tender Offer, please see Part I (*Letter from the Chair — Action to be taken*) of this Circular.

Shareholders who take no action will remain unimpacted and will be receive their Entitlement to the Q323 Dividend on 28 March 2024.

Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and for no one else in connection with the Return of Capital and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in connection with the Return of Capital or any other matters set out in this document.

This document does not constitute an offer or a solicitation to any person in any state jurisdiction within the United States in which the Company is prohibited from making such offer or solicitation by administrative or judicial action pursuant to a state statute after a good faith effort of the Company to comply with such statute. If the Company becomes aware of any valid law of any jurisdiction prohibiting the making of the Tender Offer (and from which it does not have an exemption), it will make a good faith effort to comply with that law or seek to have such law declared inapplicable to the Tender Offer. If after a good faith effort, the Company cannot comply with the law of that jurisdiction, it will not market the Tender Offer to that jurisdiction.

The Tender Offer qualifies as a “Tier II” offer in accordance with Rule 14d-1(d) under the Exchange Act and, as a result, is exempt from certain provisions of otherwise applicable U.S. statutes and rules relating to tender offers. U.S. and English law and practice relating to tender offers are different in certain material respects. The Company intends to rely on the Tier II exemption from Rule 14e-1(c) on prompt payment where we will follow English law and practice.

Neither the SEC nor any state securities commission has approved or disapproved of this transaction or passed upon the merits or fairness of such transaction or passed upon the adequacy or accuracy of the information contained in this Circular. Any representation to the contrary is a criminal offence.

To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Stifel or any of their respective affiliates may make certain purchases of, or arrangements to purchase, Shares outside the United States before and during the period in which the Tender Offer remains open for participation, including sales and purchases of Shares effected by Stifel or its affiliates acting as market maker in the Shares on the London Stock Exchange. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the Listing Rules, and the relevant provisions of the Exchange Act. Any information about such purchases will be disclosed as required in the UK and the US and, if required, will be reported via a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

To the extent that any document or information incorporated by reference or attached to this Circular itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Circular, except where such information or documents are stated within this Circular as specifically being incorporated by reference or where this Circular is specifically defined as including such information. Without prejudice to the documents incorporated by reference into this Circular, the contents of the website of the Company and any website directly or indirectly linked to that website do not form part of this Circular and should not be relied upon.

Capitalised terms have the meaning ascribed to them in Part IV (*Definitions*) of this Circular.

---

CONTENTS

	<u>Page</u>
<a href="#"><u>IMPORTANT INFORMATION</u></a>	<a href="#"><u>2</u></a>
<a href="#"><u>EXPECTED TIMETABLE OF PRINCIPAL EVENTS</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>PART I LETTER FROM THE CHAIRMAN</u></a>	<a href="#"><u>6</u></a>
<a href="#"><u>PART II TERMS AND CONDITIONS OF THE RETURN OF CAPITAL</u></a>	<a href="#"><u>12</u></a>
<a href="#"><u>PART III TAXATION</u></a>	<a href="#"><u>24</u></a>
<a href="#"><u>PART IV DEFINITIONS</u></a>	<a href="#"><u>32</u></a>

**IMPORTANT INFORMATION****IF YOU WISH TO RECEIVE THE Q323 DIVIDEND, MEANING YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES IN THE TENDER OFFER, YOU DO NOT NEED TO TAKE ANY ACTION.**

If you would like to waive your Entitlement to the Q323 Dividend in consideration for the ability to tender your Shares in the Tender Offer, you should ensure that (i) you are a Qualifying Shareholder, and (ii) you are on the depositary interest register, and your interest in the Shares are capable of being settled in CREST, at 6.00 p.m. (London time) on 1 March 2024. For Shareholders who currently hold Shares through DTC or directly on the Company's register of members and wish to participate in the Tender Offer, please see Part I (*Letter from the Chair — Action to be taken*) of this Circular.

In addition, you should transmit the appropriate TTE Instruction (or procure that your broker, dealer, commercial bank, trust company or other intermediary who ultimately holds the Shares through the CREST settlement system transmits the appropriate TTE Instruction) in CREST so that TTE instructions settle no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). Tenders in respect of Shares may be withdrawn by input and settlement in CREST of an ESA instruction in accordance with the procedures set out in paragraph 6 of Part II of this Circular, at any time until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). After 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), all tenders will be irrevocable.

Qualifying Shareholders will be entitled to validly submit tenders for purchase of Shares at the Tender Price in the amount up to their Entitlement. Qualifying Shareholders will not be able to tender Shares in excess of their Entitlement. If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.

If you are a Non-Qualifying Shareholder or do not wish to waive your Entitlement in consideration for the ability to tender your Shares in the Tender Offer, you will also remain unimpacted and you will be paid your Entitlement to the Q323 Dividend on 28 March 2024.

You should note that once tendered, Shares may not be sold, transferred, charged, or otherwise disposed of other than in accordance with the Tender Offer.

If you are resident in a jurisdiction other than the United Kingdom, you should refer to section 10 of Part II of this Circular as you may not be able to participate in the Tender Offer.

**THE TENDER OFFER WILL NOT BE MADE INTO, AND TENDERED SHARES WILL NOT BE ACCEPTED FROM, ANY JURISDICTION WHERE IT WOULD BE ILLEGAL TO DO SO. THIS CIRCULAR AND ANY RELATED DOCUMENTS DO NOT CONSTITUTE AN OFFER TO TENDER OR PURCHASE SHARES IN ANY JURISDICTION IN WHICH, OR TO OR FROM ANY PERSON TO OR FROM WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER UNDER APPLICABLE SECURITIES LAWS.**

The Company has retained Computershare Investor Services PLC as receiving agent in the United Kingdom (the "**Receiving Agent**") and has made certain arrangements with the Receiving Agent regarding payment of its fees. Neither the Receiving Agent nor any of its directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Return of Capital or other matters described in this Circular, the Company or any of their respective affiliates or the Shares contained in this Circular or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information. None of the Company, the Receiving Agent, Stifel or any of their respective directors, officers, employees, agents, or affiliates, is acting for any Shareholder, or will be responsible to any Shareholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Return of Capital or other matters described

in this Circular. Accordingly, none of the Company, the Receiving Agent, Stifel or any of their respective directors, officers, employees, agents, or affiliates makes any representation or recommendation whatsoever regarding the Return of Capital or other matters described in this Circular, or any recommendation as to whether Shareholders should waive their Q323 Dividend in consideration for their ability to tender their Shares in the Tender Offer. The Receiving Agent is acting as an agent of the Company and as such owes no duty to any Shareholder. The Receiving Agent will not provide any investment services to Shareholders, and Shareholders should consult their own professional adviser or financial intermediary in connection with the Return of Capital.

**YOU SHOULD READ THE WHOLE OF THIS CIRCULAR, WHICH CONTAINS THE MATERIAL TERMS OF THE RETURN OF CAPITAL, AND NOT JUST THIS SECTION, WHEN DECIDING WHAT ACTION TO TAKE. IF YOU WISH TO RECEIVE YOUR ENTITLEMENT TO THE Q323 DIVIDEND, YOU DO NOT HAVE TO TAKE ANY FURTHER ACTION AND YOU WILL BE PAID YOUR ENTITLEMENT TO THE Q323 DIVIDEND ON 28 MARCH 2024.**

**If you have any queries relating to the waiver of your Entitlement to the Q323 Dividend in consideration for your ability to tender your Shares in the Tender Offer, please contact Computershare Investor Services PLC on 0370 702 0151 (or +44 (0) 370 702 0151) if calling from outside the United Kingdom). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer, please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

Save as expressly referred to in this Circular, neither the contents of the Company’s website nor the contents of any website accessible from hyperlinks on the Company’s website are incorporated into, or form part of, this Circular.

#### **Forward looking statements**

Certain statements contained in this Circular constitute forward-looking information or forward-looking statements within the meaning of applicable securities laws (collectively, “**forward-looking statements**”). Forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or equivalents or variations, including negative variations, of such words and phrases, or state that certain actions, events or results, “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. These forward-looking statements include, but are not limited to, statements regarding the expiration of the Tender Offer, the timing of the opportunity to waive entitlement to the Q323 Dividend in consideration for the ability to participate in the Tender Offer, and the financing of the Tender Offer. Forward-looking statements should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in this Circular containing forward-looking statements are qualified by these cautionary statements.

Forward-looking statements are based on information available at the time they are made, underlying estimates and assumptions made by management and management’s good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. Such risks and uncertainties include, but are not limited to, compliance with or waiver of the conditions to the Tender Offer, the extent to which Shareholders determine to waive their entitlement to the Q323 Dividend in consideration for the ability to tender their Shares in the Tender Offer and the risks described in the Company’s registration statement on Form 20-F, initially filed on 16 November 2023

and in the Company's other continuous disclosure filings available at the SEC's website at [www.sec.gov](http://www.sec.gov). The Company cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialise, or should underlying estimates or assumptions prove incorrect, actual events, performance and results may vary significantly from those expected.

There can be no assurance that the actual results, performance, events or activities anticipated by the Company will be realised or, even if substantially realised, that they will have the expected consequences to, or effects on, the Company. Readers are urged to consider these factors carefully in evaluating forward-looking statements and are cautioned not to place undue reliance on any forward-looking statements. Other than as required by applicable securities laws, the Company undertakes no obligation to update or revise any such forward-looking statements to reflect events or circumstances after the date of this Circular or to reflect the occurrence of unanticipated events.

**Information for United States Shareholders**

This Tender Offer is made by the Company for its own securities, and this Circular has been prepared by the Company in accordance with the disclosure requirements of applicable English laws and U.S. laws. The disclosure requirements in the United Kingdom may be different from those of the United States. In addition, the format and presentation of the Circular generally follow market practice in the United Kingdom.

**Currency**

In the Return of Capital, references to "£", "GBP", "pound sterling" or "pence" are to the lawful currency of the United Kingdom and references to "\$", "USD", "US dollars" or "cents" are to the lawful currency of the United States.

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Q323 Dividend announcement	15 November 2023
Announcement of the Return of Capital	15 February 2024
Publication of this Circular	26 February 2024
Tender Offer opens	26 February 2024
Q323 Dividend ex-dividend date	29 February 2024
Latest time for Shareholders who wish to participate in the Tender Offer to become Qualifying Shareholders	6.00 p.m. on 1 March 2024
Record Date for Tender Offer and the Q323 Dividend	6.00 p.m. on 1 March 2024
Announcement of the GBP:USD exchange rate for the Q323 Dividend	20 March 2024
Announcement of the Tender Price	on or around 4.35 p.m. on 26 March 2024
Tender Offer Closing Date and latest time for receipt of TTE Instructions in CREST	10.00 a.m. on 27 March 2024
Announcement of the results of the Tender Offer	27 March 2024
Trade date for the Tender Offer	27 March 2024
Payment of the respective Entitlement to the Q323 Dividend to Shareholders who elected to not participate in the Tender Offer	28 March 2024
CREST accounts credited with Tender Offer consideration for Qualifying Shareholders who elected to participate in the Tender Offer	28 March 2024

The dates and times given in this document are London time and are based on the Company's current expectations and may be subject to change. Any changes to the expected timetable will be announced via a Regulatory Information Service.

**If you wish to receive your Entitlement to the Q323 Dividend, you do not have to take any further action and you will be paid your Entitlement to the Q323 Dividend on 28 March 2024.**

**If you have any queries relating to the waiver of your Entitlement to the Q323 Dividend in consideration for the ability to tender your Shares in the Tender Offer, please contact Computershare Investor Services PLC on 0370 702 0151 (or +44 (0) 370 702 0151) if calling from outside the United Kingdom). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer, please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**



## PART I

## LETTER FROM THE CHAIRMAN

## DIVERSIFIED ENERGY COMPANY PLC

*(Registered in England and Wales No: 09156132)**Directors:*

David Edward Johnson  
 Robert “Rusty” Russell Hutson Jr.  
 Martin Keith Thomas  
 Sylvia Kerrigan  
 David Jackson Turner, Jr.  
 Kathryn Z. Klaber  
 Sandra (Sandy) Mary Stash

*Registered Office:*

4th Floor Phoenix House  
 1 Station Hill, Reading  
 Berkshire, RG1 1NB  
 United Kingdom

26 February 2024

Dear Shareholders

**Return of Capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend, or  
 (ii) the Tender Offer to acquire Shares in the Company**

**Introduction**

As announced on 30 January 2024, the Company continues to focus on its strategic initiatives of cash flow generation, capital discipline and balance sheet management, alongside continually evaluating opportunities to return capital to its Shareholders. Currently, the Company has a share buyback programme as announced on 27 June 2023, pursuant to which the Company has purchased and cancelled 869,262 Shares for a total consideration of approximately £10.94 million to date.

On 15 November 2023, the Company announced the Q323 Dividend of \$0.04375 per ordinary share of £0.01 each in the Company for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at 1 March 2024, which was adjusted to \$0.875 per Share following the Company’s Share consolidation as announced on 7 December 2023.

The Directors believe that the current trading price of the Shares does not reflect the quality of the Company’s assets nor the significant opportunities in relation to the Company’s long-term strategy. The Directors therefore consider that the repurchase of Shares is a prudent use of capital for the Company and is in the best interests of the Shareholders.

Following consultation with its Shareholders and after careful consideration of the feedback received, the Company is proposing to offer Shareholders with optionality as to the Return of Capital, pursuant to which Shareholders will have an opportunity to elect as to how they will receive capital in an amount of approximately \$42 million, in aggregate. The Company will return the same amount of the previously declared Q323 Dividend, but Shareholders will be offered the optionality as to how they receive that payment.

Specifically, Qualifying Shareholders can elect to either:

- Do nothing, in which case they will remain unimpacted and will be paid their respective Entitlement to the Q323 Dividend on 28 March 2024; or
- Elect to waive some or all of their respective Entitlement in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price (which will include a premium) up to the amount of their waived Entitlement.

Non-Qualifying Shareholders will also remain unimpacted and they will be paid their Entitlement on 28 March 2024.

The Company will fund the Tender Offer for up to \$42 million using funds available from the Company's cash and cash equivalents.

This Return of Capital allows Shareholders to be paid the same total amount of the previously declared Q323 Dividend while providing optionality for Shareholders to receive that payment in the form of a cash dividend payment or a cash payment as consideration for the purchase of their Shares in the Tender Offer. The aggregate amount of funds the Company will utilise in relation to the Return of Capital will be approximately \$42 million, which is the approximate amount of the Q323 Dividend announced on 15 November 2023.

The Board is making no recommendation to Shareholders in relation to any election for the Return of Capital. Shareholders are not obliged to do anything, if they do not wish to do so. Shareholders who do not take any action and Non-Qualifying Shareholders will be paid their respective Entitlement on 28 March 2024.

#### **The Q323 Dividend**

On 15 November 2023, the Company announced the Q323 Dividend of \$0.04375 per ordinary share of £0.01 each for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at the record date of 1 March 2024, which was adjusted to \$0.875 per Share following the Company's share consolidation as announced on 7 December 2023. The ex-dividend date for the Q323 Dividend is 29 February 2024.

However, Shareholders may elect to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price up to the amount of their waived Entitlement. Shareholders who do not wish to waive their Entitlement and Non-Qualifying Shareholders will remain unimpacted and they will be paid their respective Entitlement to the Q323 Dividend on 28 March 2024.

#### **The Tender Offer**

On 15 February 2024, the Company announced that as part of the Return of Capital, it would undertake a tender offer for an amount of approximately \$42 million, pursuant to which Qualifying Shareholders have the opportunity to waive some or all of their Entitlement to the Q323 Dividend in consideration for the ability to tender their Shares in the Tender Offer at the Tender Price for an aggregate amount equal to their waived Entitlement. Full details of the Tender Offer, including the terms and conditions on which it is being made, are set out in Part II of this document.

The Tender Offer is being made by Stifel, as principal, on the basis that all Shares that it buys under the Tender Offer will be purchased from it by the Company under its Existing Authority (subject to the overall limit of the Tender Offer). All Share purchase transactions by Stifel will be carried out on the LSE only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE.

The Tender Price payable will be 105 per cent. of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased and will be announced by the Company via a Regulatory Information Service on the date preceding the Closing Date, expected to be 26 March 2024. The Tender Price will be denominated in GBP sterling and payments of amounts owing to Shareholders who have validly tendered their Shares will be made in GBP sterling.

The Tender Offer is being made available to all Shareholders, other than those with registered addresses in a Restricted Jurisdiction, who are on the depositary interest register of the Company at 6.00 p.m. (London time) on 1 March 2024. Therefore, all Qualifying Shareholders who wish to participate in the Tender Offer should ensure that they are on the depositary interest register, and their interest in the Shares are capable of being settled in CREST at 6.00 p.m. (London time) on 1 March 2024. For Shareholders who currently hold Shares through DTC or directly on the Company's register of members and wish to participate in the Tender Offer, please see Part I (*Letter from the Chair — Action to be taken*) of this Circular. In addition, Qualifying Shareholders should transmit the appropriate TTE Instruction (or procure that their broker, dealer, commercial bank, trust company or other intermediary who ultimately holds the Shares through the CREST settlement system transmits the appropriate TTE Instruction) in CREST so that TTE instructions

settle no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). Tenders in respect of Shares may be withdrawn by input and settlement in CREST of an ESA instruction in accordance with the procedures set out in paragraph 6 of Part II of this Circular, at any time until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company). After 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), all tenders will be irrevocable.

The maximum aggregate consideration for the Shares to be purchased under the Tender Offer is \$42 million, being the aggregate amount of the Q323 Dividend. Qualifying Shareholders can elect to tender their Shares in the Tender Offer for an aggregate amount equal to their respective waived Entitlement only.

All Shares purchased by Stifel will be repurchased by the Company for cancellation. All transactions will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE. Shares may not be tendered in the Tender Offer by guaranteed delivery.

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged, or otherwise disposed of other than in accordance with the Tender Offer.**

**Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should immediately consult their stockbroker, bank manager, solicitor, accountant, or other independent financial adviser authorised under FSMA.**

#### *Entitlements under the Tender Offer and waiver of Entitlement to the Q323 Dividend*

Only Qualifying Shareholders will be entitled to waive some or all of their Entitlement in consideration for their ability to validly submit tenders for purchase of Shares in the Tender Offer at the Tender Price up to amount of their waived Entitlement. However, Qualifying Shareholders are not obliged to waive their Entitlement to the Q323 Dividend and tender any of their Shares if they do not wish to do so. Qualifying Shareholders who do not submit any instructions to waive some or all of their Entitlement amount in consideration for the ability to tender their Shares in the Tender Offer, and all non-Qualifying Shareholders, will remain unimpacted and will be paid their Entitlement to the Q323 Dividend on 28 March 2024; they do not need to take any action.

A Qualifying Shareholder will not be entitled to tender Shares in excess of its respective Entitlement. Applications made by Qualifying Shareholders in excess of their respective Entitlement will be scaled back to their Entitlement. A Qualifying Shareholder who elects to waive only some of their Entitlement in consideration for their ability to validly submit tenders for purchase of Shares at the Tender Price will be paid the remainder of the Entitlement to the Q323 Dividend in cash that they have elected to not waive pursuant to their TTE instructions in CREST on 28 March 2024.

Qualifying Shareholders who have sold, or otherwise transferred, Shares that they held as at the Record Date prior to the Closing Date will only be entitled to validly tender such Shares that they still hold as at the Closing Date. Any such Qualifying Shareholder's waived Entitlement will be calculated as the total number of Shares validly tendered by them multiplied by the Tender Price, and they will be paid the remainder of the Entitlement in cash on 28 March 2024.

If the amount of Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.

The Company also expects to announce the GBP:USD exchange rate for the Q323 Dividend via a Regulatory Information Service on or around 20 March 2024. As the Q323 Dividend has been declared in US dollars, such exchange rate will also determine the amount of the Entitlement in pound sterling (GBP) for Shareholders who wish to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer.

Any rights of Non-Qualifying Shareholders and Qualifying Shareholders who choose not to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer will be unaffected and they will be paid their Entitlement to the Q323 Dividend on 28 March 2024. The reduction in the Company's issued share capital may result in a reduction in the liquidity of the Shares in the secondary market.

#### **Taxation**

The attention of Qualifying Shareholders is drawn to Part III of this document, which provides a summary of certain UK and US taxation consequences for Shareholders of accepting the Tender Offer. This information is a general guide and is not exhaustive. **Shareholders who are in any doubt as to their taxation position or who are subject to tax in a jurisdiction outside the UK and US should consult their own professional advisers.**

#### **Notification of interests**

Under DTR 5, certain substantial Shareholders are required to notify the Company and the FCA of the percentage of voting rights they hold as Shareholders or through their direct or indirect holding of financial instruments within the limits referred to in the DTR. Following the completion of the Tender Offer, the percentage of voting rights held by a Shareholder may change, which may give rise to an obligation on the Shareholder to notify the Company and the FCA within two trading days of becoming aware (or being deemed to have become aware) of such change. Shareholders who are in any doubt as to whether they should notify the Company or as to the form of that notification should consult their own professional advisers.

#### **Overseas Shareholders**

Shareholders with registered or mailing addresses outside the UK, or who are citizens or nationals of, or resident in, a jurisdiction other than the UK, should read paragraph 10 of Part II of this Circular. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the observance of any legal requirements in their jurisdiction in relation to the Tender Offer.

#### **Repurchase Agreement**

The Company and Stifel entered into a repurchase agreement on 26 February 2024 pursuant to which the Company has agreed to purchase from Stifel, on market, such number of Shares as Stifel shall purchase pursuant to the Tender Offer, at the Tender Price. In the United States, Stifel, Nicolaus & Company, Incorporated, Stifel's registered US broker-dealer affiliate, will also participate in the Tender Offer to the extent required.

The Company may terminate the Tender Offer if in the Company's reasonable opinion, one or more of the Conditions set out in paragraph 6 of Part II of this Circular have not been satisfied. In acquiring Shares pursuant to valid tenders made in the Tender Offer and in selling such Shares to the Company, Stifel will act as principal.

#### **Existing Authority**

By a resolution passed at the Company's annual general meeting on 2 May 2023, the Company was authorised to make one or more market purchases of fully paid Shares subject to certain limitations, including that:

- (A) the maximum aggregate number of Shares to be purchased is 4,870,500 Shares (as adjusted for the share consolidation undertaken by the Company in December 2023); and
- (B) the maximum price (exclusive of any expenses) that may be paid for a Share shall be the higher of
  - (i) 5 per cent. over the average market value of the Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the Company agrees to buy the Shares, and
  - (ii) an amount equal to the higher of the price

of the last independent trade and the highest current independent purchase bid at the time on the trading venue where the purchase is carried out.

#### Action to be taken

Shareholders can choose to:

- elect to do nothing, and such Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024; or
- waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer for purchase to receive cash in consideration of such purchase, up to their waived Entitlement.

Qualifying Shareholders who wish to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer should tender electronically through CREST so that the TTE instruction settles by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). Further details of the procedures for tendering and settlement are set out in Part II of this Circular.

**Qualifying Shareholders who do not wish to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer do not need to take any action or send a TTE Instruction. Such shareholders and any Non-Qualifying Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024.**

For Shareholders who currently hold Shares through DTC or directly on the Company's register of members and wish to become a Qualifying Shareholder with the option of participating in the Tender Offer, certain actions will be required to be completed so as to be holding Depositary Interests prior to 6.00 p.m. (London time) on 1 March 2024.

Shareholders who currently hold Shares through the systems of DTC will be required to submit a Depositary Interest issuance request to Computershare Trust Company, N.A. (the "**Transfer Agent**") and deliver their securities in DTC to the DTC participant account nominated by the Transfer Agent, that will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholders nominated CREST participant account as a result. Shareholders holding through a broker, custodian or nominee that is a DTC participant should contact their broker, custodian or nominee who will submit this instruction on their behalf. The issuance of a Depositary Interest following the submission of a valid Depositary Interest issuance request may take up to two Business Days.

Shareholders who hold their Shares in certificated form will be required to submit a Depositary Interest issuance request to the Transfer Agent together with their share certificate(s) and stock transfer form, complete with a medallion signature guarantee. The Transfer Agent will deposit the Shares to their nominated DTC participant account that will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholders nominated CREST participant account as a result.

The process for the issuance of Depositary Interests to Shareholders who currently hold Shares through the systems of DTC or in certificated form may be subject to an administration fee charged by the Transfer Agent. For assistance with the Depositary Issuance process, timings and costs, please contact the Transfer Agent, by email, via email [uk.globaltransactions@computershare.com](mailto:uk.globaltransactions@computershare.com). Shareholders, holding Shares through a broker, custodian or nominee, should also consult with their broker, custodian or nominee in respect of any additional processes, timings and costs applied by them.

**If you have any questions relating to the waiver of your Entitlement to the Q323 Dividend in consideration for the ability to tender your Shares in the Tender Offer, please call Computershare Investor Services PLC on +44 (0) 370 702 0151. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**The Information Agent with respect to the Tender Offer in the United States is Georgeson LLC. If you are a Shareholder in the United States and have questions on how you can participate in the Tender Offer, please call the Information Agent toll free at 866-889-3010 between 9:00 a.m. and 11:00 p.m. New York time, Monday through Friday, or between 12:00 p.m. and 6:00 p.m. New York time, Saturday. Please note that the Information Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**Recommendation**

The Board considers the Return of Capital to be in the best interests of the Company and Shareholders as a whole. However, the Board is not making, and does not intend to make, any recommendation to Shareholders in relation to any election for the Return of Capital. Whether or not Qualifying Shareholders decide to elect to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer is a decision for individual Qualifying Shareholders.

Qualifying Shareholders should take into account their own individual circumstances, including their tax position, when deciding whether or not to elect to waive some or all of their Entitlement in consideration for the ability to participate in the Tender Offer. A summary of material UK and US taxation considerations in connection with the Return of Capital is set out in Part III of this Circular. Qualifying Shareholders are recommended to consult with their duly authorised independent advisers (including tax advisers).

No Director of the Company will be waiving any of their Entitlement to the Q323 Dividend in consideration for their ability to tender any of their Shares under the Tender Offer.

Yours faithfully

**David E. Johnson**  
*Chair*

**PART II****TERMS AND CONDITIONS OF THE RETURN OF CAPITAL****1. INTRODUCTION**

- 1.1 Qualifying Shareholders on the Register on the Record Date are being invited to choose how they receive their respective Entitlement in connection with the Return of Capital.
- 1.2 Shareholders may elect to do nothing and they will remain unimpacted and will be paid their Entitlement to the Q323 Dividend on 28 March 2024. Alternatively, Qualifying Shareholders may elect to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer for purchase by Stifel on the terms and subject to the conditions set out in this Circular. Non-Qualifying Shareholders will also remain unimpacted and they will be paid their Entitlement in cash on 28 March 2024.
- 1.3 For Qualifying Shareholders who would like to waive some or all of their Entitlement in consideration for the ability to tender their Shares in the Tender Offer, Stifel will purchase such Shares at the Tender Price up to the amount of the waived Entitlement for each Qualifying Shareholder on the terms and subject to the conditions set out in this Circular, as a riskless principal acting on the instruction of the Company.
- 1.4 All of the Shares purchased by the Company under the Repurchase Agreement in connection with the Tender Offer will be cancelled.
- 1.5 All transactions under the Tender Offer will be carried out on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the NYSE.

**2. TERMS OF THE TENDER OFFER**

- 2.1 The Tender Offer is being made available to all Shareholders, other than those with registered addresses in a Restricted Jurisdiction, who are on the depositary interest register of the Company at 6.00 p.m. (London time) on 1 March 2024. Therefore, all Qualifying Shareholders who wish to participate in the Tender Offer should ensure that they are on the depositary interest register of the Company, and their interest in the Shares are capable of being settled in CREST at 6.00 p.m. (London time) on 1 March 2024.
  - 2.2 The Tender Offer is conditional upon the following (together, the “**Tender Conditions**”):
    - (a) the Repurchase Agreement not having been terminated in accordance with its terms;
    - (b) the Company being satisfied that it has available to it sufficient distributable profits (in accordance with section 705 CA 2006) to effect the purchase of all tendered Shares in accordance with the Repurchase Agreement;
    - (c) the Tender Offer not having been terminated in accordance with paragraph 8 of this Part II on or prior to 27 March 2024 (or such later time and date as the Company and Stifel may agree) prior to the fulfilment of the Tender Conditions referred to above;
    - (d) the aggregate consideration to be paid by Stifel in respect of the Tender Offer being no more than \$42 million, being the amount of the Q323 Dividend;
    - (e) the Tender Price per Share not being less than £9.35;
    - (f) the total number of Shares purchased pursuant to the Tender Price being not more than 3,881,238 Shares;
    - (g) there shall have been no threatened, taken or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction:
-

- (A) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Tender Offer, the acceptance for payment of some or all of Shares by the Company or otherwise directly or indirectly relating in any manner to or affecting the Tender Offer; or
  - (B) that otherwise, in the reasonable judgment of the Board of Directors, has or may have a material adverse effect on the Shares or the business, income, condition (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries, taken as a whole, or has impaired or may materially impair the contemplated benefits of the Tender Offer to the Company;
- (h) there shall have been any no action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Tender Offer or the Company or any of its subsidiaries by any court, government or governmental authority or regulatory or administrative authority or agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that would directly or indirectly result in any of the consequences referred to in clauses (A) or (B) of paragraph (f) above or would prohibit, prevent, restrict or delay consummation of the Tender Offer or would materially impair the contemplated benefits of the Tender Offer to the Company or otherwise make it inadvisable, in the reasonable judgment of the Company, to proceed with the Tender Offer;
- (i) there shall not have occurred:
- (A) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in the United States or the United Kingdom;
  - (B) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or the United Kingdom (whether or not mandatory);
  - (C) a natural disaster or the commencement or material worsening of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving the United States or any other country or region in which the Company or its subsidiaries maintain significant business activities;
  - (D) any limitation by any government or governmental authority or regulatory or administrative authority or agency or any other event that would reasonably be expected to affect the extension of credit by banks or other lending institutions to the Company or its subsidiaries;
  - (E) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Company's and its subsidiaries', taken as a whole, businesses, operations or prospects or fair market value of the Shares; or
  - (F) in the case of any of the foregoing existing at the time of the commencement of the Tender Offer, a material acceleration or worsening thereof;
- (j) there shall not have occurred any change or changes (or any development involving any prospective change or changes) in the business, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Company or any of its subsidiaries that, individually or in the aggregate, has, have or may have material adverse significance with respect to the Company and its subsidiaries, taken as a whole;
- (k) there shall not have been any take-over bid or tender or exchange offer with respect to some or all of the securities of the Company, or any amalgamation, arrangement, merger, business combination or acquisition proposal, disposition of material assets, or other similar transaction with or involving the Company or any of its affiliates, other than the Tender Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;



- (l) the Company shall have concluded, in its reasonable discretion, that the Tender Offer or effecting the purchase of all tendered Shares is legal or in compliance with applicable law, or that necessary exemptions or approvals under applicable securities laws, are available or available on terms reasonably acceptable to the Company in respect of the Tender Offer and, if required under any such laws, the Company shall have received the necessary exemptions from, or waivers, of the appropriate courts or securities regulatory authorities in respect of the Tender Offer; or
- (m) Stifel being satisfied, acting reasonably, that at all times up to immediately prior to the time at which the Tender Offer becomes unconditional, that the Company has complied with its obligations, and is not in material breach of any of the representations and warranties given by it under the Repurchase Agreement.

Each of the foregoing conditions must be complied with or waived at or prior to the Closing Date. If any of the conditions referred to above are triggered, the Company will promptly notify Shareholders whether or not the triggered condition has been waived. Any waiver of a condition, or the withdrawal of the Tender Offer by the Company, shall be deemed to be effective on the date on which notice of such waiver or withdrawal by the Company is delivered or otherwise communicated to the Receiving Agent. The Company, after giving notice to the Receiving Agent of any waiver of a condition or the withdrawal of the Tender Offer, shall forthwith thereafter make a public announcement by way of a Regulatory Information Service of such waiver or withdrawal and will file such notice as an amendment to its tender offer statement on Schedule TO (“**Schedule TO**”) filed with the SEC with respect to the Tender Offer. If the Tender Offer is withdrawn, the Company shall not be obligated to effect the purchase of any tendered Shares under the Tender Offer and each tendering Shareholder will be entitled to receive the transfer by the Receiving Agent by TFE instruction to the original available balances of those unsold Shares or the credit of the balance of the unsold Shares by the Receiving Agent by an ARAN message.

If the Company materially changes the terms of the Tender Offer or the information concerning the Tender Offer, the Company will extend the Tender Offer to the extent required by Rules 13e 4(d)(2), 13e 4(e)(3) and 13e 4(f)(1) promulgated under the Exchange Act. These rules and certain related releases and interpretations of the SEC provide that the minimum period during which a tender offer must remain open following material changes in the terms of the tender offer or information concerning the tender offer (other than a change in price or a change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of such terms or information; however, in no event will the Tender Offer remain open for fewer than five Business Days following such a material change in the terms of, or information concerning, the Tender Offer. The Company intends for the Tender Price to remain fixed throughout the Tender Offer. If the Company increases or decreases the Tender Price and the Tender Offer is scheduled to expire at any time earlier than the expiration of a period ending at the end of the day, 12:00 midnight, London time, on the tenth Business Day from, and including, the date that notice of any such increase or decrease is first published, sent or given in the manner specified in this Circular, then the Tender Offer will be extended until the expiration of such period of 10 Business Days.

The foregoing conditions are for the exclusive benefit of the Company and Stifel and may be asserted by the Company at any time prior to the Closing Date in its reasonable discretion regardless of the circumstances giving rise to any such assertion (excluding any action or inaction by the Company), or may (subject to applicable law, be waived by the Company in whole or in part at any time prior to the Closing Date in its reasonable discretion, without prejudice to any other rights which the Company may have). The failure by the Company at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right, and the waiver of any such right with respect to particular facts and other circumstances shall not constitute a waiver with respect to any other facts and circumstances, and each such right shall be deemed an ongoing right that may be asserted at any time or from time to time. Any determination by the Company concerning the events described in this paragraph 2 of Part II of this Circular shall be final and binding on all parties, subject to such parties disputing such determination in a court of competent jurisdiction.

- 2.3 Stifel will not purchase the Shares pursuant to the Tender Offer unless the Tender Conditions have been satisfied. Notwithstanding any other provision of the Tender Offer, the Company will not be required to accept for payment, purchase or pay for any Shares tendered, and may terminate or amend the Tender Offer or may postpone the acceptance for payment of, or the purchase of and the payment for Shares tendered, subject to Rule 13e-4(f)(5) under the Exchange Act (which requires that the issuer making the tender offer shall either pay the consideration offered or return tendered shares promptly after the termination or withdrawal of the tender offer), if prior to the Closing Date any of the Tender Conditions have not been satisfied (or waived, as applicable). If any of the Tender Conditions are not satisfied (or waived, as applicable) on or prior to 27 March 2024 (or such later time and date as the Company and Stifel may agree), the Tender Offer will not proceed and will lapse.
- 2.4 The Tender Offer is made at the Tender Price, being 105 per cent. of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased.
- 2.5 Qualifying Shareholders will be entitled to validly submit tenders for purchase of Shares at the Tender Price in the amount up to their Entitlement. No Shares may be tendered in the Tender Offer by guaranteed delivery. Only Shares tendered by a Qualifying Shareholder will be accepted, and all Shares validly tendered by any Qualifying Shareholder for their Entitlement will be accepted, provided that the appropriate TTE instructions have settled in CREST by no later than 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company).
- 2.6 Qualifying Shareholders will not be able to tender Shares in excess of their respective Entitlement. Applications in excess of the Entitlement will be scaled back to the Entitlement.
- 2.7 If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.
- 2.8 The Receiving Agent (on behalf of the Company) and Stifel will calculate the number of Shares successfully tendered at the Tender Price based on the amount of the waived Entitlement and election of each Qualifying Shareholder and such calculations will be conclusive and binding on all Qualifying Shareholders who have waived some or all of their Entitlement in order to tender Shares in the Tender Offer at the Tender Price.
- 2.9 Qualifying Shareholders who submit a valid TTE instruction in respect of the Tender Offer will be deemed to have irrevocably waived their right to receive their respective Entitlement and shall also be deemed to have agreed that where the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company.
- 2.10 TTE instructions that have settled in respect of the Tender Offer will become irrevocable at 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company) and cannot be withdrawn thereafter. All questions as to the validity (including time of receipt) of tenders will be determined by the Company in its sole discretion, which determination shall be final and binding (except as otherwise required under applicable law). None of the Company, Stifel, the Receiving Agent or any other person is or will be obliged to give notice of any defects or irregularities and none of them will incur any liability for failure to give such notice.
- 2.11 The Tender Offer will close at 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company) and no TTE Instructions received after that time will be accepted unless otherwise approved by the Company.

- 2.12 Shares successfully tendered under the Tender Offer will be sold to Stifel fully paid and free from all liens, charges, equitable interests, and encumbrances and with all rights attaching to the same. Under the Repurchase Agreement, Shares successfully tendered under the Tender Offer (or a corresponding number of Shares) will be sold by Stifel to the Company through the facilities of the London Stock Exchange and will subsequently be cancelled and will not rank for any dividends, distribution or other equity related rights declared by the Company after that date.
- 2.13 All tenders of Shares must be made by the input and settlement of an appropriate TTE instruction in CREST in accordance with the instructions set out below and the relevant procedures in the CREST Manual which together constitute part of the terms of the Tender Offer. Such tenders will be valid only when the procedures contained in this Circular and in the relevant parts of the CREST Manual are complied with.
- 2.14 The Tender Offer and all tenders will be governed by, and construed in accordance with, the laws of England and Wales and the input of a TTE instruction in CREST will constitute submission to the jurisdiction of the courts of England and Wales.
- 2.15 The results of the Tender Offer are expected to be announced on 27 March 2024.
- 2.16 All documents and remittances sent by or to Qualifying Shareholders and all instructions made by or on behalf of a Qualifying Shareholder in CREST relating to the Tender Offer will be sent or made (as the case may be) at the risk of the sender or maker. If the Tender Offer does not become unconditional, or does not proceed, and lapses, the Receiving Agent will provide instructions to Euroclear to transfer all Shares held in escrow by TFE instruction to the original available balances to which those Shares relate.
- 2.17 All Shares successfully tendered will be purchased by Stifel, as principal, at the Tender Price.
- 2.18 All questions as to the number of Shares tendered and the validity, form, eligibility (including the time of receipt) and acceptance for payment of any tender of Shares under the Tender Offer will be determined by the Company in its sole discretion, which determination shall be final and binding on all parties except as otherwise required under applicable law. The Company reserves the absolute right to reject any or all tenders it determines not to be in proper form or the acceptance of payment for which may, in the opinion of the Company, be unlawful. The Company also reserves the absolute right to waive any of the terms or conditions of the Tender Offer (other than the Tender Conditions which are not capable of being waived) and any defect or irregularity in the tender of any particular Shares or any particular holder thereof. Unless the Company determines otherwise, no tender of Shares will be deemed to be validly made until all defects or irregularities have been cured or waived. In the event of a waiver, the consideration under the Tender Offer will not be made by way of CREST payment to the relevant Qualifying Shareholder until after the relevant TTE instruction has settled. None of the Receiving Agent, Stifel, the Company or any other person is or will be obliged to give notice of any defects or irregularities in any tender and none of them will incur any liability for failure to give any such notice.
- 2.19 Shares will be purchased from Qualifying Shareholders under the Tender Offer free of all commissions and dealing charges.
- 2.20 The failure of any person to receive a copy of this Circular shall not invalidate any aspect of the Tender Offer.
- 2.21 Shareholders will have no appraisal rights in connection with the Tender Offer.

### **3. PROCEDURE FOR TENDERING SHARES**

#### **Transfer of Shares from DTC to CREST**

- 3.1 For Shareholders who currently hold Shares through DTC or directly on the Company's register of members and wish to become a Qualifying Shareholder with the option of participating in the Tender Offer, certain actions will be required to be completed so as to be holding Depository Interests prior to 6.00 p.m. (London time) on 1 March 2024.

- 3.2 Shareholders in DTC will be required to submit a Depositary Interest issuance request to Computershare Trust Company, N.A. (the “**Transfer Agent**”) and deliver their securities in DTC to the DTC participant account nominated by the Transfer Agent, that will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholders nominated CREST participant account as a result. Shareholders holding through a broker, custodian or nominee that is a DTC participant should contact their broker, custodian or nominee who will submit this instruction on their behalf. The issuance of a Depositary Interest following the submission of a Depositary Interest issuance request may take up to two Business Days.
- 3.3 Shareholders in certificated form will be required to submit a Depositary Interest issuance request to Transfer Agent together with their share certificate(s) and stock transfer form, complete with a medallion signature guarantee. The Transfer Agent will deposit the Shares to their nominated DTC participant account that will act as custodian for the issuer of Depositary Interests. Depositary Interests will be issued and credited to the Shareholders nominated CREST participant account as a result.
- 3.4 The process for the issuance of Depositary Interests may be subject to an administration fee charged by the Transfer Agent. For assistance with the Depositary Issuance process, timings and costs, please contact the Transfer Agent, by email, via email [uk.globaltransactions@computershare.com](mailto:uk.globaltransactions@computershare.com). Shareholders, holding Shares through a broker, custodian or nominee, should also consult with their broker, custodian or nominee in respect of any additional processes, timings and costs applied by them.

#### **Participation in the Tender Offer**

- 3.5 If you are a Qualifying Shareholder and wish to waive some or all of your in consideration for the ability to tender your Shares in the Tender Offer at the Tender Price, you must tender your Shares by TTE Instruction in accordance with the procedure set out in paragraph 3 of this Part II and, if those 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 how to complete the TTE Instruction or as to the procedure for waiving some or all of your Entitlement in order to tender your Shares, please contact the Receiving Agent on +44 (0) 370 702 0151. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that the Receiving Agent cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

Beneficial owners of Shares wishing to tender Shares in the Tender Offer prior to 10.00 a.m. (London Time) on 27 March 2024, are advised to contact their CREST Sponsor (or their appointed broker, dealer, commercial bank, trust company or other nominee) in good time to confirm the process for relaying such a tender instruction, the time by which they require an instruction to be received by them (so as to be able to complete the required TTE instruction, described below, in time) and any fees or administration costs for submitting an instruction on their behalf.

- 3.6 You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST Sponsor before taking any action.
- 3.7 If you are a Qualifying Shareholder and wish to waive some or all of your Entitlement in consideration for the ability to tender your Shares in the Tender Offer at the Tender Price, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Tender Offer to an escrow balance, specifying the Receiving Agent (in its capacity as a CREST receiving agent under its Participant ID and Member Account IDs referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the transfer to escrow settles by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). The Company shall be entitled (in its sole discretion) to accept late transfers to escrow.

- 3.8 If you are a CREST Sponsored Member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your Participant ID and the Member Account ID under which your Shares are held. In addition, only your CREST Sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the details set out below.
- 3.9 After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as Escrow Agent until completion, termination or lapsing of the Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase by Stifel to itself for the purposes of effecting the Tender Offer.
- 3.10 You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined above. 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 Shares to settle prior to 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company). In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. Stifel shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.
- 3.11 To elect to waive some or all of your Entitlement in consideration for the ability to tender your Shares in the Tender Offer, 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 the number of Shares that you want to sell in the Tender Offer.
- 3.12 A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:
- (a) the number of Shares to be transferred to an escrow balance, this is the maximum number of Shares you wish to tender for sale;
  - (b) your Member Account ID;
  - (c) your Participant ID;
  - (d) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent — this is 3RA14;
  - (e) the Member Account ID of the Escrow Agent. This is DIVTEN01;
  - (f) the Corporate Action Number — this is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
  - (g) the intended settlement date for the transfer to escrow — this should be as soon as possible and, in any event, by no later than 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company);
  - (h) the ISIN for the depositary interests representing Shares — this is GB00BQHP5P93; and
  - (i) the standard TTE instruction of priority 80.

An appropriate announcement will be made if any of the details contained in this sub-paragraph 3.12 are altered.

**4. SETTLEMENT**

- 4.1 Settlement of the consideration to which any Qualifying Shareholder is entitled pursuant to valid tenders accepted by Stifel (which will be rounded down to the nearest whole penny) will be effected by the crediting of CREST accounts. For the accepted tender of Shares held in uncertificated form, settlement of the consideration due will be paid by means of CREST by the Receiving Agent procuring the creation of a CREST payment in favour of the tendering Qualifying Shareholder's payment bank in accordance with CREST payment arrangements. Settlement for Shares validly tendered under the Tender Offer will occur not later than 10 days after the Closing Date. The Company intends to rely on the Tier II exemption from Rule 14e-1(c) on prompt payment where the Company will follow English law and practice. Under no circumstances will interest accrue or be paid by the Company or the Receiving Agent to persons tendering Shares in the Tender Offer by reason of any delay in effecting payment for the tendered Shares or otherwise.
- 4.2 If the amount of the Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.
- 4.3 If only part of a holding of Shares is sold pursuant to the Tender Offer or if, because of scaling back, any Shares tendered in excess of the Entitlement are not purchased pursuant to the terms of the Tender, the unsold Shares will be transferred by the Escrow Agent by means of a TFE Instruction or ARAN message to the original CREST account from which those Shares came.

**5. TENDERS THROUGH CREST**

- 5.1 Each Qualifying Shareholder by whom, or on whose behalf, a tender through CREST is made in respect of Shares hereby irrevocably undertakes, represents, warrants, and agrees to and with Stifel (so as to bind him, his personal representatives, heirs, successors and assigns) that:
- (a) the input of the TTE Instruction shall constitute an offer to sell to Stifel up to such number of Shares as is specified in the TTE Instruction on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable at 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), unless withdrawn before such time;
  - (b) such Qualifying Shareholder has full power and authority to waive their Entitlement in order to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by Stifel, Stifel will acquire such Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date and that such representation shall be deemed repeated at the time Stifel purchases such Shares;
  - (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, in respect of the Shares, constitute the irrevocable appointment of the Receiving Agent and any director or officer of Stifel as an attorney and/or agent as may be necessary or expedient for the purposes of, or in connection with, the Tender Offer (each an "agent") and an irrevocable instruction and authority to the agent (i) to complete and execute the transfer to itself by means of CREST and then to transfer to Stifel (or to such person or persons as Stifel may direct) by means of CREST all of the Relevant Shares (as defined below) (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer lapses or is terminated, or withdrawn, or there are Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the lapsing or termination of the Tender Offer, to transfer the Relevant Shares to the original available

balances from which those Shares came. For the purposes of this sub-paragraph (c), “**Relevant Shares**” means Shares in uncertificated form in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this Part II;

- (d) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional and the TTE Instruction not having been validly withdrawn prior to 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), in respect of the Shares, constitute the irrevocable agreement of the Qualifying Shareholder whose Entitlement amount that has been waived does not result in an exact number of Shares at the Tender Price that such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company.
  - (e) such Qualifying Shareholder will ratify and confirm each and every act or thing which may be done or effected by Stifel or any of its directors, officers or any person nominated by Stifel or the Receiving Agent in the proper exercise of its or his or her respective powers and/or authorities hereunder (including its appointed agent);
  - (f) such Qualifying Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by Stifel to be desirable, in each case to complete the purchase of the Relevant Shares (as defined in sub-paragraph (c) above) and/or to perfect any of the authorities expressed to be given hereunder;
  - (g) if such Qualifying Shareholder is an Overseas Shareholder, (a) it is not resident or located in any Restricted Jurisdiction or in any territory in which it is unlawful to make or accept the Tender Offer, (b) it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located, and (c) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
  - (h) the creation of a CREST payment in favour of such Qualifying Shareholder’s payment bank in accordance with the CREST payment arrangements as referred to in paragraph 4 of this Part II will, to the extent of the obligations so created, discharge fully any obligation of Stifel to pay to such Qualifying Shareholder the cash consideration to which he is entitled under the Tender Offer;
  - (i) the input of the TTE Instruction constitutes such Qualifying Shareholder’s submission to the exclusive jurisdiction of the courts of England in relation to all matters arising out of or in connection with the Tender Offer; and
  - (j) if the appointment of an agent provision under sub-paragraph (c) of this Part II shall be unenforceable or invalid or shall not operate so as to afford any director or officer of Stifel or the Receiving Agent the benefit or authority expressed to be given therein, the Qualifying Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable Stifel or the Receiving Agent to secure the full benefits of sub-paragraph (c) of this Part II.
- 5.2 To the extent not prohibited by or ineffective under applicable law, each Qualifying Shareholder by whom a TTE Instruction is given irrevocably agrees to assume liability for, pay and indemnify the Company and Stifel from and against any and all liabilities, obligations, damages, losses, settlements, judgments, claims, actions, suits, penalties, costs, expenses and other sanctions (civil or criminal) suffered or incurred by any of them as a result of the breach by such Shareholder of any of the undertakings, representations, warranties, or agreements contained in section 5.1 above, **provided that** nothing in this paragraph shall serve to exclude or limit any responsibilities which Stifel may have under FSMA or the regulatory regime established thereunder.

**6. WITHDRAWAL**

- 6.1 In the case of Shares tendered in the Tender Offer, withdrawals of such tenders are permitted up until 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company), and a Qualifying Shareholder may withdraw their electronic tender through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each electronic tender to be withdrawn. Beneficial owners of Shares tendered in the Tender Offer that may consider the need to withdraw such tenders prior to 10.00 a.m. (London Time) on 27 March 2024, are advised to contact their CREST Sponsor (or their appointed broker, dealer, commercial bank, trust company or other nominee) in good time to confirm the process for relaying such a withdrawal instruction, the time by which they require an instruction to be received by them (so as to be able to complete the required ESA instruction, described below, in time) and any fees or administration costs for submitting an instruction on their behalf.
- 6.2 Each ESA instruction must, in order for it to be valid and settle, include the following details:
- (a) the number of Shares to be withdrawn, together with the corporate action ISIN, which is GB00BQHP5P93;
  - (b) your Member Account ID;
  - (c) your participant ID;
  - (d) the Participant ID of the Escrow Agent, in its capacity as a CREST receiving agent — this is 3RA14;
  - (e) the transaction reference number of the electronic tender to be withdrawn;
  - (f) the intended settlement date for the withdrawal; and
  - (g) the standard TTE instruction of priority 80.
- 6.3 Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Stifel reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or receiving agent accept (AEAN) message.
- 6.4 An appropriate announcement through a Regulatory Information Service will be made if any of the details contained in paragraph 6.1, paragraph 6.2 or paragraph 6.3 are altered.

**7. EXTENSION OF THE TENDER OFFER**

- 7.1 The Company expressly reserves the right, in its sole discretion, at any time prior to the Closing Date and from time to time, and regardless of whether or not any of the events set forth in paragraph 2 above shall have occurred or shall be deemed by the Company to have occurred, to extend the period of time during which the Tender Offer is open and thereby delay acceptance of, and payment for, any Shares by giving oral or written notice of such extension to the Receiving Agent and making an announcement of such extension by way of a Regulatory News Service in the United Kingdom and a press release in the United States. The Company's reservation of the right to delay payment for Shares which we have accepted for payment is limited by Rule 13e-4(f)(5) promulgated under the Exchange Act, which requires that the Company must pay the consideration offered or return the Shares tendered promptly after termination or withdrawal of a tender offer.

**8. TERMINATION OF THE TENDER OFFER**

- 8.1 Subject to Rule 14e-1(c) and Rule 13e-4(f) under the Exchange Act (which requires that an offeror pay the consideration offered or return securities deposited by or on behalf of holders thereof promptly after the termination or withdrawal of a tender offer), if: (i) the Company (acting by the Directors) shall, at any time prior to the Tender Offer becoming unconditional, notify Stifel in writing that there would or may be unexpected adverse tax consequences (whether by reason of a change in legislation



or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, or (ii) at any time after 10.00 a.m. on 27 March 2024 (or such later date and time as may be notified by the Company), any of the Tender Conditions have not been satisfied, Stifel shall either (a) postpone the Tender Offer until such time as the Company (acting by the Directors) and Stifel agree that no such circumstances exist as set out in (i) above or the Conditions have been satisfied or (b) by a public announcement withdraw the Tender Offer (and in such event the Tender Offer shall cease and determine absolutely without any liability on the part of the Company or Stifel). If the Tender Offer is withdrawn, all Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024.

## **9. MISCELLANEOUS**

- 9.1 Qualifying Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by Stifel of Shares pursuant to the Tender Offer.
- 9.2 Except as contained in this Circular, no person has been authorised to give any information or make any representations with respect to the Company or the Tender Offer and, if given or made, such other information or representations should not be relied on as having been authorised by Stifel or the Company. Under no circumstances should the delivery of this Circular or the delivery of any consideration pursuant to the Tender Offer create any implication that there has been no change in the assets, liabilities, business, or affairs of the Company since the date of this Circular.
- 9.3 The Company reserves the absolute right to reject any tender that does not in the Company's sole judgement (acting reasonably) meet the requirements of the Tender Offer. The Company also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any TTE Instruction. None of Stifel, the Company, the Receiving Agent, the Registrar, or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 9.4 The provisions of the Contracts (Rights of Third Parties) Act 1999 do not apply to the Tender Offer.

## **10. OVERSEAS SHAREHOLDERS**

- 10.1 Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction.
- 10.2 The making of the Tender Offer in, or to persons resident in, jurisdictions outside the United Kingdom or to persons who are citizens, residents or nationals of other countries may be affected by the laws of the relevant jurisdiction. Shareholders who are not resident in the United Kingdom, or who are citizens, residents, or nationals of countries outside the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to waive their Entitlement in consideration for the ability to tender their Shares in the Tender Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any Overseas Shareholder will be responsible for any such transfer or other taxes or other requisite payments by whomsoever payable and the Company, the Receiving Agent and Stifel and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder on an after-tax basis for any such transfer or other taxes or other requisite payments such person may be required to pay. No steps have been taken to qualify the Tender Offer or to authorise the extension of the Tender Offer in any territory outside the United Kingdom other than in the United States. Pursuant to Rule 13e-4(c)(2) under the Exchange Act, the Company has filed with the SEC an issuer tender offer statement on Schedule TO, which contains additional information with respect to the Tender Offer. The Schedule TO, including the exhibits and any amendments and supplements thereto, may be examined, and copies may be obtained, by writing or calling the Information Agent for the Tender Offer at the telephone numbers set forth on the cover of this Circular.

- 10.3 In particular, the Tender Offer is not being made directly or indirectly in, into or from or by use of the mail or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or of any facility of a national securities exchange of, a Restricted Jurisdiction. All Non-Qualifying Shareholders will be paid their Entitlement to the Q323 Dividend on 28 March 2024.
- 10.4 Accordingly, copies of this Circular and any related documents are not being and must not be mailed or otherwise distributed or sent in, into, or from a Restricted Jurisdiction, including to Shareholders with registered addresses in a Restricted Jurisdiction, or to persons who are custodians, nominees or trustees holding Shares for persons in a Restricted Jurisdiction.
- 10.5 Persons receiving such documents (including, without limitation, custodians, nominees, and trustees) should not distribute, send, or mail them in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility in connection with the Tender Offer, and doing so will render invalid any related purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the Tender Offer.
- 10.6 If, in connection with making the Tender 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 Circular or any related documents in, into or from a Restricted Jurisdiction or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone and email) of interstate or foreign commerce of, or any facility of a national securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such persons should:
- (a) inform the recipient of such fact;
  - (b) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
  - (c) draw the attention of the recipient to this section of this Circular.
- 10.7 The provisions of this paragraph and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied, or modified as regards specific Shareholders or on a general basis by the Company and Stifel in their absolute discretion, but only if the Company is satisfied that such waiver, variation, or modification will not constitute or give rise to a breach of applicable securities or other law. Subject to this, the provisions of this paragraph headed “Overseas Shareholders” supersede any terms of the Tender Offer inconsistent therewith.

**PART III**  
**TAXATION**

**UNITED KINGDOM**

**General**

The following statements are intended only as a general guide to certain UK tax considerations in relation to the Q323 Dividend and the Tender Offer. They are based on current UK law and what is understood to be the current practice of His Majesty's Revenue and Customs ("HMRC") (which may not be binding on HMRC) as at the date of this document, all of which may change, possibly with retrospective effect. They apply only to Shareholders who are resident, and in the case of individuals domiciled, for tax purposes in (and only in) the UK ("UK Shareholders"), who hold their Shares as an investment (other than in an individual savings account or exempt pension arrangement) and who are the absolute beneficial owner of both the Shares and any dividends paid on them, and who currently hold their Shares either within the systems of DTC or within CREST.

The tax position of certain categories of 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 holding their Shares in connection with employment, dealers in securities, insurance companies, collective investment schemes, trustees of certain trusts, charities, exempt pension funds, and temporary non-residents and non-residents carrying on a trade, profession or vocation in the UK. The tax position of any Shareholder who either directly or indirectly holds or controls 10% or more of the Company's share capital, voting power or profits is not considered.

**The statements below summarise the current position and are intended as guidance only. Shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers.**

**UK taxation of dividends**

The following statements apply in respect of UK Shareholders who receive dividends from the Company (including the Q323 Dividend).

*Withholding tax*

The Company will not be required to withhold UK tax at source when paying dividends.

*Corporate Shareholders*

Corporate UK Shareholders should not be subject to UK corporation tax on any dividends received from the Company so long as the dividends qualify for one of the dividend exemptions, which require certain conditions to be met (including anti-avoidance conditions).

If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Shareholder (the main rate of UK corporation tax is currently 25%).

*Individual Shareholders*

An individual UK Shareholder may, depending on his or her particular circumstances, be subject to UK income tax on dividends received from the Company.

All dividends received from the Company by an individual UK Shareholder or from other sources will form part of the Shareholder's total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £1,000 (reducing to £500 from 6 April 2024) of taxable dividend income received by the Shareholder in a tax year (the "dividend allowance"). Income within

the dividend allowance will be taken into account in determining whether income in excess of the dividend allowance falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the dividend allowance will be taxed at 8.75% to the extent that the excess amount falls within the basic rate tax band, 33.75% to the extent that the excess amount falls within the higher rate tax band and 39.35% to the extent that the excess amount falls within the additional rate tax band.

Any U.S. federal withholding tax withheld from the dividend, should, to the extent that such U.S. federal withholding tax does not exceed the withholdable amount assuming that the relevant individual UK Shareholder has correctly furnished a valid IRS Form W-8BEN (expected to be 15% of the dividend amount based on the provisions of the U.S — UK double tax treaty), be able to credit the U.S. federal withholding tax against their UK income tax liability on the dividend. Accordingly, for an individual UK Shareholder paying income tax on the dividend at the higher or additional dividend tax rates, their overall effective tax charge should equal their UK income tax liability. For other individual UK Shareholders, the amount withheld on account of U.S. federal withholding tax may exceed their UK income tax liability, in which case their overall effective charge will be equal to the U.S. tax withheld.

#### **UK taxation of the Tender Offer**

The following statements apply in respect of UK Shareholders who elect to waive all or part of their Entitlement and who receive Tender Offer consideration.

##### *Dividend waiver*

As the Q323 Dividend is an interim dividend, it would only be treated as paid (and thereby received by a Shareholder) for UK tax purposes when it is actually paid. Prior to the Q323 Dividend being paid, a Shareholder may waive all or part of its Entitlement in respect of the Q323 Dividend and such Shareholder will be treated as not having received a dividend of such waived amount.

Shareholders are advised to take independent professional advice as to the potential application of any anti-avoidance provisions in relation to the dividend waiver.

##### *Corporate Shareholders*

As Stifel will be making the Tender Offer as principal, a corporate UK Shareholder which sells Shares to Stifel pursuant to the Tender Offer should be treated, for the purposes of UK taxation, as though it had sold them on market to a third party in the normal way. A chargeable gain or allowable loss for the purposes of UK taxation on chargeable gains could therefore arise depending on that Shareholder's particular circumstances (including the availability of any exemptions, reliefs and allowable losses).

Part 15 of the Corporation Tax Act 2010 permits HMRC to counteract tax advantages arising from transactions in securities in certain circumstances. Even where the relevant circumstances are present, these provisions do not apply where the relevant Shareholder can show that the transaction was entered into for genuine commercial reasons and did not involve, as one of its main objects or purposes, the obtaining of a tax advantage. No application has been made to HMRC for clearance that these provisions will not apply to the Tender Offer. Shareholders are advised to take independent professional advice as to the potential application of any anti-avoidance provisions (including in respect of those not discussed herein).

A corporate Shareholder will be subject to UK corporation tax on chargeable gains at the rate of corporation tax applicable to that Shareholder (the main rate of UK corporation tax is currently 25%).

##### *Individual Shareholders*

Section 396A of the Income Tax (Trading and Other Income) Act 2005 applies where an individual is able to choose between receiving a dividend (or other distribution subject to income tax) from a company resident in the United Kingdom and receiving an alternative receipt from the company or a third party of the same or substantially the same value which would, but for section 396A, not be charged to income tax. Section 396A applies to deem the alternative receipt to be a distribution which is subject to income tax. Accordingly, an individual UK Shareholder who elects to receive Tender Offer consideration is expected to

be treated as if he or she received a dividend from the Company equal to the amount of Tender Offer consideration received. See the *Individual Shareholders* section of the **UK taxation of dividends** section above for further information.

Any U.S. federal withholding tax withheld from the Tender Offer consideration, as described further below under the *Distributions* section of the **Non-U.S. Holders** section, should, to the extent that such U.S. federal withholding tax does not exceed the withholdable amount assuming that the relevant individual UK Shareholder has correctly furnished a valid IRS Form W-8BEN (expected to be 15% of the Tender Offer consideration based on the provisions of the U.S.—UK double tax treaty), be able to credit the U.S. federal withholding tax against their UK income tax liability on the Tender Offer consideration. Accordingly, for an individual UK Shareholder paying income tax on the Tender Offer consideration at the higher or additional dividend tax rates, their overall effective tax charge should equal their UK income tax liability. For other individual UK Shareholders, the amount withheld on account of U.S. federal withholding tax may exceed their UK income tax liability, in which case their overall effective charge will be equal to the U.S. tax withheld.

Individual UK Shareholders are not expected to accrue a chargeable gain in relation to their Tender Offer consideration (and are therefore not expected to incur both income tax and capital gains tax).

Shareholders are advised to take independent professional advice as to the income tax charge and the rules on chargeable gains and losses applicable to their circumstances.

#### *UK stamp duty/stamp duty reserve tax*

Shareholders will have no liability to UK stamp duty or stamp duty reserve tax in respect of the sale of their Shares pursuant to the Tender Offer.

Stamp duty at the rate of 0.5% of the Tender Price will be payable by the Company on Shares tendered pursuant to the Tender Offer.

#### **U.S. taxation for UK Shareholders**

All UK Shareholders should carefully consider the discussion below on the material U.S. federal income tax consequences for U.S. Holders and Non-U.S. Holders. Shareholders are advised to take independent professional advice on any potential U.S. tax considerations.

#### **UNITED STATES**

##### **Material United States Federal Income Tax Considerations**

The following discussion is a summary of the material U.S. federal income tax consequences to U.S. Holders and Non-U.S. Holders (each, as defined below) of the Tender Offer, but does not purport to be a complete analysis of all potential U.S. federal tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed herein. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”), in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Shareholder. The Company has not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the Tender Offer.

This discussion is limited to U.S. Holders and Non-U.S. Holders that each hold Shares as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Shareholder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Shareholders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding Shares as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes and other pass-through entities (and investors therein);
- tax-exempt organisations or governmental organisations;
- persons deemed to sell Shares under the constructive sale provisions of the Code;
- persons who hold or receive Shares pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax qualified retirement plans;
- “qualified foreign pension funds” as defined in Section 897(1)(2) of the Code and entities of all the interests of which are held by qualified foreign pension funds; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Shares being taken into account in an applicable financial statement.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds a Share, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding a Share and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE TENDER OFFER ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

#### **U.S. Tax Status of Diversified Energy**

Pursuant to Section 7874 of the Code, the Directors believe that the Company is and will continue to be treated as a U.S. corporation for all purposes under the Code. Since the Company will be treated as a U.S. corporation for all purposes under the Code, the Company will not be treated as a “passive foreign investment company,” as such rules apply only to non-U.S. corporations for U.S. federal income tax purposes.

#### **Tax Treatment of the Tender Offer**

No statutory, administrative or judicial authority directly addresses the treatment of a Shareholder participating in the Tender Offer for U.S. federal income tax purposes and, therefore, that treatment is not entirely clear. The Company expects each Shareholder that elects to tender such Shareholder’s Shares to be treated as receiving a distribution in an amount equal to the Tender Price. The Company intends to treat the Tender Offer in this manner and, by electing to tender your Shares, you will agree to adopt such treatment for U.S. federal income tax purposes. For additional information regarding the treatment of each Shareholder that elects to tender such Shareholder’s Shares as a distribution, U.S. Holders should refer to the discussion below under “*U.S. Holders — Distributions*” and Non-U.S. Holders should refer to the discussion below under “*Non-U.S. Holders — Distributions*”.

The Directors strongly urge each Shareholder to consult his or her own tax advisor regarding participation in the Tender Offer. The balance of this discussion assumes that the characterisation of the Tender Offer described above is respected for U.S. federal income tax purposes.

#### **U.S. Holders**

For purposes of this discussion, a “U.S. Holder” is any beneficial owner of a Share that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organised under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

#### *Distributions*

As discussed above, the Company intends to treat the receipt of the Tender Price by a U.S. Holder as the receipt of a distribution. Distributions generally will be included in a U.S. Holder’s income as ordinary dividend income to the extent of the Company’s current or accumulated earnings and profits. Distributions in excess of the Company’s current and accumulated earnings and profits will be treated, first, as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the Shares and thereafter as capital gain (this excess portion, the “excess distribution”). Dividends received by a corporate U.S. Holder may be eligible for a dividends-received deduction, subject to applicable limitations. Dividends received by certain non-corporate U.S. Holders (including individuals) are generally taxed at the lower applicable long-term capital gains rates, provided certain holding period and other requirements are satisfied.

#### *Excess Distributions*

Any excess distribution will result in capital gain and such capital gain will be long-term capital gain if a U.S. Holder’s holding period at the time of the Tender Offer is longer than one year. Long-term capital gains recognised by certain non-corporate U.S. Holders (including individuals) are generally subject to a reduced rate of U.S. federal income tax.

#### **Non-U.S. Holders**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of a Share that is neither a U.S. Holder nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

#### *Distributions*

The Company intends to treat the Company’s payment of the Tender Price to a Non-U.S. Holder as a distribution of cash on such Non-U.S. Holder’s Shares. Distributions of cash on the Shares will constitute dividends for U.S. federal income tax purposes to the extent paid from the Company’s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will first, constitute a return of capital and be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in its Shares, but not below zero, then, as an “excess distribution.” Excess distributions will generally result in capital gains and be treated as described below under the subsection titled “— *Excess Distributions.*”

Generally, a distribution that constitutes a return of capital will be subject to U.S. federal withholding tax at a rate of 15% if the Non-U.S. Holders’ Shares constitute a USRPI (as defined below). However, the Company may elect, and expect to elect, to withhold at a rate of up to 30% of the entire amount of the Tender Price paid to a Non-U.S. Holder, even if the Non-U.S. Holders’ Shares do not constitute a USRPI. For additional information regarding when a Non-U.S. Holder may treat its ownership of the Shares as not

constituting a USRPI, see below under the subsection titled “— *Excess Distributions.*” Furthermore, because a Non-U.S. Holder would not have any U.S. federal income tax liability with respect to a return of capital distribution, a Non-U.S. Holder would be entitled to request a refund of any U.S. federal income tax that is withheld from a return of capital distribution (generally by timely filing a U.S. federal income tax return for the taxable year in which the tax was withheld).

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder of a Share will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the payment of the Tender Price that is treated as dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

#### *Excess Distributions*

Subject to the discussion below on information reporting, backup withholding and FATCA (as defined below), a Non-U.S. Holder will not be subject to U.S. federal income tax on any portion of the payment of the Tender Price that is treated as an excess distribution, unless:

- the excess distribution is treated as gain that is effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the payment of the excess distribution and certain other requirements are met; or
- our Shares constitute a U.S. real property interest (“USRPI”) because we are (or have been during the shorter of the five-year period ending on the date of the payment of the excess distribution or the Non-U.S. Holder’s holding period) a U.S. real property holding corporation (“USRPHC”) for U.S. federal income tax purposes.

The gain from the excess distribution described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on the excess distribution, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.



With respect to the third bullet point above, due to the nature of the Company's assets and operations, the Company believes it is (and will continue to be) a USRPHC under the Code and the Shares constitute (and we expect the Shares to continue to constitute) a USRPI. Non-U.S. Holders generally are subject to a 15% withholding tax on the amount of the Tender Price treated as an excess distribution. However, as noted above under "*Distributions*" the Company may elect, and expects to elect, to withhold at a rate of up to 30% of the entire amount of the Tender Price paid to a Non-U.S. Holder, even if the Non-U.S. Holders' Shares do not constitute a USRPI. A Non-U.S. Holder may, by filing a U.S. tax return, be able to claim a refund for any withholding tax deducted in excess of such Non-U.S. Holder's tax liability on any excess distribution.

Furthermore, such Non-U.S. Holders are subject to U.S. federal income tax (at the regular rates) in respect of any excess distribution amount and are required to file a U.S. tax return to report such excess distribution and pay any tax liability that is not satisfied by withholding. Any excess distribution amount should be determined in U.S. dollars. However, if the Shares are considered "regularly traded on an established securities market" (within the meaning of the Treasury Regulations) and the Non-U.S. Holder actually or constructively owns or owned, at all times during the shorter of the five-year period ending on the date of the payment of the Tender Price or the Non-U.S. Holder's holding period, 5% or less of the Shares (taking into account applicable constructive ownership rules), such Non-U.S. Holder may treat its ownership of the Shares as not constituting a USRPI and will not be subject to U.S. federal income tax on any excess distribution or U.S. tax return filing requirements. The Company expects the Shares to be treated as "regularly traded on an established securities market" so long as the Company's Shares continue to be listed on the NYSE and regularly quoted by brokers or dealers making a market in such Shares.

Non-U.S. Holders should consult their tax advisors regarding tax consequences of the Company's treatment as a USRPHC and regarding potentially applicable income tax treaties that may provide for different rules.

### **Information Reporting and Backup Withholding**

#### *U.S. Holders*

Information reporting requirements generally will apply to payments of distributions on the Shares, such as the payment of the Tender Price to a U.S. Holder, unless the U.S. Holder is an exempt recipient and, if requested, certifies as to that status. Backup withholding generally will apply to those payments if the U.S. Holder fails to provide an appropriate certification with its correct taxpayer identification number or certification of exempt status. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### *Non-U.S. Holders*

Payments of dividends on the Shares, including payments of the Tender Price that are treated as a payment of a dividend, will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on the Shares, including the payment of the Tender Price paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, excess distributions received through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person or the holder otherwise establishes an exemption. Excess distributions received through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### **Additional Withholding Tax on Payments Made to Foreign Accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) excess distributions paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on the Shares, including the payment of the Tender Price to the extent treated as a dividend. While withholding under FATCA would have applied also to any excess distributions received, on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on excess distribution payments. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Shareholders should consult their tax advisors regarding the potential application of withholding under FATCA to the Tender Offer.

## PART IV

## DEFINITIONS

“Business Day”	any day other than a Saturday, Sunday or public holiday on which banks are open in the City of London for the transaction of general commercial business
“Circular”	this document
“Company”	Diversified Energy Company PLC
“Closing Date”	10:00 a.m. (London time) on 27 March 2024 (or such later date and time as may be notified by the Company)
“CREST Manual”	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
“CREST Member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST Participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 20013755)
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST Sponsored Member”	a CREST member admitted to CREST as a CREST sponsored member
“Depository Interest”	a depository interest issued through CREST by Computershare Investor Services PLC, in its capacity as the issuer of the Depository Interests, representing a beneficial interest in a Share;
“Directors” or the “Board”	the board of directors of the Company
“DTC”	The Depository Trust Company
“DTR”	The Disclosure Guidance and Transparency Rules
“Entitlement”	the amount of the Q323 Dividend as declared by the Company on 15 November 2023 that the Shareholders are entitled to respectively as at the Record Date
“Escrow Agent”	the Receiving Agent
“Euroclear”	Euroclear UK and International Limited
“Exchange Act”	U.S. Securities and Exchange Act of 1934, as amended
“Existing Authority”	the authority of the Company to make one or more market purchases of fully paid Shares pursuant to a resolution passed on 2 May 2023 more particularly described in Part I of this document
“FSMA”	The Financial Services and Markets Act, 2000, as amended from time to time
“London Stock Exchange”	London Stock Exchange plc
“Member Account ID”	the identification code or number attached to any member account in CREST
“Non-Qualifying Shareholders”	Shareholders, as at the Record Date, who are not Qualifying Shareholders
“Overseas Shareholders”	a Shareholder whose address in the Company’s register of members is outside the UK

“Panel”	the UK 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
“Q323 Dividend”	the interim dividend of \$0.875 per Shares for the three-month period ended 30 September 2023, payable on 28 March 2024 to Shareholders who hold Shares as at the Record Date
“Qualifying Shareholders”	Shareholders who are entitled to participate in the Tender Offer, being a Shareholder on the depositary interest register of the Company at the Record Date, other than those with registered addresses in a Restricted Jurisdiction
“Receiving Agent”	Computershare Investor Services PLC
“Record Date”	6.00 p.m. (London time) on 1 March 2024
“Repurchase Agreement”	the agreement dated 26 February 2024 between (1) the Company and (2) Stifel for the repurchase by the Company of the Shares purchased by Stifel pursuant to the Tender Offer (or otherwise a corresponding number of Shares) by way of an on-market purchase
“Repurchase”	the purchase by the Company of Shares by way of an on-market purchase pursuant to the Repurchase Agreement
“Return of Capital”	the proposed return of capital of approximately \$42 million to Shareholders by way of (i) the Q323 Dividend, or (ii) the Tender Offer, as described in this Circular
“Restricted Jurisdiction”	each of Canada, Australia, South Africa and Japan and any other jurisdiction in which the making of the Tender Offer and mailing of this document into or inside would constitute a violation of the laws and regulations of such jurisdiction
“Shareholders”	holders of Shares in the Company
“Shares”	ordinary shares of £0.20 each in the capital of the Company, including depositary interests representing an interest in such shares
“Stifel”	Stifel Nicolaus Europe Limited
“Takeover Code”	the City Code on Takeovers and Mergers
“Tender Offer”	the invitation to Qualifying Shareholders to tender Shares for sale to Stifel on the terms and subject to the conditions set out in this document
“Tender Price”	105 per cent. of the average market value per Share for the five Business Days immediately preceding 27 March 2024, being the date on which the Shares are to be purchased by the Company from Stifel pursuant to the Repurchase Agreement
“tender” and “tendered”	refers to tenders of Shareholders in relation to the Tender Offer
“Transfer Agent”	Computershare Trust Company, N.A.
“TFE instruction”	a transfer from escrow instruction (as defined by the CREST Manual)
“TTE instruction”	a transfer to escrow instruction (as defined by the CREST Manual)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland

26 February 2024

Diversified Energy Company PLC  
("Diversified" or the "Company")

**Return of Capital to Shareholders by way of Dividend Payment or Acquisition of Shares via Tender Offer  
Publication of Circular and Tender Offer Open**

Diversified Energy Company PLC (LSE: DEC; NYSE: DEC) announces that further to the announcement of 15 February 2024, the Company has today published a circular (the "Circular") in connection with the Return of Capital, details of which are set out below.

The Circular will today be posted to the shareholders and is also available on the Company website, [ir.div.energy](http://ir.div.energy). A copy of the Circular will also be filed and available for inspection at the National Storage Mechanism <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> shortly.

Following the announcement on 15 November 2023 of the interim dividend for the three-month period ended 30 September 2023 (the "Third Quarter Dividend"), the Company is offering shareholders with an opportunity to elect how they will receive the return of capital of approximately US\$42 million, in aggregate (the "Return of Capital"). The Company will return the same amount of the previously declared Third Quarter Dividend, but shareholders will be offered the optionality as to how they receive that payment.

The Directors believe that the current trading price of the shares does not reflect the quality of the Company's assets nor the significant opportunities for the Company's long-term strategy. The Directors therefore consider that the repurchase of shares is a prudent use of capital for the Company and is in the best interests of the shareholders.

Following consultation with shareholders and after careful consideration of the feedback received, the Company is offering shareholders optionality as to the Return of Capital. Specifically, Qualifying Shareholders (as defined below) can elect to either:

- Do nothing, in which case they will remain unimpacted and will be paid their Third Quarter Dividend on 28 March 2024; or
- Elect to waive some or all of their Entitlement (as defined below) in order to have their Shares (as defined below) purchased in a tender offer for cash (the "Tender Offer") at the Tender Price (which will include a premium).

The Company will fund the Tender Offer using funds available from the Company's cash and cash equivalents.

This Return of Capital allows shareholders to be paid the same total amount of the previously declared Third Quarter Dividend while providing optionality for shareholders to receive that payment in the form of a cash dividend payment or a cash payment as consideration for the sale of their Shares in the Tender Offer. The aggregate amount of funds the Company will utilise in relation to the Return of Capital will be approximately US\$42 million, which is the approximate amount of the Third Quarter Dividend announced on 15 November 2023.

**Details of the Return of Capital**

On 15 November 2023, Diversified declared an interim dividend of US\$0.04375 per ordinary share of £0.01 each in respect of the three-month period ended 30 September 2023, which was adjusted to US \$0.875 per ordinary share of £0.20 each (the "Shares") following the Company's share consolidation as announced on 7 December 2023 (the "Entitlement"). The total amount of the Third Quarter Dividend is approximately US\$42 million.

Qualifying Shareholders are not obliged to waive their Entitlement to the Third Quarter Dividend and tender any of their Shares if they do not wish to do so. Qualifying Shareholders who do not submit any

---

instructions to waive some or all of their Entitlement amount in order to tender their Shares, and all non-Qualifying Shareholders, will remain unimpacted and will be paid their Entitlement to the Third Quarter Dividend on 28 March 2024; they do not need to take any action.

The purchase price to be paid by the Company in the Tender Offer will be 105% of the average market value per Share for the five business days immediately preceding 27 March 2024, being the expected date on which the Shares are to be purchased (the “**Tender Price**”) and will be announced by the Company via a Regulatory Information Service on the date preceding the closing date, expected to be 26 March 2024 (the “**Closing Date**”). The Company also expects to announce the GBP:USD exchange rate for the Third Quarter Dividend on or around 20 March 2024. As the Third Quarter Dividend has been declared in US dollars, such exchange rate will also determine the amount of the Third Quarter Dividend in pound sterling (GBP) for shareholders who wish to waive some or all of their Entitlement in order to participate in the Tender Offer. The Tender Offer is subject to certain customary conditions (including regulatory approvals, as applicable) and subject to the Tender Price being not less than £9.35. If any of the conditions to the Tender Offer are not satisfied by 10.00 a.m. (London time) on 27 March 2024, the Company reserves the right to withdraw the Tender Offer. If the Tender Offer is withdrawn, the Company shall not be obliged to effect the purchase of any tendered Shares under the Tender Offer. If the Tender Offer is withdrawn, all shareholders will be paid the same total amount of the previously declared Third Quarter Dividend in cash in full on 28 March 2024.

The Tender Offer is being made by the Company’s broker, Stifel, as principal, on the basis that all Shares that it buys under the Tender Offer will be purchased from it by the Company under its existing buy-back authority granted at the annual general meeting of the Company held on 2 May 2023. All Share purchase transactions by Stifel will be carried out through an on-market trade placed on the London Stock Exchange only. No Share repurchase transactions will be undertaken pursuant to this Tender Offer on the New York Stock Exchange. Shares purchased under the Tender Offer will be cancelled by the Company.

The Tender Offer will be subject to certain terms and conditions. Specific instructions and an explanation of the terms and the conditions of the Tender Offer are contained in the Circular and an offer to purchase in the United States filed as an exhibit to a Schedule TO the Company has filed with the U.S. Securities and Exchange Commission (the “**Offer to Purchase**”) and related materials that are made available to shareholders on the Company website, [ir.div.energy](http://ir.div.energy).

The Tender Offer is only available to shareholders who are on the depositary interest register at 6.00 p.m. (London time) on 1 March 2024 (the “**Qualifying Shareholders**”). Further, shareholders with registered addresses in certain jurisdictions are not eligible for the Tender Offer. Therefore, all Qualifying Shareholders who wish to participate in the Tender Offer should ensure that their interest in the Shares is capable of being settled in CREST at 6.00 p.m. (London time) on 1 March 2024.

Only Qualifying Shareholders will be entitled to waive some or all of their Entitlement in order to validly submit tenders for the purchase of Shares at the Tender Price up to the amount of their waived Entitlement. A Qualifying Shareholder will not be entitled to tender Shares in excess of their respective Entitlement. Applications made by Qualifying Shareholders in excess of their respective Entitlement will be scaled back to their Entitlement. A Qualifying Shareholder who elects to waive only some of their Entitlement in order to validly submit tenders for purchase of Shares at the Tender Price will be paid the remainder of the Entitlement to the Q323 Dividend that they have elected to not waive pursuant to their TTE instructions in CREST on 28 March 2024.

Qualifying Shareholders who have sold, or otherwise transferred, Shares that they held as at the Record Date prior to the Closing Date will only be entitled to validly tender such Shares that they still hold as at the Closing Date. Any such Qualifying Shareholder’s waived Entitlement will be calculated as the total number of Shares validly tendered by them multiplied by the Tender Price, and they will be paid the remainder of the Entitlement on 28 March 2024.

If the amount of Entitlement that has been waived does not result in an exact number of Shares at the Tender Price, such Entitlement amount will be correspondingly reduced to purchase the nearest whole number of Shares in the Tender Offer at the Tender Price and the remaining portion of such Entitlement shall be deemed to have been waived by the Qualifying Shareholder and will be retained by the Company. In all circumstances, any such amount retained by the Company shall not exceed the Tender Price per Share.

None of the Company, the Directors, Stifel, or any of their respective affiliates makes any recommendation as to whether any Shareholder should elect to waive their Entitlement to the Third Quarter Dividend in order to tender their Shares pursuant to the Tender Offer, and no one has been authorized by any of them to make such recommendation. Each Shareholder must make their own decisions as to whether to elect to waive their Entitlement in order to participate in the Tender Offer or do nothing and receive their Entitlement to the Third Quarter Dividend.

#### **Certain Information Regarding the Tender**

The Tender Offer qualifies as a “Tier II” offer in accordance with Rule 14d-1(d) under the Exchange Act and, as a result, is exempt from certain provisions of otherwise applicable U.S. statutes and rules relating to tender offers. U.S. and English law and practice relating to tender offers are different in certain material respects. The Company intends to rely on the Tier II exemption from Rule 14e-1(c) on prompt payment where we will follow English law and practice.

The information in this press release describing the Tender Offer is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell shares of the Company in the Tender Offer. The Tender Offer will only be made pursuant to the Circular, the Offer to Purchase and other related materials filed as part of the Tender Offer Statement on Schedule TO, in each case as may be amended or supplemented from time to time. Shareholders should read such Circular and Offer to Purchase and related materials carefully and in their entirety because they contain important information, including the various terms and conditions of the Tender Offer.

The Circular and the Offer to Purchase in each case containing the full terms and conditions of the Tender Offer and instructions to shareholders on how to tender their Shares should they wish to do so and is available to shareholders on the Company’s website at [ir.div.energy](http://ir.div.energy). A copy of the Circular has been submitted to the National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> shortly.

To the extent permitted by applicable law and in accordance with normal UK practice, the Company, Stifel or any of their respective affiliates may make certain purchases of, or arrangements to purchase, Shares outside the United States before and during the period in which the Tender Offer remains open for participation, including sales and purchases of Shares effected by Stifel or its affiliates acting as market maker in the Shares on the London Stock Exchange. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In order to be excepted from the requirements of Rule 14e-5 under the Exchange Act by virtue of Rule 14e-5(b)(12) thereunder, such purchases, or arrangements to purchase, must comply with applicable English law and regulation, including the Listing Rules, and the relevant provisions of the Exchange Act. Any information about such purchases will be disclosed as required in the UK and the US and, if required, will be reported via a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

Shareholders may obtain a free copy of the Tender Offer Statement on Schedule TO, the Offer to Purchase and other documents that the Company will file with the Securities and Exchange Commission from the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov) once available. Shareholders are urged to carefully read all of these materials prior to making any decision with respect to the Tender Offer, and this announcement should be read in conjunction with the full text of the Circular and the Offer to Purchase once available. Following the commencement of the Tender Offer, if you have any queries relating to the waiver of your Entitlement to the Third Quarter Dividend and participation in the Tender Offer, please contact Computershare Investor Services PLC on 0370 702 0151 (or +44 (0) 370 702 0151) if calling from outside the United Kingdom). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### Expected Timetable of Events

Tender Offer Circular published	26 February 2024
Tender Offer opens	26 February 2024
Third Quarter Dividend ex-dividend date	29 February 2024
Latest time for shareholders who wish to participate in the Tender Offer to become a Qualifying Shareholder	6.00 p.m. on 1 March 2024
Record Date for Tender Offer and the Third Quarter Dividend	6.00 p.m. on 1 March 2024
Publication of 2023 year-end results	19 March 2024
Announcement of the GBP:USD exchange rate for the Third Quarter Dividend	20 March 2024
Announcement of the Tender Price	on or around 4.35 p.m. on 26 March 2024
Tender Offer Closing Date and latest time for receipt of TTE Instructions in CREST	10.00 a.m. on 27 March 2024
Announcement of results of the Tender Offer	27 March 2024
Trade Date for the Tender Offer	27 March 2024
Third Quarter Dividend payment date for those shareholders who have not elected to participate in the Tender Offer	28 March 2024
Settlement of the Tender Offer consideration in CREST for those shareholders who have elected to participate in the Tender Offer	28 March 2024

The dates given in this announcement are London time and are based on the Company's current expectations and may be subject to change. Any changes to the expected timetable will be announced via a regulatory information service.

Terms used and not defined in this announcement shall have the meanings given to them in the Circular.

For further information please contact:

#### **Diversified Energy Company PLC**

+1 973 856 2757

Doug Kris

dkris@dgoc.com

www.div.energy

#### **FTI Consulting**

US & UK Financial Public Relations

DEC@fticonsulting.com

#### **About Diversified Energy Company PLC**

Diversified is a leading publicly traded energy company focused on natural gas and liquids production, transport, marketing, and well retirement. Through our differentiated strategy, we acquire existing, long-life assets and invest in them to improve environmental and operational performance until retiring those assets in a safe and environmentally secure manner. Recognized by ratings agencies and organizations for our sustainability leadership, this solutions-oriented, stewardship approach makes Diversified the ***Right Company at the Right Time*** to responsibly produce energy, deliver reliable free cash flow, and generate shareholder value.

#### **Cautionary Statement**

This announcement may contain certain forward-looking statements, including with respect to the Company's current targets, expectations and projections about future performance, anticipated events or



trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as “aim”, “anticipate”, “believe”, “intend”, “plan”, “estimate”, “expect” and words of similar meaning, include all matters that are not historical facts and reflect the directors’ beliefs and expectations, made in good faith and based on the information available to them at the time of the announcement. Such statements involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement and should be treated with caution. Any forward-looking statements made in this announcement by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this announcement to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

# Ashurst

**Put and Call Option Agreement**

**Diversified Energy Company PLC**  
the Company

**Stifel Nicolaus Europe Limited**  
Stifel

In relation to ordinary shares of Diversified Energy Company PLC

26 February 2024

---

**Contents**

<u>1.</u>	<u>Interpretation</u>	<u>2</u>
<u>2.</u>	<u>Tender Offer</u>	<u>5</u>
<u>3.</u>	<u>Put and Call Option</u>	<u>5</u>
<u>4.</u>	<u>Pricing</u>	<u>7</u>
<u>5.</u>	<u>US Broker-Dealer Affiliate</u>	<u>7</u>
<u>6.</u>	<u>Tender Offer Materials</u>	<u>7</u>
<u>7.</u>	<u>Rights over the Maximum Amount</u>	<u>8</u>
<u>8.</u>	<u>Warranties and Undertakings</u>	<u>8</u>
<u>9.</u>	<u>VAT on payments</u>	<u>13</u>
<u>10.</u>	<u>Contribution</u>	<u>14</u>
<u>11.</u>	<u>Termination Notice or Notice to Proceed</u>	<u>15</u>
<u>12.</u>	<u>Notices</u>	<u>15</u>
<u>13.</u>	<u>General</u>	<u>16</u>
<b>Schedule</b>		
<u>1.</u>	<u>Put Option Exercise Notice</u>	<u>18</u>
<u>2.</u>	<u>Call Option Exercise Notice</u>	<u>19</u>
<u>3.</u>	<u>Clause 11.2 Letter</u>	<u>20</u>

**THIS AGREEMENT** is made on 26 February 2024

**BETWEEN:**

- (1) **DIVERSIFIED ENERGY COMPANY PLC** (No. 09156132) whose registered office is at 4th Floor Phoenix House, 1 Station Hill, Reading, Berkshire, RG1 1NB (the **Company**); and
- (2) **STIFEL NICOLAUS EUROPE LIMITED** (No. 03719559) whose registered office is at 4th Floor, 150 Cheapside, London, EC2V 6ET (**Stifel**).

**RECITALS:**

- (A) On 15 February 2024, the Company announced it intended to undertake a tender offer for an amount of up to USD42,000,000.
- (B) Stifel intends to make, as principal, an invitation to Qualifying Shareholders to tender Shares to Stifel on the terms and conditions set out in the Circular.
- (C) This agreement documents the terms agreed between the Company and Stifel on which the Tender Offer would be undertaken, in particular, that (i) Stifel agrees to carry out the Tender Offer as principal; (ii) the Company agrees to grant Stifel an option for Stifel to require the Company to acquire from Stifel up to 3,881,238 Shares; and (iii) Stifel agrees to grant the Company an option for the Company to require Stifel to sell up to 3,881,238 Shares to the Company, subject to the maximum consideration payable for the Tendered Shares not exceeding USD42,000,000.
- (D) The Tender Offer is being carried out by Stifel outside the United States and by Stifel, Nicolaus & Company, Incorporated (**SNCI**) in the United States on the terms and conditions set out in the Circular and this agreement.

**NOW THE PARTIES AGREE AS FOLLOWS:**

**1. Interpretation**

- 1.1 In this agreement, the following expressions shall have the respective meanings set out below, unless the context otherwise requires:

**Announced USD/GBP Rate** means the US dollars to pounds sterling exchange rate for determining the pound sterling equivalent of the Q323 Dividend, expected to be announced by the Company via a RIS on 20 March 2024;

**Applicable Law and Regulation** has the meaning given to it in clause 8.1(f)(i);

**affiliate** shall have the meaning provided under Rule 501(b) of Regulation D under the US Securities Act of 1933, as amended;

**Call Option** has the meaning given to it in clause 3.1(b)(ii);

**Call Option Exercise Notice** has the meaning given to it in clause 3.3;

**Call Option Period** has the meaning given to it in clause 3.3;

**Circular** means the circular to be sent to Shareholders on 26 February 2024;

**Closing Date** has the meaning given to it in the Circular, expected to occur on 27 March 2024;

**Completion** has the meaning given to it in clause 3.5;

**CREST** means the paperless settlement system administered by Euroclear UK and International Limited;

**Exchange Act** means the US Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder;

**Funds Date** means the date being two Business Days prior to the Closing Date, expected to occur on 25 March 2024;

**Group** means the Company and its subsidiary undertakings (as such term is defined in section 1162 of the Companies Act 2006) from time to time, and all of them and each of them as the context admits and **Group Company** means any one of them;

**Indemnified Persons** means each of Stifel, the Stifel Group and each of their respective Relevant Persons, in each case, whether present or future;

**Liabilities** has the meaning given to it in clause 8.4;

**Losses** means all and any losses, damages, costs, liabilities, demands, charges, expenses or reimbursements of any nature in any jurisdiction (including all legal fees and other costs and expenses properly incurred in connection with the investigation, preparation, dispute, defence or settlement of any actual or potential Liabilities) and Taxes (other than VAT in respect of which the Company's liability is established in accordance with clause 9, Tax incurred by any Indemnified Person on its actual net income, profits or gains or Transfer Taxes in respect of which the Company is liable under clause 3.8 below or would be so liable but for an exclusion applicable thereto), joint or several, as incurred;

**Maximum Amount** has the meaning given to it in clause 3.10;

**Offer to Purchase** means the offer to purchase to be sent to Shareholders in the United States on 26 February 2024;

**Put Option** has the meaning given to it in clause 3.1(b)(i);

**Put Option Exercise Notice** has the meaning given to it in clause 3.2;

**Put Option Period** has the meaning given to it in clause 3.2;

**Qualifying Shareholders** has the meaning given to it in the Circular;

**Receiving Agent** means Computershare Investor Services PLC;

**Relevant Persons** means the directors, officers, employees, consultants and agents of Stifel or any member of the Stifel Group and any successor or assign of such persons;

**Required Amount** means an amount equal to the lower of (a) the Maximum Amount; and (b) the maximum aggregate consideration payable for the Tendered Shares, as calculated in accordance with clause 4;

**RIS** means one of the regulatory information services authorised by the Financial Conduct Authority to receive, process, and disseminate regulated information from listed companies;

**Schedule TO** means the Tender Offer Statement on Schedule TO to be filed with the US Securities and Exchange Commission in connection with the Tender Offer pursuant to the requirements of Rule 13e-4 under the Exchange Act;

**Shares** means the ordinary shares of 20 pence each in the capital of the Company, including depositary interests representing an interest in such shares;

**Stifel Group** means Stifel and each person who controls Stifel within the meaning of the US Securities Act of 1933, as amended, or the Exchange Act and each of Stifel's or any such person's respective affiliates, subsidiaries, branches, associates and holding companies and the subsidiaries of any such affiliates, subsidiaries, branches, associates and holding companies;

**Tax** or **Taxes** means all taxes, levies, imposts, duties, charges or withholdings of any nature whatsoever whether of the United Kingdom or elsewhere and wherever imposed, together with all penalties, charges and interest relating to any of the foregoing and regardless of whether chargeable directly or primarily against or attributable directly or primarily to a Group Company or any other person;

**Tax Authority** means any taxing or other authority competent to impose any liability in respect of Tax or responsible for the assessment, administration and/or collection of Tax or enforcement of any law in relation to Tax;

**Tender Conditions** means the terms and conditions of the Tender Offer set out in Part II of the Circular;

**Tender Offer** means the invitation by Stifel to Qualifying Shareholders to tender Shares to Stifel at the Tender Price on the terms and conditions set out in the Circular;

**Tender Price** has the meaning given to it in the Circular;

**Tender Offer Materials** has the meaning given to it in clause 6.1(a);

**Tendered Shares** means the Shares which are validly tendered by Qualifying Shareholders;

**Transfer Taxes** means all stamp duty, stamp duty reserve tax, documentary registration, issue, transfer and other similar duties or Taxes (including related costs, interest and penalties) whether imposed in the United Kingdom or any other jurisdiction;

**Unconditional Date** means the date on which the Unconditional Time occurs;

**Unconditional Time** means 10.00 a.m. (London time) on 27 March 2024 (or such later date and time as may be agreed by the Company and Stifel in writing) at which time the Tender Offer shall become unconditional;

**US or United States** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

**US Offer** has the meaning given in clause 5; and

**VAT** means value added tax as charged under the Value Added Tax Act 1994 and any other similar sales or turnover tax within the European Union or elsewhere.

1.2 Except where the context otherwise requires, words and expressions used but not defined in this agreement shall bear the same meaning as given to them in the Circular.

1.3 In this agreement, unless otherwise specified, reference to:

- (a) **includes** and **including** shall mean including without limitation;
- (b) a party means a party to this agreement and includes the successors in title to that part of its undertaking which includes this agreement;
- (c) a person includes any person, individual, company, firm, corporation, government, state or agency of a state or any undertaking or organisation (whether or not having separate legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists);
- (d) a statute or statutory instrument or any of their provisions is to be construed as a reference to that statute or statutory instrument or such provision as the same may have been before or after the date of this agreement amended or re-enacted (provided that no modification subsequent to the date of this agreement shall increase or extend the liability of any party under this agreement);
- (e) Recitals, clauses, paragraphs, or Schedules are to Recitals, clauses and paragraphs of and Schedules to this agreement. The Schedules form part of the operative provisions of this agreement and references to this agreement shall, unless the context otherwise requires, include references to the Recitals and the Schedules;
- (f) headings to clauses and paragraphs are included for convenience only and shall be disregarded in the interpretation of this agreement;

- (g) words denoting the singular shall include the plural and vice versa and words denoting any gender shall include all genders; and
  - (h) the time of day is reference to time in London, England.
- 1.4 Where this agreement refers to an indemnity or contribution being provided or a payment being made on an **after-tax basis** such references shall be construed as meaning that the amount payable pursuant to such indemnity, contribution or payment (the **Payment**) will be calculated in such a manner as to ensure that, after taking into account:
- (a) any Tax required to be deducted or withheld from the Payment; and
  - (b) the amount and timing of any additional Tax which becomes payable by the recipient of the Payment as a result of the Payment being subject to Tax in the hands of the Recipient,
- the recipient of the Payment is in the same position as that it would have been in if the matter giving rise to the Payment under the indemnity, contribution or payment had not occurred.

## 2. Tender Offer

The parties hereby agree that Stifel will carry out, as principal (and not as agent, nominee or trustee), the Tender Offer on the terms and subject to the conditions set out in Part II of the Circular and in accordance with the terms of this agreement, and that all Tendered Shares shall be acquired by Stifel as principal on the London Stock Exchange only and not by SNCI or any other affiliate of Stifel.

## 3. Put and Call Option

### 3.1 Subject to:

- (a) the Tender Offer becoming unconditional in all respects and not being terminated in accordance with this agreement or the Circular; and
- (b) Stifel being registered within CREST as the holder of the Tendered Shares:
  - (i) the Company hereby grants to Stifel an option to require the Company to purchase the Tendered Shares from Stifel (the **Put Option**); and
  - (ii) in the event that Stifel does not deliver a Put Option Exercise Notice during the Put Option Period, Stifel hereby grants to the Company an option to require Stifel to sell the Tendered Shares to the Company (the **Call Option**),

in each case, on the terms of this agreement.

- 3.2 Subject to clause 3.4, notice to exercise the Put Option may be given at any time following Stifel being registered within CREST as the holder of all (but not part only) of the Tendered Shares and during the period commencing at the Unconditional Time (or such other time or date as the parties agree) and ending at 3.00 p.m. on the Unconditional Date (or such other time or date as the parties agree) (the **Put Option Period**) in respect of all (but not part only) of the Tendered Shares, by way of written notice from Stifel to the Company in the form set out in Schedule 1 to this agreement (the **Put Option Exercise Notice**). For the avoidance of doubt, any announcement by, or on behalf of, the Company of the number of Tendered Shares prior to the Closing Date shall not constitute the announcement of the results of the Tender Offer.
- 3.3 Subject to clause 3.4, notice to exercise the Call Option may be given at any time during the period commencing from the end of the Put Option Period (or such other time or date as the parties agree) and ending on 5.00 p.m. on the Unconditional Date (or such other time(s) or date(s) as the parties agree) (the **Call Option Period**) in respect of all (but not part only) of the Tendered Shares, by way of written notice from the Company to Stifel in the form set out in Schedule 2 to this agreement (the **Call Option Exercise Notice**).
- 3.4 Following service of a Put Option Exercise Notice pursuant to clause 3.2 or a Call Option Exercise Notice pursuant to clause 3.3, no further Put Option Exercise Notice or Call Option Exercise Notice may be served.

- 3.5 Completion of the sale and purchase of the Tendered Shares pursuant to the exercise of the Put Option or the Call Option (as applicable) (**Completion**) shall occur as soon as is reasonably practicable following completion of the transfer referred to in clause 3.6(c) and the exercise of the Put Option or the Call Option (as applicable) and no later than 5.00 p.m. on the Unconditional Date.
- 3.6 The Company shall procure that the Receiving Agent:
- (a) provides to the Company and Stifel the number of Ordinary Shares that have been validly tendered under the Tender Offer at the Tender Price, the aggregate cash consideration to be paid to Shareholders pursuant to the Tender Offer and the aggregate cash to be paid to Shareholders pursuant to the Q323 Dividend by no later than 12.30 p.m. on the Unconditional Date;
  - (b) confirms to the Company and Stifel that it holds all of the Tendered Shares in its escrow account by no later than 12.30 p.m. on the Unconditional Date; and
  - (c) instructs the transfer of the Tendered Shares to Stifel on a free of payment basis as soon as possible following the Unconditional Time such that Stifel is registered within CREST as the holder of the Tendered Shares prior to 3.00 p.m. on the Unconditional Date.
- 3.7 At Completion: (a) Stifel shall (as principal) sell the Tendered Shares by way of a market purchase (within the meaning of Section 693 of the Companies Act 2006) as an “on Exchange” trade in accordance with and subject to the rules of the London Stock Exchange, and with such right, interest and title which Stifel acquires in the Tendered Shares pursuant to the Tender Offer; and (b) the Company shall purchase such shares in consideration of the payment by the Company (or Computershare Investor Services PLC on the Company’s behalf) of an amount per Tendered Share that is equal to the Tender Price in accordance with clause 4 below. The parties agree that no Share repurchase transactions will be undertaken pursuant to the Tender Offer on the New York Stock Exchange.
- 3.8 The Company will pay and indemnify Stifel on an after-tax basis against any and all Transfer Taxes, together with any related interest, fines or penalties, attributable to, or arising in consequence of:
- (a) the grant of the Put Option and the Call Option;
  - (b) the acquisition of (or agreement to acquire) Tendered Shares by the Company pursuant to, or on the exercise of, the Put Option or the Call Option (as applicable); and
  - (c) provided there has been no breach of clause 8.14(d) of this agreement, any and all Transfer Taxes payable by Stifel as a result of Stifel’s acquisition of the Tendered Shares from Shareholders (excluding any interest, penalties or other damages or charges attributable to any unreasonable delay in paying any Transfer Tax following payment by the Company pursuant to this clause).
- 3.9 Stifel agrees that it shall not sell or otherwise dispose of, or create any liens, charges, restrictions, equitable interests or other encumbrance over the Tendered Shares, or make any claims to the detriment of the Company in relation to any Tendered Shares (or, in each case, agree to do any of the same) between acquiring the Tendered Shares pursuant to valid tenders made in the Tender Offer and, where a Call Option Exercise Notice or Put Option Exercise Notice is served, Completion, or otherwise the expiry of the Call Option Period.
- 3.10 The Company shall ensure that it is in possession of cleared funds (in pounds sterling) in an amount equal to the maximum aggregate amount payable by Stifel for the Tendered Shares at Completion, being an amount equal to USD 42,000,000 or the pound sterling equivalent of USD 42,000,000 at the Announced USD/GBP Rate or such other amount as may be agreed between the parties (the **Maximum Amount**) and that the Company is able to direct such funds without requiring the consent or permission of any person or persons by not later than 10.00 a.m. on the Funds Date (or such other time or date as the Company and Stifel may agree).
- 3.11 By not later than 1.00 p.m. on the Funds Date, the Company shall pay the Maximum Amount in cleared funds to a bank account of the Receiving Agent for the sole purpose of receiving and holding



the Maximum Amount. The Company shall procure that the Receiving Agent shall confirm in writing by no later than 5.00 p.m. on the Funds Date that the Receiving Agent holds the Maximum Amount in cleared funds.

- 3.12 Under no circumstances shall Stifel be bound pursuant to the terms of this agreement or under the Tender Offer to acquire any Tendered Shares until Stifel has received confirmation from the Receiving Agent that the Maximum Amount has been paid by the Company into the Receiving Agent's account.
- 3.13 The Company shall direct the Receiving Agent to apply the Required Amount to settle (a) the payment of the consideration for the purchase of the Tendered Shares by Stifel in accordance with paragraph 4 of Part II of the Circular; and (b) payment of the consideration for the purchase of the Tendered Shares by the Company from Stifel on Completion in accordance with paragraph 4 of Part II the Circular.
- 3.14 The transfer of the Tendered Shares to the Company's nominee account will constitute the absolute discharge of Stifel's obligations under the Tender Offer. Stifel shall have no obligation to make any payment to the extent the amount held by Computershare for payment of the Tendered Shares is less than the Required Amount and shall have no obligation to make up any shortfall in the Required Amount.

#### 4. Pricing

Each Tendered Share acquired by the Company from Stifel on exercise of the Put Option or Call Option shall be at a price per Tendered Share which is equal to the Tender Price.

#### 5. US Broker-Dealer Affiliate

The Company hereby consents to Stifel's use of its US affiliate, SNCI, as US broker-dealer in connection with the Tender Offer as made to holders of Shares in the United States (**US Offer**). Stifel agrees to procure that SNCI shall act as US broker-dealer in connection with the US Offer on behalf of Stifel as purchaser and no relationship between the Company and SNCI shall be deemed to be created as a result of such procurement. The Company agrees that SNCI will have no responsibility with respect to the Tender Offer as made to holders outside of the United States or to purchase any Tendered Shares itself. Stifel shall be responsible for any breach of this agreement by Stifel that arises from any act or omission by SNCI.

#### 6. Tender Offer Materials

- 6.1 The Company agrees:
  - (a) to furnish Stifel with as many copies as Stifel may reasonably request of the Circular, the Schedule TO, the Offer to Purchase, any amendments or supplements thereto, and any other documents, materials, or filings whatsoever relating to the Tender Offer (collectively, as amended or supplemented from time to time, **Tender Offer Materials**) to be used by the Company in connection with the Tender Offer (whether in the US or outside the US); and
  - (b) that, prior to using the Tender Offer Materials, it will submit copies of such materials to Stifel (which will forward copies of such materials to SNCI to the extent that it deems necessary) and will give reasonable consideration to Stifel's and/or SNCI's comments, if any, thereon.
- 6.2 In the event that, in breach of its obligations pursuant to clause 6.1, the Company uses or permits the use of any Tender Offer Materials which:
  - (a) have not been submitted to Stifel for comments; or
  - (b) have been so submitted and with respect to which Stifel and SNCI have made comments (acting reasonably and in good faith), but which comments have not resulted in a response reasonably satisfactory to Stifel to reflect Stifel's or SNCI's comments,

then Stifel and SNCI shall be entitled to withdraw from their role in connection with the Tender Offer and the US Offer, respectively, without any liability or penalty to Stifel or to any other person and without loss of any right to the payment of all expenses payable hereunder which have accrued to the date of such withdrawal.

#### **7. Rights over the Maximum Amount**

- 7.1 Stifel agrees that, unless and until the funds are released pursuant to clause 3.13, the Company is entitled to the full beneficial interest of the Maximum Amount.
- 7.2 From the Funds Date until Completion, the Company shall and shall procure that the Receiving Agent shall:
- (a) not create or have outstanding any security interest over all or any part of its interest in the Maximum Amount (or any account(s) in which the Maximum Amount is held);
  - (b) not transfer, assign or otherwise dispose of all or any part of the Company's interest in the Maximum Amount (or any account(s) in which the Maximum Amount is held);
  - (c) not withdraw any of the Maximum Amount from the relevant account or otherwise reduce the amount held by the Receiving Agent in connection with the Tender Offer to below the Maximum Amount without the prior written consent of Stifel; and
  - (d) following the exercise of the Put Option or Call Option (as applicable), promptly do all such things as may be reasonably requested by Stifel (acting in good faith) to facilitate the exercise of any rights in respect of the Required Amount which Stifel then has under this agreement provided that nothing in this agreement shall require any payment to be made by the Company to Stifel prior to Completion.
- 7.3 The Maximum Amount shall not be affected in any way by:
- (a) any time, indulgence, concession or waiver (other than in writing) given to the Company or any other person, whether by Stifel or any other person; or
  - (b) the winding-up or liquidation of the Company or any other person, or any step being taken for any such winding-up or liquidation.

#### **8. Warranties and Undertakings**

- 8.1 The Company represents, warrants and undertakes to Stifel that:
- (a) the Company is duly incorporated and validly existing under the laws of England and Wales;
  - (b) each Group Company involved in, or otherwise relevant to the implementation of, the Tender Offer has carried on and is carrying on its business and operations in each jurisdiction in which it operates in accordance with all applicable laws, regulations and bye-laws in all respects which could reasonably be expected to be material to the Company or the Group taken as a whole or in the context of the Tender Offer and/or the consummation of the transactions contemplated by this agreement and the Tender Offer Materials;
  - (c) it has, and will have at Completion, sufficient distributable reserves (in accordance with section 705 of the Companies Act 2006) to satisfy the purchase in full by it of the Tendered Shares pursuant to this agreement and the Q323 Dividend;
  - (d) prior to and on the date of Completion, the amount of its net assets (as defined in the Companies Act 2006) will not be less than the aggregate of its called-up share capital and undistributable reserves and the payment of the Required Amount and the Q323 Dividend does not reduce the amount of those assets to less than that aggregate;
  - (e) all material consents, corporate authorities and approvals required by the Company to enter into and perform its obligations under this agreement and to implement the Tender Offer, the

acquisition of the Tendered Shares pursuant to the Tender Offer and all other actions contemplated by the Tender Offer Materials have been obtained or will be obtained prior to the Unconditional Time;

- (f) the purchase of Shares pursuant to the Tender Offer, and the execution and delivery of this agreement and the consummation of the transactions contemplated by this agreement and the Tender Offer Materials:
  - (i) will each comply in all respects with all applicable requirements of law, including any applicable regulation of any governmental agency, authority, or instrumentality (**Applicable Law and Regulation**), and no consent, authorisation, approval, order, exemption, or other action of, or filing with, any governmental agency, authority or instrumentality of the United Kingdom or any jurisdiction therein, the United States or any jurisdiction therein or any other jurisdiction is required in connection with the Tender Offer or the consummation by the Company of the transactions contemplated herein or in the Tender Offer Materials, other than any such filings that have been made and remain effective and any such filings as are required to be made following Completion with H.M. Revenue & Customs, the Financial Conduct Authority, Companies House and the US Securities and Exchange Commission or under US State Securities or “Blue Sky” laws;
  - (ii) will not conflict with, result in a breach of, or constitute a default under, or result in the imposition of any material lien, charge or encumbrance upon any assets of the Company pursuant to, the articles of association of the Company (or other similar instruments governing their activities), or any material loan or credit agreement, indenture, mortgage, note or other agreement or instrument affecting the Company or to which the Company or any other Group Company is a party or by which any of them or any of their respective properties is or may be bound; or
  - (iii) violate any material order, judgment or decree of any court or government agency, authority or instrumentality of the United Kingdom, or any jurisdiction therein, the United States or any jurisdiction therein or any other relevant jurisdiction;
- (g) the Tender Offer Materials each comply, in all material respects, with all Applicable Law and Regulation (including the Companies Act 2006, the Financial Services and Markets Act 2000, the Listing Rules, the rules and regulations of the London Stock Exchange and the rules, policies and procedures laid down by CREST) and the manner in which the Tender Offer Materials are to be published, distributed and/or advertised does not breach any Applicable Law and Regulation of any relevant jurisdiction;
- (h) there is no actual or, so far as the Company is aware, threatened claim, litigation, action, proceeding, challenge, enquiry, censure, order, penalty, investigation or application before any court or governmental, administrative or regulatory agency or authority, domestic or foreign, which could reasonably be expected to be material in the context of the Tender Offer and/or the consummation of the transactions contemplated by this agreement and the Tender Offer Materials;
- (i) the contents of the Tender Offer Materials are true and accurate in all material respects and not misleading (by omission or otherwise), and all expressions of opinion, intention and expectation contained therein are fair and reasonably and honestly held and have been made after due and careful consideration;
- (j) save as fairly disclosed in the Circular or in the Company’s announcements made on any RIS, the Company has no knowledge of any fact or information concerning the Company or any other Group Company, or the operations, assets, condition, financial or otherwise, or prospects of the Company or any other Group Company, which is:
  - (i) “inside information” within the meaning of Article 7 of the UK version of Market Abuse Regulation (EU) 596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018; and/or

- (ii) required by Applicable Law and Regulation to be made generally available to the public, and which has not been, or is not being, or will not prior to the Unconditional Time be, made generally available to the public through the Tender Offer Materials or otherwise;
- (k) when the written notice from the Company referred to in clause 11.2 is delivered pursuant to the terms of this agreement, it will have been duly authorised, executed and delivered by the Company and will be a valid and binding agreement of the Company, enforceable in accordance with its terms and conditions;
- (l) the Company has complied, and will continue to comply, in all material respects, with the applicable sections of the Exchange Act and the applicable rules and regulations thereunder, including, without limitation, to the extent applicable, Sections 10, 13 and 14 of the Exchange Act and Rule 10b-5 and Regulation 13e-4 and Regulation 14E thereunder;
- (m) the Tender Offer is eligible for the Tier II relief provided by Rule 13e-4(i) under the Exchange Act;
- (n) all RIS announcements made or information provided by or on behalf of the Company in connection with the Tender Offer are true and accurate in all material respects and are not misleading and all expressions of opinion, intention or expectation made by the Company to Shareholders in connection with the Tender offer are truly and honestly held and made on reasonable grounds and/or assumptions after due and careful consideration;
- (o) it has the requisite power and authority to execute, deliver and perform its obligations under this agreement and the Tender Offer; and
- (p) this agreement has been duly authorised, executed and delivered by the Company and constitutes legal, valid and binding obligations of the Company enforceable in accordance with its terms and subject to its conditions,

(each a **Company Warranty**).

#### 8.2 Each Company Warranty:

- (a) is separate and independent of each other Company Warranty and shall not be limited or restricted by reference to or inference from the terms of any other Company Warranty or any other provision in this agreement; and
- (b) is given on the date of this agreement and shall be deemed repeated immediately prior to Completion and shall remain in full force and effect notwithstanding Completion.

#### 8.3 The Company undertakes that:

- (a) the Tender Offer will be effected so as to comply with all Applicable Law and Regulation in all material respects;
- (b) it will not amend, waive or vary any of the terms and conditions of the Tender Offer set out in the Circular (to the extent such terms and conditions can be so amended, waived or varied) or grant any third party indulgence in respect of those terms and conditions without prior consultation with Stifel;
- (c) on the date of, but prior to, the publication of the Circular, it will have delivered to Stifel and SNCI opinions of Latham & Watkins LLP as to matters of US law in the form agreed between Stifel and the Company; and
- (d) as consideration for Stifel entering into this agreement and making the Tender Offer, it will pay:
  - (i) to Stifel a trading commission equal to 0.5% of the aggregate price of the Tendered Shares, upon settlement of the purchase of the Tendered Shares pursuant to this agreement; and
  - (ii) all properly incurred and documented fees and expenses relating to the preparation,

printing, posting and publishing of the Tender Offer Materials or otherwise incurred in connection with the Tender Offer, including those of any registrar, depository, soliciting agent, receiving agent, information agent, tax agent, Stifel's legal counsel or other person rendering services to the Company in connection therewith,

together with any VAT properly chargeable in accordance with clause 9;

- (e) it will promptly notify Stifel of:
- (i) any fact, matter or circumstance of which it becomes aware which causes, or could reasonably be expected to cause, any Company Warranty to be untrue or inaccurate in any material respect or misleading in any respect at any time (by reference to the facts and circumstances existing at that time) prior to Completion;
  - (ii) any material breach of any of the terms and conditions of the Tender Offer;
  - (iii) any material breach of its obligations under this agreement;
  - (iv) the occurrence of any event which may cause the Company not to proceed with the Tender Offer;
  - (v) any proposal or requirement to make, amend, or supplement any Tender Offer Materials;
  - (vi) the issuance of any comment or order or the taking of any other action by any regulatory authority (including, without limitation, the Financial Conduct Authority and the US Securities and Exchange Commission) concerning the Tender Offer (and, if in writing, will furnish Stifel a copy thereof); and
  - (vii) any other information relating to the Tender Offer which Stifel may from time to time reasonably request, including without limitation any discussions with Shareholders in relation to their potential participation in the Tender Offer and any irrevocable undertakings entered into in connection with the same.

- 8.4 The Company agrees to indemnify and hold harmless on an on-demand and after-tax basis each Indemnified Person from and against all claims, liabilities, losses or damages (or actions in respect thereof) (collectively, **Liabilities**) or other expenses, whether or not existing or occurring before or after the date of this agreement, which an Indemnified Person may suffer or incur as a result of, or arising out of or in connection with (a) actions taken or omitted to be taken (including untrue statements made or any statements omitted to be made) by the Company or its affiliates; (b) the Tender Offer or any transaction contemplated by this agreement or the Tender Offer Materials; (c) any advice or services rendered or to be rendered by any Indemnified Person in connection with the Tender Offer; (d) actions taken or omitted to be taken by an Indemnified Person with the consent or in conformity with the actions or omissions of the Company or its affiliates; or (e) obligations performed or to be performed by an Indemnified Person under this agreement or pursuant to the Tender Offer. In addition, the Company agrees to reimburse each Indemnified Person for all out-of-pocket expenses (including without limitation, properly incurred and documented legal expenses) as they are incurred by such Indemnified Person in connection with investigating, preparing, conducting, defending, paying, settling or compromising any action or claim which may be instituted, made, asserted, threatened or alleged, in any jurisdiction, against or otherwise involve any Indemnified Person, whether or not in connection with litigation in which any Indemnified Person under this agreement or in seeking advice regarding any action or claim, or in any way related to or in connection with the indemnification provisions contained herein. The Company will not be responsible, however, for any such Liabilities or expenses which are finally judicially determined by a court of competent jurisdiction to have resulted primarily and directly from (and then only to the extent of): (i) such Indemnified Person's fraud, gross negligence or wilful default; or (ii) Stifel's material breach of any regulatory obligation owed to the Company under the FCA Rules in relation to the Tender Offer.
- 8.5 Notwithstanding clause 8.4, but without prejudice to any claim which the Company may have against any other Indemnified Person, no claims may be threatened, brought or established against any

person who is a Relevant Person in their personal capacity in connection with the subject matter of this agreement, the Tender Offer or any transaction contemplated by this agreement or the Tender Offer Materials.

- 8.6 Except in the case of fraud, in no event will any Indemnified Person be liable or obligated in any manner for any consequential, exemplary or punitive damages or lost profits pursuant to this agreement or the Tender Offer and the Company agrees not to seek or claim any such damages or profits in any circumstance.
- 8.7 Notwithstanding any rights or claims which any Indemnified Person may have or assert against any of the Company or its affiliates in connection with this agreement or the Tender Offer, no claim shall be brought by any Indemnified Person in respect of any conduct, action or omission in connection with this agreement or the Tender Offer, or any of the other arrangements contemplated by the Tender Offer Materials or this agreement against any director or any other officer and/or employee of the Company or Group in their personal capacity and Stifel agrees to procure that no such claim is made by any other Indemnified Person or any of its associated companies, in each case, except in the case of fraud or fraudulent misrepresentation.
- 8.8 The Company shall promptly notify Stifel if the Company becomes aware of any matter which may give rise to a liability under the indemnification granted hereunder. The Company agrees that it will not settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought from the Company by any Indemnified Person (whether any Indemnified Person is an actual or potential party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of every Indemnified Person from all liability arising out of such claim, action, suit or proceeding. In addition, the Company will not permit any such settlement, compromise, consent or termination to include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person, without such Indemnified Person's prior written consent.
- 8.9 In the event the Company proposes to engage in any sale, distribution or liquidation of all or a significant part of its assets, or any merger or consolidation and the Company is not to be the surviving or resulting corporation or entity in such merger or consolidation, the Company will give prompt prior notice thereof to Stifel and will make proper provision in a manner reasonably satisfactory to Stifel so that the Company's obligations hereunder are expressly assumed by the other party or parties to such transaction.
- 8.10 The provisions hereunder shall be in addition to any liability the Company may have to any Indemnified Person at common law or otherwise, and shall survive the expiration or termination of this agreement or Completion.
- 8.11 Nothing in this agreement shall limit or exclude a person's liability for fraud or fraudulent misrepresentation or otherwise exclude or restrict any liability which cannot be lawfully excluded or restricted. In particular, nothing in this agreement shall exclude or restrict any duty or liability of Stifel which it has under the Financial Services and Markets Act 2000 or the arrangements for regulating Stifel thereunder, to the extent such exclusion or restriction is prohibited by such arrangements.
- 8.12 The provisions of clauses 8.4 to 8.11 will remain in full force and effect notwithstanding the completion of all matters and arrangements referred to in or contemplated by this agreement or the termination of this agreement or the Tender Offer.
- 8.13 The Company shall not be liable under clause 8.4 for (a) any Taxes on or calculated by reference to the net income, profits or gains actually received by an Indemnified Person; and (b) any Transfer Taxes in respect of which the Company is liable under clause 3.8 or would be so liable but for an exclusion applicable thereto.
- 8.14 Stifel hereby warrants and undertakes to the Company that:
  - (a) it has full power and authority to enter into this agreement and to perform its obligations in connection with the Tender Offer;

- (b) this agreement constitutes a valid and binding agreement of Stifel enforceable in accordance with its terms;
- (c) subject to Applicable Law and Regulation, it shall comply with the terms and conditions of the Tender Offer as set out in Part II of the Circular as applicable to it;
- (d) from and including the date of this agreement until and including immediately following Completion, it is:
  - (i) a member of a regulated market on which securities of the same kind as the Ordinary Shares are regularly traded; and
  - (ii) an intermediary and recognised as such by that market in accordance with arrangements approved by the Commissioners for His Majesty's Revenue and Customs for the purposes of sections 80A and 88A of the Finance Act 1986 provided that there shall be no breach of this clause 8.14 if Stifel ceases to be recognised as an intermediary by that market as a result of a change in law or published practice of any Tax Authority after the date of this agreement (unless such change was announced prior to the date of this agreement),

(each, a **Stifel Warranty**).

Any term used in this clause 8.14 shall be interpreted in accordance with the meaning which such term bears in section 80A or 88A of the Finance Act 1986 (as appropriate).

- 8.15 Stifel undertakes to promptly notify the Company if it becomes aware that it no longer meets the conditions set out in clause 8.14(d) for whatever reason at any time prior to the Unconditional Date.

#### **9. VAT on payments**

- 9.1 Where a sum (a **Relevant Sum**) is to be paid or reimbursed to any Indemnified Person in respect of any Losses paid or incurred by such Indemnified Person and that Loss includes an amount in respect of VAT (the **VAT Element**), the Company shall pay an amount to such Indemnified Person in respect of the VAT Element which shall be determined as follows:

- (a) to the extent that the Relevant Sum constitutes payment or reimbursement of the consideration for a supply of goods or services made to any Indemnified Person (or the representative member of the VAT group of which it is a member), including where such person acts as agent for the Company and is treated as receiving and making the supply under Section 47(2A) or Section 47(3) of the Value Added Tax Act 1994, a sum equal to the proportion of the VAT Element that such person certifies represents irrecoverable input tax in its hands (or in the hands of the representative member of the VAT group of which it is a member), and that certificate is to be conclusive save in the case of manifest error; and
- (b) to the extent that the Relevant Sum constitutes for VAT purposes the reimbursement of a Loss incurred by such person as agent for the Company, excluding where such person acts as agent for the Company and is treated as receiving and making a supply in accordance with section 47(3) of the Value Added Tax Act 1994, a sum equal to the whole of the VAT Element,

and where a sum equal to the VAT Element has been reimbursed to such person under clause 9.1(b), such person shall use its reasonable endeavours to provide the Company with a valid VAT invoice in respect of the supply to which the Relevant Sum relates, that is to say a VAT invoice naming the Company as the recipient of the supply and issued either by that person or, if that person has treated the relevant cost or expense as a disbursement for VAT purposes, by the person making the supply (to the extent it is reasonably able to do so).

- 9.2 If the performance by any Indemnified Person of any of its obligations under this agreement shall represent for VAT purposes the making by such person (or the representative member of the VAT group of which it is a member) of any supply of goods or services to the Company that is taxable at a positive rate, the Company shall pay to such person, in addition to the amounts otherwise payable by it to such person pursuant to this agreement, an amount equal to the VAT chargeable on any such

supply, that payment to be made at the same time as the amounts otherwise payable by it to such person pursuant to this agreement subject to the provision by such person to the Company of a valid VAT invoice or, if later, within seven days of the provision by such person to the Company of a valid VAT invoice.

#### **10. Contribution**

- 10.1 If the indemnification provided for in clause 8.4 is unavailable or insufficient for reasons other than the limitations set out within such clause to hold harmless an Indemnified Person, the Company shall contribute on an after-tax basis to the amount paid or payable by such Indemnified Person as a result of the Liabilities referred to therein subject to the exclusions set out in clause 10.3:
- (a) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and Stifel on the other from the transactions the subject of this agreement; and
  - (b) if the allocation provided by clause 10.1(a) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 10.1(a) but also the relative fault of the Company on the one hand and Stifel on the other in connection with the act or statement or omission which resulted in such Liabilities, as well as any other relevant equitable considerations.
- 10.2 The relative benefits received by Stifel shall be deemed to be in the same proportion as the total fees received and retained by Stifel under this agreement.
- 10.3 The relative fault shall be determined by reference to, among other things, whether any such act or alleged act or untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or Stifel on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such act, untrue statement or omission.
- 10.4 The amount paid by an Indemnified Person as a result of the Losses referred to in clause 10.1 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Person in connection with investigating or defending any Claim which is the subject of this clause 10.
- 10.5 Notwithstanding the provisions of this clause 10:
- (a) no Indemnified Person shall be entitled to recover from the Company more by way of a contribution under this clause 10 than it would have been able to recover from such party had the indemnities in clause 8.4 been available to such Indemnified Person; and
  - (b) the Company shall not be liable to pay any amount pursuant to this clause 10 in excess of the amount it would have been liable to pay had the indemnities in clause 8.4 been available to such Indemnified Person.
- 10.6 Each of the Company and Stifel agree that it would not be just and equitable if contribution pursuant to this clause 10.5(a) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in this clause 10.
- 10.7 No person guilty of fraud or fraudulent misrepresentation (within the meaning of Section 11(f) of the US Securities Act of 1933, as amended) will be entitled to any contribution from any person who was not guilty of such fraud or fraudulent misrepresentation.
- 10.8 For the purposes of this clause 10, each person, if any, that controls Stifel within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act and each of Stifel's Indemnified Persons shall have the same rights to contribution as Stifel, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company, and each shall have rights under the Contracts (Rights of Third Parties) Act 1999 to enforce its rights against the Company under this clause 10.
- 10.9 The provisions of this clause 10 shall not affect or be affected by any other agreements to which the Company is party with respect to contribution.



**11. Termination Notice or Notice to Proceed**

- 11.1 The Company reserves the right (as set out in paragraph 8 of Part II to the Circular) to require that Stifel does not proceed with the Tender Offer if the Company concludes in its sole discretion, at any time prior to the delivery of the notice attached as Schedule 3 to this agreement, that the purchase of Shares by Stifel and the subsequent repurchase by the Company may have unexpected adverse Tax consequences (whether by reason of any change in legislation, practice, circumstances or otherwise) for the Company and/or Shareholders as a whole. If the Company exercises such right, Stifel agrees that it shall forthwith terminate the Tender Offer.
- 11.2 On the Unconditional Date and by no later than immediately prior to the Unconditional Time, the Company shall give written notice to Stifel in the form attached as Schedule 3 to this agreement that, in its reasonable opinion, either:
- (a) one or more of the Tender Conditions of the Tender Offer have not been satisfied; or
  - (b) the Tender Conditions set out in paragraph 2.2 of Part II the Circular have been satisfied (or validly waived, as applicable) and that the Company has complied in all respects with its material obligations and is not in material breach of any of the Company Warranties.
- 11.3 Subject to clause 11.4, on receipt of notice pursuant to clause 11.2:
- (a) if the notice is served in the terms set out in clause 11.2(a), the Tender Offer will lapse in accordance with paragraph 2.3 of Part II of the Circular; or
  - (b) if the notice is served in the terms set out in clause 11.2(b), Stifel shall proceed with the purchase of the Tendered Shares under the Tender Offer.
- 11.4 Whether or not the Company has served a notice of the type referred to in clause 11.2, if, before the Unconditional Time, Stifel considers (acting reasonably and in good faith) that the condition set out at paragraph 2.2(m) of the Tender Conditions has not been satisfied, it shall give notice to the Company that it does not intend to waive the condition set out at paragraph 2.2(m) of the Tender Conditions (and in the absence of such notification, the Company shall be entitled to assume that the condition set out at paragraph 2.2(m) of the Tender Conditions has been satisfied).
- 11.5 A termination notice may be served by one of the methods prescribed by clause 12. Alternatively, at Stifel's option, service may be effected by a director or duly authorised employee of Stifel reading the text of the termination notice to any director of the Company over the telephone, whether or not that director is then on any premises of the Company. If service of a termination notice is effected over the telephone, Stifel shall as soon as reasonably practicable and, in any event, within 12 hours, deliver or send to the Company by one of the methods prescribed by clause 12 a notice which:
- (a) states that service of a termination notice has been effected by telephone at a certain time on a certain date;
  - (b) specifies the names of the relevant director or authorised employee of Stifel and that director; and
  - (c) sets out the text which was read over the telephone.
- 11.6 Following service of a notice pursuant to clause 11.4 or 11.5 the Tender Offer shall lapse in accordance with paragraph 2.3 of Part II of the Circular.
- 11.7 Following the Unconditional Time, neither the Company nor Stifel shall have the right to rescind or otherwise terminate this agreement.

**12. Notices**

- 12.1 Any communication to be given in connection with the matters contemplated by this agreement shall except where expressly provided otherwise be in writing and shall either be delivered by (i) hand or same day courier or (ii) email. Delivery by courier shall be regarded as delivery by hand. Such communication

shall be sent to the address of the relevant party referred to in this agreement or to such other address as may previously have been notified to the sending party in accordance with this agreement.

12.2 Each communication shall be marked for the attention of the relevant person as follows:

**Diversified Energy Company PLC**

Address: Diversified Energy Company PLC  
1800 Corporate Drive  
Birmingham, Alabama 35242  
United States of America

Attention: Chief Executive Officer

Email: rhutson@dgoc.com

With a copy to: Diversified Energy Company PLC  
414 Summers Street  
Charleston, WV 25301  
United States of America

Attention: Benjamin M. Sullivan, Senior Executive Vice President and  
Chief Legal & Risk Officer & Corporate Secretary

Email: bsullivan@dgoc.com

**Stifel Nicolaus Europe Limited**

Address: 4th Floor  
150 Cheapside  
London  
EC2V 6ET  
United Kingdom

Attention: Callum Stewart and Jason Grossman

Email: callum.stewart@stifel.com;  
jason.grossman@stifel.com

12.3 A communication shall be deemed to have been served:

- (a) if delivered by hand or same day courier at the address referred to above, at the time of delivery; and
- (b) if delivered by email, when sent (provided the sender does not within one hour of sending receive a message stating that the email was undeliverable).

12.4 If a communication would otherwise be deemed to have been delivered outside normal business hours (being 9.30 a.m. to 5.30 p.m. on a Business Day) under the preceding provisions of this clause, it shall be deemed to have been delivered at the next opening of such normal business hours.

12.5 In proving service of the communication, it shall be sufficient to show that delivery by hand was made or that the envelope containing the communication was properly addressed and couriered or that the email was properly addressed and despatched (as the case may be).

**13. General**

13.1 Each party agrees that on being requested in writing by the other party so to do, it shall forthwith

execute and sign all such deeds and documents and do all such things as may be reasonably necessary in order to give effect to the terms of this agreement.

- 13.2 This agreement shall not create a relationship of agency, fiduciary or advisory between Stifel or SNCI and the Company and neither Stifel nor SNCI shall hold itself out to any vendor of Tendered Shares or to any other person as being the agent of the Company. The Company confirms that in Stifel acquiring Tendered Shares pursuant to valid tenders made in the Tender Offer and in selling Tendered Shares to the Company on exercise of the Put Option or the Call Option (as applicable) Stifel is and will be, in each case, acting as principal (and not as agent, nominee or trustee).
- 13.3 This agreement constitutes the entire and only legally binding agreement between the parties relating to the subject matter of this agreement at the date hereof to the exclusion of any terms implied by law which may be excluded by contract and each party hereto acknowledges that it has not been induced to enter into this agreement by any representation, warranty or undertaking not expressly incorporated into it.
- 13.4 The times and dates set out in the Circular and this agreement are subject to such revision as may be agreed between the parties in writing. The parties agree that any such amendments will be notified to the Shareholders by announcement through a RIS.
- 13.5 No variation of this agreement shall be effective unless made in writing signed by or on behalf of each party and expressed to be such a variation.
- 13.6 No breach of any provision of this agreement shall be waived or discharged except with the express written consent of each of the Company and Stifel, provided that a breach of any provision which is included in this agreement exclusively for the benefit of the Company may, if the Company so determines (in its absolute and unfettered discretion), be waived or discharged unilaterally by the Company and provided that a breach of any provision which is included in this agreement exclusively for the benefit of Stifel or SNCI may, if Stifel so determines (in its absolute and unfettered discretion), be waived or discharged unilaterally by Stifel. No failure or delay by the Company or Stifel to exercise any of its rights under this agreement shall operate as a waiver thereof and no single or partial exercise of any such right shall prevent any other or further exercise of that or any other right.
- 13.7 This agreement may be executed in any number of counterparts and execution by each of the parties or any one of such counterparts will constitute due execution of this agreement.
- 13.8 This agreement shall be governed by and construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any claim, dispute or difference arising out of or in connection with this agreement. However, Stifel shall retain the right to join or counterclaim against the Company in any proceeding to which SNCI or any other Indemnified Person is or will be enjoined or made a party in any other court in any other jurisdiction relating to the Tender Offer, the Tender Offer Materials or the Shares (including, without prejudice to the generality of the foregoing, the making of the Tender Offer or the tender and purchase of the Shares), including, without prejudice to the generality of the foregoing, in any court of competent jurisdiction in the United States.
- 13.9 Save for SNCI and other Indemnified Persons who have been afforded a benefit under this agreement, a person who is not a party to this agreement has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.
- 13.10 Save as otherwise set out in this agreement, neither party may terminate or rescind this agreement for any reason whatsoever.
- 13.11 All warranties and undertakings contained in this agreement shall, save where otherwise expressly provided for in this agreement, remain in full force and effect notwithstanding Completion.
- 13.12 Neither party may at any time assign all or any part of the benefit of, or its rights or benefits under, this agreement without the prior written consent of the other party.

**IN WITNESS** whereof this agreement has been executed on the date first stated above.

**Schedule 1**

**Put Option Exercise Notice**

From: Stifel Nicolaus Europe Limited  
4th Floor  
150 Cheapside  
London, EC2V 6ET

To: Diversified Energy Company PLC  
4th Floor Phoenix House  
1 Station Hill  
Reading, Berkshire  
RG1 1NB

Attention: [•]

**Option Agreement — Put Option Exercise Notice**

We refer to the option agreement dated [•] February 2024 between Stifel and the Company (**Option Agreement**) and the letter from the Company to Stifel given pursuant to clause 11.2 of the Option Agreement. Terms used in this notice shall have the meanings given in the Option Agreement, unless the context otherwise requires.

You have informed us that, in your reasonable opinion, the Tender Conditions set out in paragraph 2.2 of Part II of the Circular have been satisfied (or waived, where applicable) and that the Company has complied in all respects with its material obligations and is not in material breach of any of the Company Warranties (by reference to the facts and circumstances existing at this time). In reliance on this statement and the representations and warranties set out in the Option Agreement, we hereby exercise the Put Option in respect of all of the Tendered Shares.

Yours faithfully

[•]

*[Name and title]*

For and on behalf of  
**Stifel Nicolaus Europe Limited**

**Schedule 2**

**Call Option Exercise Notice**

From: Diversified Energy Company PLC  
4th Floor Phoenix House  
1 Station Hill  
Reading, Berkshire  
RG1 1NB

To: Stifel Nicolaus Europe Limited  
4th Floor  
150 Cheapside  
London, EC2V 6ET

Attention: [•]

**Option Agreement — Call Option Exercise Notice**

We refer to the option agreement dated [•] February 2024 between Stifel and the Company (**Option Agreement**) and the letter from the Company to Stifel given pursuant to clause 11.2 of the Option Agreement. Terms used in this notice shall have the meanings given in the Option Agreement, unless the context otherwise requires.

We have informed you that the Tender Conditions set out in paragraph 2.2 of Part II of the Circular have been satisfied (or waived, where applicable) and that the Company has complied in all respects with its material obligations and is not in material breach of any of the Company Warranties (by reference to the facts and circumstances existing at this time).

Following the expiry of the Put Option Period, we hereby exercise the Call Option in respect of all of the Tendered Shares.

Yours faithfully

[•]

*[Name and title]*

For and on behalf of  
**Diversified Energy Company PLC**

**Schedule 3**

**Clause 11.2 Letter**

From: Diversified Energy Company PLC  
4th Floor Phoenix House  
1 Station Hill  
Reading, Berkshire  
RG1 1NB

To: Stifel Nicolaus Europe Limited  
4th Floor  
150 Cheapside  
London, EC2V 6ET

Attention: [•]

**Option Agreement — Clause 11.2 Letter**

We refer to the option agreement dated [•] February 2024 between Stifel and the Company (**Option Agreement**) and the Circular. Terms used in this notice shall have the meanings given in the Option Agreement, unless the context otherwise required.

[We confirm that the Tender Conditions set out in paragraph 2.2 of Part II of the Circular have been satisfied (or waived, where applicable) and that the Company has complied in all respects with its material obligations and is not in material breach of any of the Company Warranties (by reference to the facts and circumstances existing at this time).] [We hereby give notice that, in our reasonable opinion, one or more of the Tender Conditions of the Tender Offer has or have not been satisfied (or waived, where applicable) and accordingly we do not wish Stifel to proceed with the implementation of the Tender Offer.]<sup>9</sup>

Yours faithfully

[•]

[Name and title]

For and on behalf of  
**Diversified Energy Company PLC**

---

<sup>9</sup> Delete as appropriate.

**Signature Page**

Signed by a director for and on behalf of  
**DIVERSIFIED ENERGY COMPANY PLC:**

Signature

Director name:

Signed by  
duly authorised for and on behalf of  
**STIFEL NICOLAUS EUROPE LIMITED:**

Signature

Authorised Signatory Name:

## Calculation of Filing Fee Table

SC TO-1  
(Form Type)

Diversified Energy Company plc

(Exact name of registrant as specified in its charter)

Table 1 - Transaction Valuation

	Transaction Valuation	Fee Rate	Amount of Filing Fee
<b>Fees to Be Paid</b>	\$ 42,000,000 <sup>(1)</sup>	\$147.60 per \$1,000,000	\$ 6,199.20 <sup>(2)</sup>
<b>Fees Previously Paid</b>			—
<b>Total Transaction Valuation</b>	\$ 42,000,000 <sup>(1)</sup>		
<b>Total Fees Due for Filing</b>			\$ 6,199.20 <sup>(2)</sup>
<b>Total Fees Previously Paid</b>			—
<b>Total Fee Offsets</b>			—
<b>Net Fee Due</b>			\$ 6,199.20 <sup>(2)</sup>

(1) Calculated solely for purposes of determining the amount of the filing fee. This amount is based upon the offer to purchase for cash a maximum of approximately \$42 million, in value, of ordinary shares, £0.20 par value per ordinary share (the "Shares"), of Diversified Energy Company plc, at a maximum price of 105 percent of the average market value of the Shares as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding March 27, 2024, and is used for purposes of calculating the maximum aggregate purchase price for the ordinary shares.

(2) The amount of the filing fee, calculated in accordance with Rule 0-11(b) of the Securities Exchange Act of 1934, as amended, equals \$147.60 per \$1,000,000 of the aggregate amount of the Transaction Valuation (or 0.01476% of the aggregate Transaction Valuation). The Transaction Valuation set forth above was calculated for the sole purpose of determining the filing fee and should not be used for any other purpose.