



Released 07:00 01-Aug-2019

RECOMMENDED CASH OFFER FOR SANDERSON GROUP PLC

RNS Number : 5175H  
Aptean Limited  
01 August 2019

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**1 August 2019**

**RECOMMENDED CASH OFFER**

for

**SANDERSON GROUP PLC**

by

**APTEAN LIMITED**

to be effected by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006

**Summary**

- The boards of directors of Aptean Limited (the "**Aptean Bidco**") and Sanderson Group Plc ("**Sanderson**") are pleased to announce they have reached agreement on the terms of a recommended offer pursuant to which Aptean Bidco will acquire the entire issued and to be issued ordinary share capital of Sanderson (the "**Acquisition**").
- Aptean Bidco is an English incorporated company formed within the group of (and under common control with) Aptean, Inc. ("**Aptean**") and ultimately controlled by funds managed and advised by TA Associates and Vista Equity Partners.
- Under the terms of the Acquisition, each Sanderson Shareholder will be entitled to receive:
 

**in respect of each Sanderson Share 140 pence in cash (the "Consideration")**
- The Consideration represents:
  - a premium of 9.8 per cent. to the Closing Price of 127.5 pence per Sanderson Share on 31 July 2019 (being the last Business Day prior to the date of this Announcement);
  - a premium of 14.8 per cent. to the average Closing Price of 121.9 pence per Sanderson Share for the three month period ending on 31 July 2019 (being the last Business Day prior to the date of this Announcement);
  - a premium of 42.1 per cent. to the average Closing Price of 98.6 pence per Sanderson Share for the twelve-month period ending on 31 July 2019 (being the last Business Day prior to the date of this Announcement); and
  - a value of £90.1 million for Sanderson's issued and to be issued share capital.
- It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement of Sanderson pursuant to Part 26 of the Companies Act 2006, further details of which are contained in the full text of this Announcement and which will be set out in the Scheme Document to be dispatched to Sanderson Shareholders in due course. However, Aptean Bidco reserves the right to implement the Acquisition by way of a Takeover Offer (with the consent of the Panel).
- The Sanderson Directors, who have been so advised by N+1 Singer as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Sanderson Directors, N+1 Singer has taken into account the commercial assessments of the Sanderson Directors.
- Accordingly, the Sanderson Directors intend to recommend unanimously that Sanderson Shareholders vote in favour of the Scheme at the Court Meeting and the Sanderson Resolutions at the Sanderson General Meeting, as the Sanderson Directors have irrevocably undertaken to do in respect of their own beneficial holdings (and have undertaken to use reasonable endeavours to procure in respect of the beneficial holdings of their close relatives) being 8,843,750 Sanderson Shares and 2,691,750 Sanderson Shares under option, in total representing approximately 17.9 per cent. of the issued and to be issued share capital of Sanderson as at the Latest Practicable Date.
- Aptean Bidco has also received irrevocable undertakings from each of David Renshaw and Ross Telford, two senior Sanderson managers, to vote in favour of the Scheme at the Court Meeting and the Sanderson Resolutions to be proposed at the Sanderson General Meeting in respect of their own beneficial holdings (and to use reasonable endeavours to procure the same in respect of the beneficial holdings of close relatives) being 2,810,112 Sanderson Shares in aggregate, representing approximately 4.4 per cent. of the issued and to be issued share capital of Sanderson as at the Latest Practicable Date.
- In addition, Aptean Bidco has received support for the Acquisition from Sanderson Shareholders (including Gresham House Asset Management Ltd., Downing LLP and Unicorn Asset Management Ltd.) holding 17.0 per cent. of the issued and to be issued share capital of Sanderson (as at the Latest Practicable Date). Such Shareholders have irrevocably undertaken to vote in favour of the Scheme at the Court Meeting and the Sanderson Resolutions to be proposed at the Sanderson General Meeting.
- **Aptean Bidco has therefore received irrevocable undertakings to vote in favour of the Scheme, in respect of a total of 25,268,445 of Sanderson Shares and Sanderson Shares under option representing, in aggregate, approximately 39.3 per cent. of the issued and to be issued share capital of Sanderson as at the Latest Practicable Date.**

Further details of these irrevocable undertakings are set out in paragraph 17 of, and Appendix III to, this Announcement.

- The Acquisition will be subject to the Conditions and certain further terms set out in Appendix I to this Announcement.
- The Scheme Document will include further details of the Scheme, together with notices of the Court Meeting and the Sanderson General Meeting and the expected timetable, and will specify the action to be taken by Sanderson Shareholders. The Scheme Document will be sent to Sanderson Shareholders as soon as reasonably practicable, and in any event (save with the consent of the Panel), within 28 days of the date of this Announcement. The Scheme is expected to become Effective in the third quarter of 2019, subject to the satisfaction or (where applicable) waiver of the Conditions.
- The Scheme will be governed by English law and will be subject to the jurisdiction of the courts of England. The Scheme will be subject to the applicable requirements of the Code, the Panel, the rules of the London Stock Exchange and the AIM Rules.

Commenting on the Acquisition, Christopher Winn, Chairman of Sanderson, said:

*"The Board of Sanderson is unanimously recommending this offer to shareholders, viewing it as an endorsement of the Board's strategy and achievement of its execution to date. Considerable shareholder value has been delivered by a progressive dividend policy over the years and this offer now enables shareholders to realise the rewards for their patience, support and investment over the past few years."*

Commenting on the Acquisition, TVN Reddy, Chief Executive Officer of Apteian, said:

*"The acquisition of Sanderson is a significant development for our business, it provides us with a critical entry-point into the UK market, building upon our leading position in the US market and granting an opportunity to accelerate our strategy of becoming the leading global provider of mission critical ERP and supply chain management software to the manufacturing, distribution, and other focused industries. We are excited to work with the management team and employees of Sanderson to build upon their strong position in the UK market, leveraging Apteian's complementary experience, capabilities, network and resources."*

Commenting on the Acquisition, Hythem El-Nazer, Managing Director at TA Associates, said:

*"When we made our investment in Apteian earlier this year, a key tenet of our investment thesis was to leverage TA Associates' global footprint to expand Apteian's reach in the UK and more broadly in Europe. We are excited about the acquisition of Sanderson and believe that the combination is compelling, providing a solid foundation upon which we can build a meaningful and exciting European footprint."*

**This summary should be read in conjunction with, and is subject to, the full text of this Announcement (including its appendices).**

**The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix II to this Announcement contains the sources of information and bases of calculations of certain information contained in this Announcement. Appendix III to this Announcement contains details of the irrevocable undertakings received in relation to the Acquisition. Appendix IV to this Announcement contains definitions of certain expressions used in this summary and in this Announcement.**

#### **Market Soundings**

Market soundings, as defined in the Market Abuse Regulation, were taken in respect of the Transaction with the result that certain persons became aware of inside information, as permitted by the Market Abuse Regulation. That inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to Sanderson and its securities.

Enquiries:

**Apteian Bidco / Apteian** (via Raymond James)

TVN Reddy, Chief Executive Officer

Brad Debold, Senior Vice President of Corporate Development

**Raymond James** (Financial Adviser to Apteian Bidco and Apteian) +44 (0) 203 798 5700

Dominic Emery / Zishaan Arshad

Joe Donnelly / George Watson

**Sanderson Group Plc** +44 (0) 247 628 4325

Christopher Winn, Chairman

**N+1 Singer** (Financial Adviser, Nominated Adviser and Corporate Broker to Sanderson)

Mark Taylor +44 (0) 207 496 3069

James White

Iqra Amin

Orrick, Herrington & Sutcliffe (UK) LLP is retained as legal adviser to Apteian Bidco and Apteian.

Schofield Sweeney LLP is retained as legal adviser to Sanderson.

#### **Important Notices about Financial Advisers**

*Raymond James Financial International Limited ("**Raymond James**"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Apteian and Apteian Bidco and no one else in connection with the Acquisition and the subject matter of this Document, and shall not be responsible to anyone other than Apteian or Apteian Bidco for providing the protections afforded to clients of Raymond James, or for providing advice in connection with the Acquisition and the subject matter of this Document. Neither Raymond James nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Raymond James in connection with this Document, any statement contained herein or otherwise.*

*Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser exclusively for Sanderson and no one else in connection with the Acquisition and the matters set out in this Document, and will not be responsible to any person other than Sanderson for providing the protections afforded to clients of N+1 Singer, nor for providing advice in relation to the Acquisition or any matter referred to herein. Neither N+1 Singer nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of N+1 Singer in connection with this Document, any statement contained herein or otherwise.*

#### **Further Information**

*This Announcement is provided for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor will there be any sale, issuance, exchange or transfer of securities of Sanderson pursuant to the Acquisition or otherwise in any jurisdiction in contravention of applicable law.*

*The Acquisition will be subject to English law and to the applicable requirements of the Code, the Panel, the rules of the London Stock Exchange and the AIM Rules.*

The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of a Takeover Offer, the 'Offer Document'), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of the Scheme or other response in relation to the Acquisition by Sanderson Shareholders should be made only on the basis of the information contained in the Scheme Document. Sanderson Shareholders are advised to read the Scheme Document (including the related Forms of Proxy) carefully once these become available because they will contain important information in relation to the Acquisition.

Aptean Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in structure by which the Acquisition is to be implemented and compliance with all applicable laws, including US securities laws.

#### **Restricted Jurisdictions**

The release, publication or distribution of this Announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Sanderson Shares with respect to the Scheme at the Court Meeting, to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with such requirements or restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and other persons involved in the Acquisition disclaim any responsibility or liability for any violation of such restrictions by any person.

This Announcement has been prepared for the purpose of complying with English law, the Code, the Market Abuse Regulation and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of jurisdictions outside England.

Unless otherwise determined by Aptean Bidco or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. No person may vote in favour of the Acquisition by any use, means, instrumentality or form, and the Acquisition will not be capable of acceptance, from or within a Restricted Jurisdiction, if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from Restricted Jurisdictions, where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation) the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Sanderson Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom will be contained in the Scheme Document.

#### **Additional information for US investors**

The Acquisition relates to the shares of a UK company and is being made by means of a scheme of arrangement provided for under the Companies Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. The Acquisition and the Scheme is subject to the disclosure requirements and practices applicable to UK schemes of arrangement, which differ from the disclosure requirements of US Exchange Act tender offer and proxy solicitation rules and the US Securities Act. If, in the future, Aptean Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable US federal laws and regulations, including any applicable exemptions under the US Exchange Act.

Financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the accounting standards applicable to the financial statements of US companies preparing financial statements in accordance with US GAAP.

The receipt of cash consideration by a US holder for the transfer of its Sanderson Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other tax laws. Each such Sanderson Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him, including under applicable United States state and local, as well as foreign and other tax laws.

No registration statement will be filed with the SEC or any US state securities commission in connection with the Acquisition. Neither the SEC nor any US state securities commission has recommended, or approved or disapproved of, the Acquisition, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the U.S. It may be difficult or impossible for a US holder of Sanderson Shares to enforce their rights and claims, if any, arising out of the US federal securities laws, since Aptean Bidco and Sanderson and some or all their officers and directors may be located in countries outside of the United States and a US holder of Sanderson Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Furthermore, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Cautionary Note Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Sanderson and certain plans and objectives of Aptean Bidco and Aptean with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "shall", or other words of similar meaning (or the negative thereof). These statements are based on assumptions and assessments made by Sanderson, and/or Aptean Bidco, and/or Aptean, as relevant, in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Neither Aptean Bidco nor Sanderson assumes or undertakes any obligation to update, revise or correct any of the information contained in this Announcement including without limitation any forward-looking statements (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in demand for Sanderson's products; industry competition; changes in trading conditions; currency fluctuations and changes in general economic, business and political conditions. All forward-looking statements attributable to Aptean Bidco or Sanderson or the Enlarged Aptean Group or any person acting on either company's behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Actual results may differ naturally from those stated, implied or inferred from the forward-looking statements in this Announcement.

#### **No Profit Forecast, Estimate or Qualified Benefit Statements**

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Sanderson Shares for the current or future financial year would necessarily match or exceed the historical published earnings or earnings per share for Sanderson.

#### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 pm (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosure must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

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

#### **Electronic Communications**

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

#### **Publication on Website and Availability of Hard Copies**

A copy of this Announcement will be available on Sanderson's website at <https://www.sanderson.com> by no later than 12.00 p.m. on the Business Day following the date of publication of this Announcement (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) and Apteian Bidco's website at <http://www.apteian.com> by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into or forms part of this Announcement.

If you have received this Announcement electronically, you may request a hard copy of this Announcement, free of charge, by calling Neville Registrars on +44 (0) 121 585 1131. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Alternatively, you can write to Neville Registrars at Neville House, Steelpark Road, Halesowen, B62 8HD stating your name, and the address to which the hard copy should be sent. You may also request that all future documents, announcements and information be sent to you in relation to the Acquisition should be in hard copy form.

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

#### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### **Rule 2.9 disclosure**

In accordance with Rule 2.9 of the Takeover Code, Sanderson confirms that, as at the date of this Announcement, it has in issue and admitted to trading on AIM 60,472,484 Sanderson Shares. Sanderson does not hold any shares in treasury. The International Securities Identification Number (ISIN) of the Sanderson Shares is GB00B04X1Q77.

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**1 August 2019**

#### **RECOMMENDED CASH OFFER**

for

**SANDERSON GROUP PLC**

by

**APTEIAN LIMITED**

to be effected by means of a Scheme of Arrangement

under Part 26 of the Companies Act 2006

#### **1. Introduction**

The boards of directors of Apteian Bidco and Sanderson are pleased to announce that they have reached agreement on the terms of a recommended offer pursuant to which Apteian Bidco will acquire the entire issued and to be issued ordinary share capital of Sanderson. It is intended that the Acquisition will be effected by means of a scheme of arrangement of Sanderson to be made pursuant to Part 26 of the Companies Act 2006 (the "Scheme").

Apteian Bidco is an English incorporated company within the corporate group of (and under common control with) Apteian and ultimately controlled by funds managed and advised by TA Associates and Vista.

#### **2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out below and in Appendix I and the full terms and conditions to be set out in the Scheme Document, each Sanderson Shareholder will be entitled to receive:

**in respect of each Sanderson Share 140 pence in cash (the "Consideration")**

If any dividend and/or other form of capital return or distribution is announced, declared, made or paid by Sanderson in respect of Sanderson Shares on or after the date of this Announcement and prior to the Effective Date, the Consideration payable in respect of each Sanderson Share under the Acquisition will be reduced by the amount of all or part of any such dividend and/or other form of capital return or distribution (and Sanderson Shareholders shall be entitled to receive and retain that dividend or other distributions).

The Consideration represents:

- a premium of 9.8 per cent. to the Closing Price of 127.5 pence per Sanderson Share on 31 July 2019 (being the last Business Day prior to the date of this Announcement);
- a premium of 14.8 per cent. to the average Closing Price of 121.9 pence per Sanderson Share for the three month period ending on 31 July 2019 (being the last Business Day prior to the date of this Announcement);
- a premium of 42.1 per cent. to the average Closing Price of 98.6 pence per Sanderson Share for the twelve-month period ending on 31 July 2019 (being the last Business Day prior to the date of this Announcement); and
- a value of £90.1 million for Sanderson's issued and to be issued share capital.

**3. Background to and reasons for the Acquisition**

Aptean Bidco believes the Acquisition represents an attractive opportunity to invest in a well-established business with expertise in Enterprise Resource Planning ("ERP"), supply chain and multi-channel retail software. Sanderson is very well-positioned as a vertically-focused vendor to the UK's manufacturing market, as evidenced by the high customer satisfaction and retention rates seen across its customer base. Aptean Bidco believes that there is considerable strategic overlap between the respective businesses of Aptean and Sanderson and clear opportunities to further develop the combined business across the UK and Europe. However, Aptean Bidco also believes that in order to maximise its future potential, Sanderson would be better suited to a private company environment, where initiatives to improve the performance of the business can be implemented effectively, with appropriate support, capital and assistance from Aptean, free from the requirement to meet the public equity market's shorter-term reporting requirements and expectations, and the costs, constraints and distractions associated with being a listed company.

Aptean Bidco believes that Sanderson, with investment from Aptean and access to the Aptean Group's array of services and expertise, has the right platform to take advantage of shifts in its industry which will require providers to develop fully cloud-based offerings, best-in-class product user interfaces ("UI") and digital transformation capabilities. Furthermore, with investment, the Acquisition represents an opportunity to achieve greater client penetration in the end markets that Sanderson currently serves. Further development of the cloud capabilities and UI of Sanderson's products, coupled with greater scale, will allow Sanderson to compete even more effectively with its current competitors and provide the best offering to its customers.

Finally, the Acquisition also brings Aptean greater scale in the European market, and Aptean Bidco believes that Sanderson presents a platform from which to grow Aptean's geographic reach, with the European market being a key strategic focus of both organic and acquisitive growth for Aptean.

**4. Financing of the Acquisition**

Aptean Bidco intends to finance the Consideration payable to Sanderson Shareholders pursuant to the terms of the Acquisition with third party debt incurred by Aptean and on-lent to Aptean Bidco through intercompany loan arrangements. Such third-party debt is to be provided under incremental term facilities to existing credit facilities and arranged by Golub Capital Markets LLC.

Raymond James, in its capacity as lead financial adviser to Aptean Bidco, is satisfied that sufficient cash resources will be available to Aptean Bidco to enable it to satisfy in full the Consideration payable to Sanderson Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

**5. Recommendations**

The Sanderson Directors, who are being advised by N+1 Singer as to the financial terms of the Acquisition for the purposes of Rule 3 of the Code, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Sanderson Directors, N+1 Singer has taken into account the commercial assessments of the Sanderson Directors.

The Sanderson Directors intend to recommend unanimously that Sanderson Shareholders vote in favour of the Scheme at the Court Meeting and the Sanderson Resolutions at the Sanderson General Meeting, as they have irrevocably undertaken to do in respect of their entire beneficial holdings of Sanderson Shares (and as they have undertaken to use reasonable endeavours to procure in respect of the beneficial holdings of their close relatives), amounting in aggregate to 11,535,500 Sanderson Shares and Sanderson Shares under option, representing approximately 17.9 per cent. of the issued and to be issued ordinary share capital of Sanderson as at the Latest Practicable Date.

**6. Background to and reasons for the recommendation**

Sanderson was admitted to trading on AIM in December 2004. Over the last decade, Sanderson has developed a robust track record of delivering consistent growth, in parallel with strengthening the balance sheet and ensuring progressive dividend returns to shareholders. The Board of Sanderson believes that the current equity valuation of Sanderson reflects the Group's track record over the last decade and notes that the offer represents a 14-fold increase, excluding dividend returns, from the share price low of 10 pence per share in 2009.

The Board of Sanderson recognises the scale, global reach and financial resources which Aptean will provide as a partner to the businesses within the Sanderson Group. The Sanderson Board believes that the Acquisition will provide Sanderson with enhanced operational and financial flexibility enabling it to offer a more attractive proposition to its existing customers and to enable an increase in its scale and international presence.

The Sanderson Board notes that Aptean considers that there is an opportunity to accelerate UK growth and to develop a strategy for growth in European accounts, with opportunities to further invest in expanding local sales teams and to leverage existing Sanderson infrastructure to drive pan-European growth. The Board of Sanderson also notes the comments that Aptean Bidco attaches importance to the skills and experience of the Sanderson employees and management team. Aptean has also stated that the Acquisition will offer greater opportunities for Sanderson staff as part of the larger Aptean group, particularly in terms of activities that pertain to developing and expanding UK and European market positions.

The Sanderson Board has considered the opportunity which the Acquisition provides for Sanderson Shareholders to realise the value of their holdings in cash at an attractive premium, especially in the context of a relative lack of liquidity in Sanderson Shares in the current market environment.

Following careful consideration of the above factors and the bid premia outlined in paragraph 2 of this Announcement, the Sanderson Board believes that the offer price of 140 pence per Sanderson Share in cash provides attractive value and certainty for Sanderson Shareholders.

**7. Information on Aptean Bidco and Aptean**

*Information on Aptean Bidco*

Aptean Bidco was incorporated on 7 July 1997 in England and is a sister subsidiary of (and under common control with) Aptean, the main operating company of the Aptean Group.

*Information on Aptean*

Aptean is a global provider of mission-critical, industry-specific software solutions. Aptean's purpose-built ERP and supply chain management solutions help address the unique challenges facing process and discrete manufacturers, distributors and other similarly focused organisations. Aptean's compliance solutions are built for companies

servicing specific markets such as finance, healthcare, biotech and pharmaceuticals.

Aptean serves approximately 2,500 organisations in more than 20 industries across 54 countries. Aptean was formed through the combination of CDC Software Corporation and Consona Corporation in 2012 and is headquartered in Alpharetta, Georgia with additional offices across North America, Europe, and Asia Pacific, as well as an extensive partner channel.

Both Aptean Bidco and Aptean are ultimately controlled by funds managed and advised by Vista and TA Associates. In 2012 Vista completed the buyouts of CDC Software Corporation and Consona Corporation, combining the two businesses to form Aptean. Subsequently, in April 2019, TA Associates acquired joint ownership of Aptean.

Since 2012, Aptean has continued to grow (both organically and as a result of a number of acquisitions). For the last financial year to 31 December 2018, the Aptean Group had approximately \$180 million of consolidated revenues and \$65 million in EBITDA.

#### *Information on TA Associates*

TA Associates is a US-headquartered investment firm with offices in Boston, Menlo Park, London, Mumbai and Hong Kong and employs approximately 170 people globally. TA Associates has raised more than \$32 billion in capital since its founding in 1968 and is currently committing to new investments at the pace of over \$2 billion per year.

TA Associates Management LP ("TA Investment Manager") advises 18 private equity funds (the "TA Funds"). As at end of 2018, the portfolio companies in which the TA Funds were invested employed in excess of 80,000 people and generated combined revenues of over \$6 billion.

TA Associates is focused on targeted sectors within five industries - technology, healthcare, financial services, consumer and business services (including current investments in 42 technology companies). TA Associates invests in profitable, growing companies with opportunities for sustained growth, and has invested in more than 500 companies around the world. Investing as either a majority or minority investor, TA employs a long-term approach, utilising its strategic resources to help management teams build lasting value in high quality growth companies.

The TA Investment Manager is a Delaware limited partnership and acts as the registered investment adviser to each general partner of the TA Funds, each a Cayman limited partnership, and is registered with the SEC (registration number: SEC# 801-74026). The ultimate general partner of each TA Fund is TA Associates, L.P., a Delaware limited partnership (the "TA GP Entity"). Each of TA Investment Manager and the TA GP Entity, is ultimately wholly-owned by employees of TA Associates, comprised of its Managing Directors, Senior Advisers and Advisers.

#### *Information on Vista*

Vista is a US-based investment firm with offices in Austin, Chicago, New York City, Oakland, and San Francisco and employs approximately 430 employees, including 110 investment professionals. Vista has more than \$50 billion in cumulative capital commitments.

Vista Equity Partners Management, LLC, a Delaware limited company, has advised or currently advises approximately 16 private equity funds (the "Vista Funds"). As at end of 2018, the portfolio companies in which the Vista Funds were invested employed in excess of 70,000 people and generated combined revenues of over \$14 billion.

Vista exclusively invests in enterprise software, data, and technology-enabled organisations led by world-class management teams. As a value-added investor with a long-term perspective, Vista contributes professional expertise and multi-level support towards companies to realise their full experience in structuring technology-oriented transactions, and proven management techniques that yield flexibility and opportunity.

## 8. **Information on Sanderson**

Sanderson is a specialist provider of digital technology solutions, innovative software and managed services for the retail, wholesale, supply chain logistics, food and drink processing and manufacturing market sectors. Sanderson provides its services through two divisional businesses: the Enterprise Division and the Digital Retail Division.

The Board of Sanderson believes that the name and brand of Sanderson are widely recognised in the UK as a credible and specialist provider of quality software and IT services.

Sanderson was founded in 1983 and floated on the Unlisted Securities Market of the London Stock Exchange as Sanderson Electronics Plc in 1988 and thereafter achieved a full listing in 1990. In 1999, the 'take private' of Sanderson Group Plc was led by Christopher Winn and six senior managers, backed by the Alchemy Plan, which enabled the founding directors to exit. On 13 December 2004, Sanderson Group Plc was admitted to the London Stock Exchange's AIM.

Sanderson has grown organically and through strategic acquisitions. Recent acquisitions include the acquisition of Gould Hall, a specialist provider of logistics solutions, for a maximum consideration of £4.0 million payable in cash and Sanderson Shares in May 2019 and the acquisition of Anisa Consolidated Holdings Limited, an integrated supply chain and enterprise resource planning solutions provider for an enterprise value of £12.0 million in November 2017.

Sanderson, for the majority of its business, develops and owns the intellectual property rights to its 'package' software. Sanderson provides this software to the majority of customers on the basis of an annual 'right to use' licence or 'term' licence. The Sanderson Group's expert staff develop, implement, support and provide consultancy services to customers ensuring that the full benefits of the installed systems are realised. Long-term customer relationships are nurtured and developed over the long term, which supports annual customer retention rates of over 97 per cent.

The Enterprise Division, representing 72 per cent. of revenue and 67 per cent. of profit from operating activities in the year ended 30 September 2018, comprises three market-focused businesses which operate in the manufacturing, wholesale distribution and supply chain logistics sectors. Productivity gains, improved efficiency and cost savings are key drivers influencing customers' investment decisions. The Enterprise Division offers industry-specific software to meet customer needs and to drive business growth in these sectors.

The Digital Retail Division provides comprehensive and innovative solutions to businesses operating in ecommerce, mobile commerce and retail. It represented 28 per cent. of revenue and 33 per cent. of profit from operating activities in the year ended 30 September 2018. Sanderson partners with retailers in digital transformation programmes to deliver 'digital theatre' and seamless shopping experiences. Market demand in this area is strong and solutions include in-store technology, back-office systems for processing sales and fulfilling orders and mobile and ecommerce applications which enable customers to engage with consumers and thereby to maximise sales.

Whilst investment continues across all of the Sanderson Group's businesses, particular emphasis has been placed on enhancing mobile and ecommerce solutions which are designed to capitalise on the drive for digital transformation in retail, wholesale and supply chain logistics. Sanderson also continues to strengthen its proposition in the food and drink processing sector of manufacturing, where the Sanderson Group has achieved considerable success and built a strong reputation with a growing market presence. Mobile applications and business intelligence solutions continue to be developed to address all of the Sanderson Group's markets. In addition, there are exciting new opportunities to expand subscription, cloud and managed services revenues and hosted managed solutions which are now available to all Sanderson customers from the Sanderson Group's own data centre.

In its latest full financial year to 30 September 2018, Sanderson achieved total consolidated revenues of £32.1 million (2017: £21.6 million) and operating profit (stated before the amortisation of acquisition-related intangibles, share-based payment charges and one off non-recurring items) of £5.2 million (2017: £3.9 million). As at 30 September 2018, Sanderson had total assets of £61.4 million (2016: £44.1 million), net assets of £34.4 million (2017: £27.9 million) and net cash of £3.0 million.

Sanderson announced its interim results for the six-month period ended 31 March 2019 on 15 May 2019. Further strong progress was reported with trading results, stated under the new IFRS 15 accounting standard, ahead of management's expectations. There were strong performances from both the Enterprise Division and the Digital Retail Division within Sanderson. Revenue grew by 18 per cent. to £17.2 million (2018: £14.6 million) and operating profit (stated before the amortisation of acquisition-related intangibles, share-based payment charges and one off non-recurring items) increased by 34 per cent. to £2.8 million (2018: £2.1 million).

Trading since 31 March 2019 has continued to be in line with the Sanderson Board's expectations and the high level of pre-contracted recurring income and strong order book have been augmented by a number of new customers gained across the Sanderson businesses. Sanderson continues to have a continuing level of good business momentum, with strong sales prospects across both divisions within the Sanderson Group.

## 9. Intentions with regards to the business, employees and the Sanderson Pension Schemes

### *Business of the Sanderson Group*

Prior to the date of this Announcement, Apteau Bidco has been granted access to Sanderson's senior management team for the purpose of undertaking confirmatory due diligence. As a result of that diligence process, Apteau Bidco has been able to develop a preliminary strategy that it anticipates delivering for the Sanderson business. Upon the Acquisition becoming Effective, Apteau Bidco will benefit from having greater access to the business, employees and customers of Sanderson and will be able to formulate more detailed long-term strategic and operational plans for both the Sanderson Group and the Apteau Group (with effect from the Effective Date, together the "**Enlarged Apteau Group**").

It is anticipated that more detailed long-term strategic and operational planning will take place in the six months following the Effective Date and will include plans to grow Sanderson, further invest in Sanderson's product offering and to align employees and management with such initiatives.

From the due diligence that Apteau Bidco has been able to conduct to date, Apteau Bidco believes that Sanderson is a well-positioned business that will make an excellent partner for Apteau as it advances its European growth strategy organically and through acquisition. Apteau Bidco also recognises that Sanderson's two divisions, the Enterprise Division and the Digital Retail Division, are complementary, if not directly adjacent, and therefore this next stage of planning may result in the development of separate, focused strategies for each division.

### *Enterprise Division*

Sanderson's Enterprise Division has direct complementarity with the majority of Apteau's existing operations. The integration of this division into the Apteau Group is therefore a high priority initiative, with a focus on the following areas:

- there is the potential to invest in Sanderson's Enterprise product offering, focusing in particular on the UI and cloud deployment of the products, utilising Apteau's disciplined, customer-centric approach to product management. Apteau Bidco intends to continue to support and service all existing Sanderson software and has no current intentions to migrate Sanderson's customers to new product platforms;
- Sanderson's Enterprise Division's organisational structure already fits within Apteau's structure, which focuses on four manufacturing segments. Therefore, where Sanderson and Apteau have complementary industry domain knowledge, Apteau Bidco intends to share this actively across the Enlarged Apteau Group in order to benefit from its increased scale and international reach;
- Sanderson's Enterprise Division's sales function has no significant geographical overlap with Apteau and it is not anticipated that a review of this function will create any duplication that would result in surplus staff;
- there is an opportunity to accelerate the growth of key UK accounts and develop a growth strategy for key European accounts. In addition, there is scope to invest more significantly in expanding local sales teams, taking advantage of Sanderson's existing infrastructure to drive pan-European growth; and
- Apteau Bidco intends to integrate the Enlarged Apteau Group's procurement capabilities to provide greater purchasing power to the Sanderson Group.

### *Digital Retail Division*

Sanderson's Digital Retail Division has an adjacent overlap with Apteau's existing operations, however Apteau does not currently provide multi-channel retail software as part of its product portfolio. Apteau Bidco therefore believes that the Digital Retail Division will require its own focused strategy as part of the Enlarged Apteau Group. This will be further explored as part of the post-Effective Date review, which will include:

- reviewing the strategy of the Digital Retail Division, including its products, customers served, pricing and cost structures;
- in-depth review of the competitive market standing of the Digital Retail Division;
- identifying opportunities for additional investment in the products provided by the Digital Retail Division, with the objective being to drive profitable growth within the Digital Retail Division; and
- broader strategic options for the Digital Retail Division, following the review of the points listed above.

It is anticipated that the Enlarged Apteau Group will continue to use Sanderson's brand name and associated brands for at least twelve months after the Effective Date, whilst Apteau assesses the value of Sanderson's brands and decides on whether it will discontinue or continue their use in part or all of the Sanderson business.

Apteau Bidco and the Apteau Group intend to invest both organically and potentially via acquisitions to expand this market position. Acquisitions could involve smaller companies that fit within Sanderson's existing offering or larger companies that sit adjacent to Sanderson (in terms of geography and/or product offering). Apteau has a track record of making multiple acquisitions in each calendar year and at any point in time it is typically evaluating several potential opportunities across North America, the UK and Europe, each at varying stages of engagement.

Once Sanderson ceases to be a listed company, Apteau Bidco will also perform a full review of Sanderson's corporate (including PLC-related functions), technical and support functions. The review and integration process may identify opportunities to leverage skills and talents across the Enlarged Apteau Group and may also lead to the identification of surplus headcount where there is unnecessary duplication or where operational efficiencies can be achieved.

Apteau Bidco intends to maintain Sanderson's existing corporate headquarters in Coventry. In conjunction with the aforementioned review of functions, Apteau Bidco will also perform a full review of Sanderson's eight other locations and this may lead to the identification of requirements for: new locations; locations for future growth and investment; and/or locations where there is unnecessary duplication or where operational efficiencies can be achieved. Apteau Bidco has no intentions to redeploy the fixed assets of Sanderson.

The Non-Executive Directors and Christopher Winn intend to resign as directors of Sanderson with effect from completion of the Acquisition. In order to assist with the integration of Sanderson into the Wider Apteau Group, Christopher Winn, John Paterson and David Gutteridge may provide consultancy services to the Enlarged Apteau Group up to 31 December 2019, if requested to do so by the directors of Apteau Bidco.

### *Research and Development*

Apteau's track record, and preference following its acquisitions, is to maintain the existing product offerings of its acquired companies and to increase development on those products, bringing to the acquired company its own technical expertise and disciplined, customer-centric approach.

Apteau Bidco intends to take the same approach with Sanderson following the Acquisition. As part of this approach, Apteau Bidco will perform a full review of Sanderson's product development roadmap and existing research and development functions.

This may lead to the identification of areas where spend can be increased in order to develop new functionality or accelerate the existing roadmap and/or it may lead to the identification of certain areas of surplus research and development headcount where operational efficiencies can be achieved across the Enlarged Apteau Group's existing research and development functions, which include offshore development capabilities.

### *Employees*

Apteau Bidco attaches great importance to the skills and experience of Sanderson's employees, including its management team. Apteau Bidco believes that the Acquisition will generally result in greater opportunities for Sanderson's staff as part of the Enlarged Apteau Group, particularly in terms of activities that pertain to

developing and expanding its market position in the UK and across Europe.

Following the Acquisition becoming Effective, Apteian Bidco intends to review the management, governance and incentive structure of Sanderson. Apteian Bidco has confirmed that it will adopt and move forward with the pay schemes for all employees currently in place and that annual objectives for bonus eligible employees will be redefined to align with new annual and longer-term strategies.

Apteian Bidco has not entered into, has not had discussions on proposals to enter into, and will not do so prior to the Acquisition becoming Effective, any form of incentivisation arrangements with members of Sanderson's management, other than to confirm the above statement and to indicate that it may put in place incentive arrangements for certain members of the Sanderson management team following completion of the Acquisition to achieve short-term and long-term objectives, commensurate with the position, relative contribution of the individual to the overall company, compensation history and private company norms.

As set out above, and following the full review of Sanderson's support, technical, corporate and research and development functions, Apteian Bidco would intend to reduce Sanderson's headcount where any duplications are identified. It is considered likely that a number of corporate and support functions, including certain functions related to Sanderson's status as a publicly listed company, may require reduced headcount.

Apteian Bidco does not expect or intend this further review to have a material impact on the balance of skills and functions at Sanderson.

#### *Pensions*

Apteian Bidco recognises the importance of the Sanderson Group's pension obligations and of ensuring that its pension schemes are appropriately funded in accordance with statutory requirements.

The Sanderson Group Retirement Benefit Scheme is a defined benefit occupational pension scheme (the "**DB Scheme**"). The DB Scheme has two legally separate segregated sections. The Sanderson Group sponsors the legally segregated section of the DB Scheme known as the "**Sanderson Section**" (the "**Sanderson DB Section**").

The Sanderson DB Section is closed to the admission of new members and to the further accrual of benefits by existing members.

Subject to any specific agreements that may be reached with the trustee of the DB Scheme, Apteian Bidco plans to maintain contributions payable to the Sanderson DB Section under the existing schedule of contributions entered into pursuant to Part 3 of the Pensions Act 2004.

Prior to the date of this Announcement Apteian Bidco has held constructive discussions with the Trustee in relation to the impact of the Acquisition on the Sanderson DB Section. Over the coming days, Apteian Bidco intends to engage further with the Trustee as soon as appropriate.

The Sanderson Group also operates defined contribution pension arrangements in respect of its employees in the United Kingdom. Save as may be required under legislation, Apteian Bidco does not currently plan to make any changes to the terms of such defined contribution pension arrangements.

#### *Trading facilities*

The Sanderson Shares are currently admitted on AIM. As set out in paragraph 15 of this Announcement, a request will be made to the London Stock Exchange to cancel the admission to trading of the Sanderson Shares on AIM, to take effect from on or shortly after the Effective Date.

#### *Impact of the Acquisition on Apteian*

Other than as described above, the Acquisition will not have any impact on the Apteian Group's business, its employees or management.

### 10. Acquisition-related Arrangements

#### *Confidentiality Agreement*

TA Investment Manager and Sanderson entered into a confidentiality agreement dated 29 March 2019 (the "**Confidentiality Agreement**") pursuant to which each party agrees, among other things, to keep confidential information each other's confidential information and not to disclose such confidential information to third parties (other than with the written consent of the other party to named partners, advisers, potential financing sources and their respective representatives) unless, among other circumstances, required by law or regulation or at the request of applicable regulatory, governmental or supervisory organisations.

A summary of the Confidentiality Agreement will be set out in the Scheme Document.

### 11. Conditions to the Acquisition

The Acquisition is subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document including, among other things:

- (a) the Court Meeting and the Sanderson General Meeting being held no later than the 22<sup>nd</sup> day after the expected date of such meetings to be set out in the Scheme Document (or such later date as may be agreed by Apteian and Sanderson and the Court may allow);
- (b) the approval of the Scheme at the Court Meeting and approval of the Sanderson Resolutions at the Sanderson General Meeting by the requisite majorities of Sanderson Shareholders;
- (c) the Scheme being sanctioned by the Court on or before the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed by Apteian Bidco and Sanderson and the Court may allow); and
- (d) the Scheme becoming Effective by the Long Stop Date.

### 12. The Scheme

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Sanderson and the Scheme Shareholders, under Part 26 of the Companies Act. The procedure requires approval by Sanderson Shareholders at the Court Meeting and at the Sanderson General Meeting, and sanction of the Scheme by the Court. The Scheme will be set out in full in the Scheme Document.

The purpose of the Scheme is to provide for Apteian Bidco to become the holder of the entire issued and to be issued share capital of Sanderson. This is to be achieved by the transfer of the Scheme Shares to Apteian Bidco, in consideration for which the Scheme Shareholders will receive the Consideration.

To become Effective, the Scheme requires, among other things, the approval of a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) who are on the register of members of Sanderson at the Scheme Voting Record Time present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the votes attached to the Scheme Shares cast by those Scheme Shareholders (or the relevant class or classes thereof, if applicable). The Scheme also requires the passing at the Sanderson General Meeting of the Sanderson Resolutions. The Sanderson General Meeting is expected to be held immediately after the Court Meeting. Following the Sanderson Meetings, the Scheme must be sanctioned by the Court. Finally, a copy of the Court Order must be delivered to the Registrar of Companies for registration, upon which the Scheme will become Effective.

The Scheme is also subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions that will be set out in the Scheme Document.

The Scheme Document will include full details of the Scheme, together with the notices convening the Court Meeting and the Sanderson General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Sanderson Shareholders. Subject to restrictions in respect of Restricted Jurisdictions, the Scheme Document will be sent to Sanderson Shareholders and, for information only, to persons with information rights and holders of options granted under the Share Option Plans, as soon as reasonably practicable, and in any event (save with the consent of the Panel), within 28 days of this Announcement.

The Scheme is expected to become Effective in the third quarter of 2019, subject to the satisfaction or (where applicable) waiver of the Conditions. If the Scheme does not become Effective on or before the Long Stop Date, it will lapse and the Acquisition will not proceed (unless Sanderson and Apteian Bidco otherwise agree and the Panel otherwise consents).

Upon the Scheme becoming Effective, (i) it will be binding on all Sanderson Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Sanderson General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of Sanderson Shares will cease to be valid and entitlements to Sanderson Shares held in CREST will be cancelled. The Consideration payable under the Scheme will be dispatched to Scheme Shareholders by or on behalf of Apteian Bidco no later than 14 days after the Effective Date.

Upon the Scheme becoming Effective, the Non-Executive Directors and Christopher Winn will resign as directors of Sanderson.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Code, the Panel, the rules of the London Stock Exchange and the AIM Rules.

### 13. Incentivisation arrangements

Apteian Bidco believes that the ongoing participation of senior management of the Sanderson Group is very important to the future success of the Sanderson Group. Accordingly, Apteian Bidco intends to put in place certain incentivisation arrangements for selected members of senior management of the Sanderson Group with effect from and/or following completion of the Acquisition. However, no discussions in relation to such arrangements have yet taken place and none will take place prior to the Acquisition becoming Effective.

### 14. Share Option Plans

Participants in the Share Option Plans will be contacted separately regarding the effect of the Scheme and the Acquisition on their rights under the Share Option Plans and appropriate proposals will be made to such participants in due course.

The Acquisition will apply to any Sanderson Shares which are unconditionally allotted and issued to satisfy the exercise of options under the Share Option Plans before the Scheme Record Time. Any Sanderson Shares allotted and issued to satisfy the exercise of options under the Share Option Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the Sanderson General Meeting, be immediately transferred to Apteian Bidco in exchange for the same consideration as Sanderson Shareholders will be entitled to receive under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association will be contained in the Scheme Document.

### 15. Delisting of Sanderson Shares on AIM and Re-Registration

It is intended that, prior to the Scheme becoming Effective, Sanderson will make an application to the London Stock Exchange for the cancellation of the admission to trading of the Sanderson Shares on AIM, to take effect from or shortly after the Effective Date. The last day of dealings in Sanderson Shares on AIM is expected to be the Business Day immediately prior to the Effective Date and no transfer shall be registered after 6.00pm that date. The Scheme Document will set out details of the expected last day of dealings in Sanderson Shares on AIM and the latest time for registration of transfers prior to the Effective Date.

Apteian Bidco also proposes that, after the Sanderson Shares are delisted, Sanderson will be re-registered as a private company limited by shares or as soon as practicable thereafter.

### 16. Sanderson Dividends

If any dividend and/or other form of capital return or distribution is announced, declared, made or paid by Sanderson in respect of Sanderson Shares on or after the date of this Announcement and prior to the Effective Date, the Consideration payable in respect of each Sanderson Share held under the Acquisition will be reduced by the gross amount of all or part of any such dividend and/or other form of capital return or distribution.

### 17. Irrevocable undertakings

Apteian Bidco has received irrevocable undertakings of shareholder support for the Acquisition in aggregate in respect of 25,268,445 Sanderson Shares and Sanderson Shares under option representing 39.3 per cent. of the issued and to be issued share capital of Sanderson.

#### *Sanderson Director & Senior Manager Irrevocable undertakings*

Apteian Bidco has received irrevocable undertakings from each of the Sanderson Directors and each of Dave Renshaw and Ross Telford, two senior Sanderson managers to vote in favour of the Scheme at the Court Meeting and the Sanderson Resolutions to be proposed at the Sanderson General Meeting in respect of their own beneficial holdings, and have irrevocably undertaken to use reasonable endeavours to procure the same in respect of the beneficial holdings of their close relatives, being 14,345,612 Sanderson Shares and Sanderson Shares under option, in total representing approximately 22.3 per cent. of the issued and to be issued share capital of Sanderson.

Each of the Sanderson Directors and each of Dave Renshaw and Ross Telford has also irrevocably undertaken, subject to the terms summarised below, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares (unless the Panel has otherwise determined that such person is not acting in concert with Apteian Bidco).

#### *Unicorn Asset Management Irrevocable undertakings*

Unicorn Asset Management Ltd ("**Unicorn Asset Management**"), has provided Apteian Bidco with an irrevocable undertaking in relation to 2,407,572 Sanderson Shares (equating to 3.7 per cent. of the issued and to be issued share capital of Sanderson) (the "**Unicorn Undertaking**"). to vote in favour of the Scheme, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares.

The Unicorn Undertaking will automatically terminate if a third party announcement is made of a competing transaction at an offer value of not less than 155 pence for each Sanderson Share provided that Apteian Bidco has not announced an improvement to the terms of the Acquisition within 10 Business Days, such that the terms of the improved offer are at least as favourable with regard to the value of the consideration offered pursuant to the terms of the competing transaction.

#### *Downing Irrevocable undertakings*

Downing LLP ("**Downing**"), has provided Apteian Bidco with an irrevocable undertaking in relation to 2,758,357 Sanderson Shares (equating to 4.3 per cent. of the issued and to be issued share capital of Sanderson) (the "**Downing Undertaking**") to vote in favour of the Scheme, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares.

The Downing Undertaking will automatically terminate if a third party announcement is made of a competing transaction at an offer value of not less than 150 pence for each Sanderson Share held, provided that Apteian Bidco has not announced an improvement to the terms of the Acquisition within 10 Business Days, such that the terms of the improved offer are at least as favourable with regard to the value of the consideration offered pursuant to the terms of the competing transaction. In addition, the Downing Undertaking may cease to be effective (wholly or in part) in the event that the underlying investors, whose funds Downing manage, withdraw their mandates or adjust their investment instructions. In such circumstances, the number of Sanderson Shares which are subject to the Downing Undertaking shall be amended accordingly.

#### *Gresham House Irrevocable undertakings*

Gresham House Asset Management Ltd ("**Gresham House**") has provided Apteian Bidco with an irrevocable undertaking in relation to 5,756,904 Sanderson Shares on behalf of certain registered holders of Sanderson Shares (equating to 8.9 per cent. of the issued and to be issued share capital of Sanderson) (the "**Gresham House Undertaking**") to vote in favour of the Scheme, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares.

The Gresham House Undertaking will automatically terminate if a third party announcement is made of a competing transaction on terms which entitle each Sanderson Shareholder to receive not less than 154 pence for each Sanderson Share held.

Further details of the irrevocable undertakings are set out in Appendix III to this Announcement and copies will be made available on the Apteau website at <https://www.aptean.com>.

#### 18. Disclosure of Interests in Sanderson

Neither Apteau Bidco, nor any of the Apteau Bidco Directors, nor, so far as Apteau is aware, any person acting in concert (within the meaning of the Code) with it has: (i) any interest in or right to subscribe for any relevant securities (within the meaning of the Code) of Sanderson; nor (ii) any short positions in respect of any relevant securities of Sanderson (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; nor (iii) borrowed or lent any relevant securities of Sanderson (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), nor is any such person party to any dealing arrangement of the kind referred to in Note 11 of the definition of "acting in concert" in the Code in relation to relevant securities of Sanderson.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

#### 19. General

Apteau Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in structure by which the Acquisition is to be implemented (including, an acceptance condition set at 90 per cent. of the Sanderson Shares to which such Takeover Offer relates or such lesser percentage as Apteau Bidco may decide subject to the Panel's consent) and compliance with all applicable laws, including US securities laws.

The Acquisition will be made on the terms and subject to the Conditions and further terms set out in Appendix I to this Announcement. The sources of information and bases of calculations contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings obtained is contained in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

Each of Raymond James and N+1 Singer has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

#### 20. Documents available on website

Copies of the following documents will, by no later than 12.00 pm on the Business Day following this Announcement, be made available on Sanderson's website at <https://www.sanderson.com> and on Apteau's website at <https://www.aptean.com> in each case until the Effective Date:

- this Announcement;
- the irrevocable undertakings referred to in paragraph 17 above and summarised in Appendix III to this Announcement;
- the Confidentiality Agreement described in paragraph 10 above; and
- the documents relating to financing of the Acquisition referred to in paragraph 4 above.

Neither the contents of Sanderson's website nor Apteau's website, nor the contents of any other website accessible from hyperlinks on such website, are incorporated into or form part of this Announcement.

Enquiries:

**Apteau Bidco / Apteau** (via Raymond James)

TVN Reddy, Chief Executive Officer

Brad Debold, SVP of Corporate Development

**Raymond James** (Financial Adviser to Apteau Bidco and Apteau) +44 (0) 203 798 5700

Dominic Emery / Zishaan Arshad

Joe Donnelly / George Watson

**Sanderson Group Plc** +44 (0) 247 628 4325

Christopher Winn, Chairman

**N+1 Singer** (Financial Adviser, Nominated Adviser and Corporate Broker to Sanderson)

Mark Taylor

+44 (0) 207 496 3069

James White

Iqra Amin

Orrick, Herrington & Sutcliffe (UK) LLP is retained as legal adviser to Apteau Bidco and Apteau.

Schofield Sweeney LLP is retained as legal adviser to Sanderson.

#### Important Notices about Financial Advisers

*Raymond James Financial International Limited ("Raymond James"), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as financial adviser to Apteau and Apteau Bidco and no one else in connection with the Acquisition and the subject matter of this Document, and shall not be responsible to anyone other than Apteau or Apteau Bidco for providing the protections afforded to clients of Raymond James, or for providing advice in connection with the Acquisition and the subject matter of this Document. Neither Raymond James nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Raymond James in connection with this Document, any statement contained herein or otherwise.*

*Nplus1 Singer Advisory LLP ("N+1 Singer"), which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser exclusively for Sanderson and no one else in connection with the Acquisition and the matters set out in this Document, and will not be responsible to any person other than Sanderson for providing the protections afforded to clients of N+1 Singer, nor for providing advice in relation to the Acquisition or any matter referred to herein. Neither N+1 Singer nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of N+1 Singer in connection with this Document, any statement contained herein or otherwise.*

#### Further Information

*This Announcement is provided for information purposes only. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer or invitation to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor will there be any sale, issuance, exchange or transfer of securities of Sanderson pursuant to the Acquisition or otherwise in any jurisdiction in contravention of applicable law.*

*The Acquisition will be subject to English law and to the applicable requirements of the Code, the Panel, the rules of the London Stock Exchange and the AIM Rules.*

*The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any*

decision in respect of the Scheme or other response in relation to the Acquisition by Sanderson Shareholders should be made only on the basis of the information contained in the Scheme Document. Sanderson Shareholders are advised to read the Scheme Document (including the related Forms of Proxy) carefully once these become available because they will contain important information in relation to the Acquisition.

Aptean Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in structure by which the Acquisition is to be implemented and compliance with all applicable laws, including US securities laws.

#### **Restricted Jurisdictions**

The release, publication or distribution of this Announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this Announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Sanderson Shares with respect to the Scheme at the Court Meeting, to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf may be affected by the laws of the relevant jurisdiction in which they are located. Any failure to comply with such requirements or restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and other persons involved in the Acquisition disclaim any responsibility or liability for any violation of such restrictions by any person.

This Announcement has been prepared for the purpose of complying with English law, the Code, the Market Abuse Regulation and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws and regulations of jurisdictions outside England.

Unless otherwise determined by Aptean Bidco or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. No person may vote in favour of the Acquisition by any use, means, instrumentality or form, and the Acquisition will not be capable of acceptance, from or within a Restricted Jurisdiction, if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from Restricted Jurisdictions, where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation) the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce or, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Sanderson Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom will be contained in the Scheme Document.

#### **Additional information for US investors**

The Acquisition relates to the shares of a UK company and is being made by means of a scheme of arrangement provided for under the Companies Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. The Acquisition and the Scheme is subject to the disclosure requirements and practices applicable to UK schemes of arrangement, which differ from the disclosure requirements of US Exchange Act tender offer and proxy solicitation rules and the US Securities Act. If, in the future, Aptean Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable US federal laws and regulations, including any applicable exemptions under the US Exchange Act.

Financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the accounting standards applicable to the financial statements of US companies preparing financial statements in accordance with US GAAP.

The receipt of cash consideration by a US holder for the transfer of its Sanderson Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other tax laws. Each such Sanderson Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him, including under applicable United States state and local, as well as foreign and other tax laws.

No registration statement will be filed with the SEC or any US state securities commission in connection with the Acquisition. Neither the SEC nor any US state securities commission has recommended, or approved or disapproved of, the Acquisition, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the U.S. It may be difficult or impossible for a US holder of Sanderson Shares to enforce their rights and claims, if any, arising out of the US federal securities laws, since Aptean Bidco and Sanderson and some or all their officers and directors may be located in countries outside of the United States and a US holder of Sanderson Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Furthermore, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

#### **Cautionary Note Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to the financial condition, results of operations and business of Sanderson and certain plans and objectives of Aptean Bidco and Aptean with respect thereto. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", "shall", or other words of similar meaning (or the negative thereof). These statements are based on assumptions and assessments made by Sanderson, and/or Aptean Bidco and/or Aptean, as relevant, in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Neither Aptean Bidco nor Sanderson assumes or undertakes any obligation to update, revise or correct any of the information contained in this Announcement including without limitation any forward-looking statements (whether as a result of new information, future events or otherwise), except as required by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in demand for Sanderson's products; industry competition; changes in trading conditions; currency fluctuations and changes in general economic, business and political conditions. All forward-looking statements attributable to Aptean Bidco or Sanderson or the Enlarged Aptean Group or any person acting on either company's behalf are expressly qualified in their entirety by this cautionary statement. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Actual results may differ naturally from those stated, implied or inferred from the forward-looking statements in this Announcement.

#### **No Profit Forecast, Estimate or Qualified Benefit Statements**

No statement in this Announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for Sanderson Shares for the current or future financial year would necessarily match or exceed the historical published earnings or earnings per share for Sanderson.

#### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3:30 pm (London time) on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3:30 pm (London time) on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Code applies must be made by no later than 3:30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosure must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Code).

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

#### **Electronic Communications**

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

#### **Publication on Website and Availability of Hard Copies**

A copy of this Announcement will be available on Sanderson's website at <https://www.sanderson.com> by no later than 12.00 p.m. on the Business Day following the date of publication of this Announcement (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) and Apteian Bidco's website at <http://www.apteian.com> by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, neither the content of any website referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into or forms part of this Announcement.

If you have received this Announcement electronically, you may request a hard copy of this Announcement, free of charge, by calling Neville Registrars on +44 (0) 121 585 1131. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays). Alternatively, you can write to Neville Registrars at Neville House, Steelpark Road, Halesowen, B62 8HD stating your name, and the address to which the hard copy should be sent. You may also request that all future documents, announcements and information be sent to you in relation to the Acquisition should be in hard copy form.

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

#### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### **Rule 2.9 disclosure**

In accordance with Rule 2.9 of the Takeover Code, Sanderson confirms that, as at the date of this Announcement, it has in issue and admitted to trading on AIM 60,472,484 Sanderson Shares. Sanderson does not hold any shares in treasury. The International Securities Identification Number (ISIN) of the Sanderson Shares is GB00B04X1Q77.

## **APPENDIX I**

### **CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION**

#### **PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION**

##### **Long Stop Date**

1. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by not later than 11.59 pm on the Long Stop Date.

##### **Scheme approval**

2. The Scheme will be subject to the following conditions:
  - 2.1 its approval by a majority in number of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) on the register of members of Sanderson at the Scheme Voting Record Time, present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or at any adjournment of any such meetings), representing 75 per cent. or more in value of the Scheme Shares cast by those Scheme Shareholders (or the relevant class or classes thereof, if applicable), such Court Meeting and any such separate class meeting to be held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date, if any, as may, with the consent of the Panel, be agreed by Apteian Bidco and Sanderson and the Court may allow);
  - 2.2 the Sanderson Resolutions being duly passed by the requisite majority or majorities of Sanderson Shareholders at the Sanderson General Meeting, or at any adjournment thereof, such Sanderson General Meeting to be held on or before the 22<sup>nd</sup> day after the expected date of the Sanderson General Meeting to be set out in the Scheme Document (or such later date, if any, as may, with the consent of the Panel, be agreed by Apteian Bidco and Sanderson and which the Court may allow); and
  - 2.3 the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sanderson and Apteian Bidco) on or before the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document (or such later date, if any, as may, with the consent of the Panel, be agreed by Apteian Bidco and Sanderson and the Court may allow) and the delivery of a copy of the Court Order to the Registrar of Companies for registration.

##### **General Conditions**

3. In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived.

#### **Notifications, waiting periods and Authorisations**

- (a) all material notifications, filings or applications which are necessary having been made in connection with the Acquisition, the Scheme or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any other member of the Wider Sanderson Group by any member of the Wider Apteian Group, and all necessary waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition, the Scheme or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any other member of the Wider Sanderson Group by any member of the Wider Apteian Group;
- (b) all Authorisations which are necessary in any jurisdiction for or in respect of the Acquisition, the Scheme or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any other member of the Wider Sanderson Group by any member of the Wider Apteian Group having been obtained from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Sanderson Group or the Wider Apteian Group has entered into contractual arrangements and all such Authorisations necessary or appropriate to carry on the business of any member of the Wider Sanderson Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise Effective and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

**General antitrust and regulatory**

- (c) no antitrust regulator or other Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Apteian Group or by any member of the Wider Sanderson Group of all or any material part of its businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) require any member of the Wider Apteian Group or the Wider Sanderson Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Sanderson Group or any asset owned by any third party (other than in connection with the implementation of the Acquisition);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Apteian Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Sanderson or on the ability of any member of the Wider Sanderson Group or any member of the Wider Apteian Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Sanderson Group;
  - (iv) otherwise materially adversely affect any or all of the business, assets, profits, value, financial or trading position or prospects of any member of the Wider Sanderson Group or any member of the Wider Apteian Group;
  - (v) result in any member of the Wider Sanderson Group or any member of the Wider Apteian Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Scheme, the Acquisition, the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any member of the Wider Sanderson Group by any member of the Wider Apteian Group, or the implementation of any of the foregoing, void, voidable, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, materially prevent or prohibit, restrict, restrain or delay or otherwise materially interfere with the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require material amendment of the Acquisition, the Scheme or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any member of the Wider Sanderson Group by any member of the Wider Apteian Group;
  - (vii) require, prevent or materially delay a divestiture by any member of the Wider Apteian Group of any shares or other securities (or the equivalent) in any member of the Wider Sanderson Group or any member of the Wider Apteian Group; or
  - (viii) impose any material limitation on the ability of any member of the Wider Apteian Group or any member of the Wider Sanderson Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Apteian Group and/or the Wider Sanderson Group, and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or other Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition, the Scheme or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Sanderson or any other member of the Wider Sanderson Group by any member of the Wider Apteian Group, or otherwise intervene having expired, lapsed or been terminated;

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

- (d) except as Fairly Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Sanderson Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition, the Scheme or the acquisition or the proposed acquisition by any member of the Wider Apteian Group of any shares or other securities (or the equivalent) in Sanderson or because of a change in the control or management of any member of the Wider Sanderson Group or otherwise, would or might reasonably be expected to result in, to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Sanderson Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge, encumbrance or other security interest over the whole or any part of the business, property or assets of any member of the Wider Sanderson Group or any such mortgage, charge, encumbrance or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Sanderson Group being adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) the rights, liabilities, obligations, interests or business of any member of the Wider Sanderson Group or any member of the Wider Apteian Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Sanderson Group or any member of the Wider Apteian Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (v) any member of the Wider Sanderson Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) the business, assets, value of, or the financial or trading position, profits, or prospects of, any member of the Wider Sanderson Group being prejudiced or adversely affected;
  - (vii) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Sanderson Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any

member of the Wider Sanderson Group;

- (viii) any liability of any member of the Wider Sanderson Group to make any severance, termination, bonus or other payment to any of its directors; or
- (ix) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Sanderson Group (including any tax liability or any obligation to obtain or acquire any Authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any other person), excluding trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Sanderson Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would result in any of the events or circumstances as are referred to in Conditions 3(d)(i) to 3(d)(ix) (inclusive).

#### Certain events occurring since 30 September 2018

- (e) except as Fairly Disclosed, no member of the Wider Sanderson Group having since 30 September 2018:
  - (i) issued or agreed to issue or authorised or proposed the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of shares out of treasury (except, where relevant, as between Sanderson and wholly owned subsidiaries of Sanderson or between the wholly owned subsidiaries of Sanderson and except for the issue or transfer of Sanderson Shares on the exercise of options in the ordinary course under the Share Option Plans);
  - (ii) recommended, declared, paid or made or resolved to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than (i) dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Sanderson to Sanderson or any of its wholly owned subsidiaries; and (ii) the final dividend of 1.75 pence per Sanderson Share in respect of the year ended 30 September 2018 which was paid on 1 March 2019 and the Interim Dividend;
  - (iii) other than pursuant to the Acquisition (and except for transactions between Sanderson and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sanderson), implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, assignment, composition, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (iv) except for transactions between Sanderson and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sanderson, disposed of, or transferred, mortgaged encumbered or created any security interest over any asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (v) except for transactions between Sanderson and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sanderson, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness in each case which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, unusual or onerous nature or magnitude or which is or which involves an obligation of a nature or magnitude which is or is reasonably likely to be restrictive on the business of any member of the Wider Sanderson Group and which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (vii) entered into or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or materially vary the terms of any contract, service agreement, commitment or arrangement with any director or, except for salary increases or bonuses in the ordinary course (and in accordance with Sanderson's remuneration policy) for any senior executive of Sanderson, other than as agreed by the Panel and Apteau Bidco;
  - (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Sanderson Group other than in accordance with the terms of the Acquisition or, if required by the Code, as agreed by the Panel and/or Apteau Bidco;
  - (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
  - (x) except in the ordinary course of business, waived, compromised or settled any claim by or against any member of the Wider Sanderson Group which is material in the context of the Wider Sanderson Group or in the context of the Acquisition;
  - (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Sanderson Group and any other person in a manner which would or might reasonably be expected to be materially adverse to the Wider Sanderson Group taken as a whole or to be material in the context of the Acquisition;
  - (xii) excluding the trustee of any pension scheme(s) established by any member of the Wider Sanderson Group made, proposed, or agreed or consented to or procured any change to:
    - (A) the terms of the governing documents of any pension scheme(s) established by any member of the Wider Sanderson Group for its directors, former directors, employees, former employees or their dependents;
    - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
    - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined;
    - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to; or
    - (E) the manner in which the assets of any pension scheme(s) are invested,in each case, to the extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
  - (xiii) carried out any act (other than any act arising from or in connection with the Acquisition):
    - (A) which would or could reasonably be expected to lead to the commencement of the winding up of any pension scheme(s) established by any member of the Wider Sanderson Group for its directors, former directors, employees, former employees or their dependents;
    - (B) which would or might create a material debt owed by an employer to any such pension scheme;
    - (C) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any such pension scheme; or
    - (D) which would, having regard to the published guidance of the Pensions Regulator, give rise to a liability on a member of the Wider Sanderson Group to make payment to any such pension scheme arising out of the operation of sections 38 and 38A of the Pensions Act 2004,in each case, to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (xiv) (excluding a trustee of any such pension scheme) (a) entered into or proposed to enter into one or more bulk annuity contracts in relation to any such pension scheme pursuant to which a member of the Wider Sanderson Group is required to pay further contributions; or (b) agreed to the entering into of a bulk annuity contract by a trustee of any such pension scheme;

- (xv) been unable, or admitted in writing that it is unable, to pay its debts when they fall due or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, in each case, to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
- (xvi) (other than in respect of a member of the Wider Sanderson Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvii) (except for transactions between Sanderson and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sanderson), made, authorised, proposed or announced an intention to propose any change in its loan capital, in any case which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
- (xviii) (except for transactions between Sanderson and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sanderson) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, in each case, to an extent which is material in the context of the Wider Sanderson Group taken as whole or in the context of the Acquisition;
- (xix) made any alteration to its memorandum or articles of association or other incorporation documents; or
- (xx) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(e);

**No actions since the Rule 2.7 Announcement subject to Rule 21.1 of the Code**

- (f) other than with the consent of Apteau Bidco, no member of the Wider Sanderson Group having, since the Rule 2.7 Announcement, taken or agreed or proposed to take any action which requires, or would require, the consent of the Panel or the approval of Sanderson Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

**No adverse change, litigation, regulator enquiry or similar**

- (g) except as Fairly Disclosed, since 30 September 2018, there having been:
  - (i) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change in, the business, assets, financial or trading position or profits or prospects of any member of the Wider Sanderson Group to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Sanderson Group or to which any member of the Wider Sanderson Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Sanderson Group to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (iii) no enquiry or investigation by (or complaint or reference to) any Third Party or other investigative body having been threatened, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Sanderson Group, which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition;
  - (iv) no contingent or other liability having arisen or become apparent or increased which is or might be likely to adversely affect the business, assets, value of, or the financial or trading position, profits or prospects of, any member of the Wider Sanderson Group to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition; and
  - (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Sanderson Group which is reasonably necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would or might reasonably be expected to be material in the context of the Wider Sanderson Group taken as a whole or to be material in the context of the Acquisition;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (h) except as Fairly Disclosed, Apteau Bidco not having discovered, in each case, to an extent which is material in the context of the Wider Sanderson Group taken as a whole or in the context of the Acquisition:
  - (i) that any financial, business or other information concerning the Wider Sanderson Group publicly announced prior to the date of this Announcement by or on behalf of any member of the Wider Sanderson Group is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading;
  - (ii) that any member of the Wider Sanderson Group is subject to any liability, contingent or otherwise which is not Fairly Disclosed in the annual report and accounts of Sanderson for the financial year ended 30 September 2018;
  - (iii) that any past or present member of the Wider Sanderson Group has failed to comply in any material respect with any applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Sanderson Group; or
  - (iv) that there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Sanderson Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; and

**Anti-corruption, sanctions and criminal property**

- (i) except as Fairly Disclosed, Apteau Bidco not having discovered that:
  - (i) any past or present member, director, officer, employee or agent of the Wider Sanderson Group or any person that performs or has performed services (or otherwise acts or has acted) for or on behalf of any such company is or has engaged in any activity, practice or conduct which constitutes an offence under the Bribery Act 2010, the United States Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation;
  - (ii) any asset of any member of the Wider Sanderson Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
  - (iii) any past or present member, director, officer, employee of the Wider Sanderson Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any activity or business with, or made any investments in, or made any payments or assets available to or received any funds or assets from (A) any government, entity or individual targeted by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states), or the United States; or (B) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or

making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HMRC; or

- (iv) a member of the Sanderson Group has engaged in any transaction which would cause any member of Apteau Group to be in breach of any applicable law or regulation upon its acquisition of Sanderson, including the economic sanctions of the United States Office of Foreign Assets Control or HMRC, or any government, entity or individual targeted by any of the economic sanctions of United Nations, the United States, the European Union or any of its member states.

#### **PART B: CERTAIN FURTHER TERMS OF THE SCHEME AND ACQUISITION**

1. Subject to the requirements of the Panel, Apteau Bidco reserves the right to waive:
  - (a) any of the Conditions set out in the above Condition 2 with respect to the timing of the Court Meeting, the Sanderson General Meeting and the Court Hearing. If any such deadline is not met, Apteau Bidco will make an announcement by 8.00 am on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Sanderson to extend the deadline in relation to the relevant Condition. In all other respects, Condition 2 cannot be waived; and
  - (b) in whole or in part, all or any of the above Conditions 3(a) to (i) (inclusive).Conditions 3(a) to (i) (inclusive) must be fulfilled or waived by, no later than 11.59 pm on the date immediately preceding the Court Hearing.
2. If Apteau Bidco is required by the Panel to make an offer for Sanderson Shares under the provisions of Rule 9 of the Code, Apteau Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
3. Apteau Bidco shall be under no obligation to waive (if capable of waiver) or treat as fulfilled any of the Conditions by a date earlier than the latest date specified in paragraph 1 of this Part B for the fulfilment of those Conditions, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition may not be capable of fulfilment.
4. The Acquisition will lapse if and shall not become Effective:
  - (a) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the EC Merger Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the EC Merger Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the EC Merger Regulation and there is then a CMA Phase 2 Reference; or
  - (b) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference,in each case, before the date of the Court Meeting.
5. The Sanderson Shares to be acquired under the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date (other than any dividend in respect of which a corresponding reduction in the consideration payable in respect of each Sanderson Share has been made as described in paragraph 6 below).
6. Without prejudice to any right Apteau Bidco may have, with the consent of the Panel, to invoke Condition 3(e)(ii), if any dividend and/or other form of capital return or distribution is authorised, declared, made or paid or becomes payable in respect of Sanderson Shares on or after the date of this Announcement and prior to the Effective Date, the consideration payable in respect of each Sanderson Share shall be reduced by an amount equivalent to the gross amount of all of any such dividend and/or other form of capital return or distribution, in which case any reference in this Announcement to the consideration payable in respect of each Sanderson Share under the Acquisition will be deemed to be a reference to the consideration as so reduced, and Sanderson Shareholders will be entitled to receive and retain the amount by reference to which the consideration has been reduced. To the extent that any such dividend and/or capital return and/or distribution is declared, made, paid or payable and it is (i) transferred pursuant to the Acquisition on a basis which entitles Apteau Bidco to receive and retain it; or (ii) cancelled in full prior to payment, the consideration to be delivered by Apteau Bidco under the terms of the Acquisition will not be subject to reduction in accordance with this paragraph 6. Any reduction in the consideration payable in respect of each Sanderson Share referred to in this paragraph 6 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition.
7. Under Rule 13.5(a) of the Code, Apteau Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or any offer to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Apteau Bidco in the context of the Acquisition. Conditions 2 and 3(a) (and any Takeover Offer acceptance condition adopted on the basis specified in paragraphs 2 or 8 of this Part B) are not subject to this provision of the Code.
8. Apteau Bidco reserves the right to elect (with the consent of the Panel) to implement the acquisition of the Sanderson Shares by way of a Takeover Offer as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including, if the Panel so agrees, an acceptance condition set at 90 per cent. of the Sanderson Shares to which such Takeover Offer relates or such lower percentage as Apteau Bidco may decide, subject to the Panel's consent, provided that the acceptance condition will not be satisfied unless any member of the Wider Apteau Group shall have acquired or agreed to acquire (whether pursuant to the Takeover Offer or otherwise), directly or indirectly, Sanderson Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of Sanderson (including for this purpose, except to the extent otherwise agreed by the Panel, any such voting rights attaching to the Sanderson Shares that are unconditionally allotted or issued before the Takeover Offer becomes or is declared unconditional as to acceptances whether pursuant to exercise of any outstanding subscription rights or conversion rights or otherwise).
9. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
10. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction where to do so would violate the laws of that jurisdiction.
11. The Acquisition will be subject to the applicable requirements of English law, the Code, the Panel, the AIM Rules and the rules of the London Stock Exchange.
12. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

#### **APPENDIX II**

##### **SOURCES OF INFORMATION AND BASES OF CALCULATION**

- (i) The "**Latest Practicable Date**" for the purposes of this Announcement means 31 July 2019.
- (ii) As at the Latest Practicable Date, there were 60,472,484 Sanderson Shares in issue. Sanderson does not hold any shares in treasury. The ISIN for Sanderson Shares is GB00B04X1Q77.
- (iii) Any references to the issued and to be issued ordinary share capital of Sanderson are based on:
  - the 60,472,484 Sanderson Shares in issue referred to in paragraph (ii) above; and
  - 3,877,750 Sanderson Shares which may be issued on or after the date of this Announcement to satisfy the exercise of options outstanding under the Share Option Plans as at the Latest Practicable Date.
- (iv) The value placed by the Acquisition on the entire issued and to be issued ordinary share capital of Sanderson is calculated:
  - by reference to the Closing Price of a Sanderson Share on the Latest Practicable Date; and
  - on the basis of the issued and to be issued share capital of Sanderson (as set out in paragraph (iii) above).
- (v) Unless otherwise stated all prices and closing prices for a Sanderson Share are derived from the daily AIM appendix to the daily Official List published by the London Stock Exchange.
- (vi) Unless otherwise stated, financial information relating to Sanderson has been extracted or derived (without adjustment) from the audited consolidated financial statements for the Sanderson Group for the financial year ended 30 September 2018 and the unaudited interim financial results of the Sanderson Group for the six

**APPENDIX III**  
**IRREVOCABLE UNDERTAKINGS**

**1. Irrevocable Undertakings given by the Sanderson Directors**

The following Sanderson Directors have each given an irrevocable undertaking to vote (or, in the case of close relatives (as defined in the Code) of Sanderson Directors holding Sanderson Shares, to use reasonable endeavours to procure such votes) in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolutions at the Sanderson General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or use reasonable endeavours to procure the acceptance of, the Takeover Offer) in relation to the following Sanderson Shares:

Name	Number of Sanderson Shares	Number of Sanderson Shares under option	% of Sanderson issued and to be issued share capital
Christopher Winn <sup>(1)</sup>	8,000,000	Nil	12.4%
Ian Newcombe	178,750	2,191,750	3.7%
Richard David Mogg	Nil	500,000	0.8%
John Clement Mackenzie Paterson	90,000	Nil	0.1%
David James Gutteridge	575,000	Nil	0.9%

<sup>(1)</sup> Christopher Winn and his wife Angela Winn jointly hold 8,000,000 Sanderson Shares in certificated form and in Redmayne Bentley nominee accounts. In addition, Victoria Winn, Christopher and Angela Winn's daughter, holds 42,000 Sanderson Shares. Andrew Winn and Susan Winn, Christopher Winn's brother and sister-in-law respectively, own 90,194 Sanderson Shares. Sharon Herschell and Gary Herschell, Christopher Winn's sister and brother-in-law respectively, own 10,000 Sanderson Shares. The total connected holdings relating to Christopher Winn is 8,142,194 Sanderson Shares.

These irrevocable undertakings cease to be binding on the earlier of the Long Stop Date and the date on which the Acquisition is withdrawn or lapses.

**2. Irrevocable Undertakings given by senior managers of Sanderson**

The following senior managers of Sanderson have each given an irrevocable undertaking to vote (or, in the case of close relatives (as defined in the Code) of the senior managers holding Sanderson Shares, to use reasonable endeavours to procure such votes) in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolutions at the Sanderson General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept the Takeover Offer) in relation to the following Sanderson Shares:

Name	Number of Sanderson Shares	% of Sanderson issued and to be issued share capital
Ross Telford	741,567	1.2%
David Renshaw	2,068,545	3.2%

These irrevocable undertakings cease to be binding on the earlier of the Long Stop Date and the date on which the Acquisition is withdrawn or lapses.

**3. Irrevocable Undertakings given by Sanderson Shareholders**

The following Sanderson Shareholders have each given an irrevocable undertaking to Apteau Bidco to vote in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolutions at the Sanderson General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept, or use reasonable endeavours to procure the acceptance of, the Takeover Offer) in relation to the following Sanderson Shares:

Name of Sanderson Shareholder	Number of Sanderson Shares in respect of which undertaking is given	Higher Competing Offer Price	% of Sanderson issued and to be issued share capital
Gresham House Asset Management Ltd. <sup>(1)</sup>	5,756,904	154 pence	8.9%
Downing LLP <sup>(2)</sup>	2,758,357	150 pence*	4.3%
Unicorn Asset Management Ltd. <sup>(3)</sup>	2,407,572	155 pence*	3.7%

\* In the event of a competing transaction the irrevocable undertakings given by Downing LLP and Unicorn Asset Management Ltd. will not terminate, nor lapse, if (within ten business days) Apteau Bidco makes an improved offer on terms at least as favourable with regard to the value of the consideration offered in any competing transaction.

<sup>1</sup> *Gresham House Irrevocable Undertaking*

Gresham House has irrevocably undertaken to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to deliver fully executed Forms of Acceptance in respect of the Takeover Offer. It has also irrevocably undertaken, subject to the terms summarised below, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares. The Gresham House Undertaking will automatically terminate if the Scheme or Offer (as the case may be) lapses or is withdrawn.

<sup>2</sup> *Downing Irrevocable Undertaking*

Downing has irrevocably undertaken to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to deliver fully executed Forms of Acceptance in respect of the Takeover Offer. It has also irrevocably undertaken, subject to the terms summarised below, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares.

The Downing Undertaking will automatically terminate if: (i) the Scheme does not become effective, or lapses in accordance with its terms (or, if applicable, the Offer does not become or is not declared wholly unconditional or lapses in accordance with its terms); (ii) Apteau Bidco announces, with consent of the Panel, that it does not intend to proceed with the Acquisition, or (iii) a third party announcement is made, in accordance with Rule 2.7 of the Code, of a competing transaction (or thereafter a revision to a competing transaction is announced) on terms which entitle each Sanderson Shareholder to receive not less than 150 pence for each Sanderson Share held (and whether in cash, non-cash consideration or a mix thereof), determined as at the date on which the competing transaction is announced, provided that Apteau Bidco has not announced an improvement to the terms of the Acquisition within 10 Business Days, such that the terms of the improved offer are at least as favourable with regard to the value of the consideration offered pursuant to the terms of the competing transaction. In addition, the Downing Undertaking may cease to be effective (wholly or in part) in the event that the underlying investors, whose funds Downing manage, withdraw their mandates or adjust their investment instructions. In such circumstances, the number of Sanderson Shares which are subject to the Downing Undertaking shall be amended accordingly.

<sup>3</sup> *Unicorn Asset Management Irrevocable Undertaking*

Unicorn Asset Management has irrevocably undertaken to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to deliver fully executed Forms of Acceptance in respect of the Takeover Offer. It has also irrevocably undertaken, subject to the terms summarised below, not to support or accept an offer with respect to a competing transaction and that it will not deal in Sanderson Shares.

The Unicorn Undertaking will automatically terminate if: (i) the Scheme does not become effective, or lapses in accordance with its terms (or, if applicable, the Offer does not become or is not declared wholly unconditional or lapses in accordance with its terms); (ii) Apteau Bidco announces, with consent of the Panel, that it does not intend to proceed with the Acquisition, or (iii) a third party announcement is made, in accordance with Rule 2.7 of the Code, of a competing transaction (or thereafter a revision to a competing transaction is announced) on terms which entitle each Sanderson Shareholder to receive not less than 155 pence for each Sanderson Share held (and whether in cash, non-cash consideration or a mix thereof), determined as at the date on which the competing transaction is announced, provided that Apteau Bidco has not announced an improvement to the terms of the Acquisition within 10 Business Days, such that the terms of the improved offer are at least as favourable with regard to the value of the consideration offered pursuant to the terms of the competing transaction.

#### APPENDIX IV

##### DEFINITIONS

"Acquisition"	the proposed acquisition by Apteau Bidco of the entire issued and to be issued ordinary capital of Sanderson, to be effected by means of the Scheme or, should Apteau Bidco so elect and subject to the consent of the Panel, by means of a Takeover Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the rules published by the London Stock Exchange which set out the rules and responsibilities in relation to companies with a class of securities admitted to trading on AIM;
"Announcement"	this announcement made pursuant to Rule 2.7 of the Takeover Code;
"Apteau"	Apteau, Inc., a Delaware corporation with its registered office at 4325 Alexander Drive, Suite 100, Alpharetta, GA 30022-3740, United States;
"Apteau Bidco"	Apteau Limited, a private limited company incorporated in England and Wales with registered number 03399429 whose registered office is at 7 Rushmills, Northampton, NN4 7YB;
"Apteau Bidco Directors"	Sandra Cummings, Alan Somerville and Hellen Stein, or, where the context so requires, the directors of Apteau Bidco from time to time;
"Apteau Group"	Gaytor Parent and its subsidiaries, subsidiary undertakings from time to time, which, for the avoidance of doubt, includes Apteau Bidco and Apteau;
"Articles of Association"	the articles of association of Sanderson;
"associated undertaking"	has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 other than paragraph 19(1)(b) of Schedule 6 to those Regulations which shall be excluded for this purpose;
"Authorisations"	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
"Board"	as the context requires, the board of directors of Sanderson or the board of directors of Apteau Bidco and the terms 'Sanderson Board' and 'Apteau Bidco Board' shall be construed accordingly;
"Business Day"	a day (other than a Saturday, Sunday or public holiday in London (UK) or New York (United States)) on which banks are open for business in London (UK) and New York (United States);
"Closing Price"	the closing middle market quotation of a Sanderson Share as derived from the daily AIM appendix of the official list maintained by the UK Listing Authority and published by the London Stock Exchange;
"CMA"	the United Kingdom Competition and Markets Authority;
"CMA Phase 2 Reference"	a reference of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
"Code"	the City Code on Takeovers and Mergers;
"Companies Act"	the Companies Act 2006, as may be amended from time to time;
"Conditions"	the conditions to the Acquisition as set out in Appendix I to this Announcement;
"Confidentiality Agreement"	the confidentiality agreement entered into by TA Investment Manager and Sanderson on 29 March 2019;
"Consideration"	has the meaning given to it in paragraph 2 of this Announcement;
"Court"	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court;
"Court Hearing"	the hearing at which the Court sanctions the Scheme under section 899 of the Companies Act;
"Court Meeting"	the meeting of Sanderson Shareholders or any class or classes thereof convened pursuant to an order of the Court pursuant to section 896 of the Companies Act,

	notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without modification or amendment) or any adjournment thereof;
"Court Order"	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
"CREST"	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Code containing details of dealings in interests in the relevant securities of a party to an offer;
"Digital Retail Division"	the business division of Sanderson which focuses on providing multi-channel retail software;
"Effective Date"	the date on which either: (i) the Scheme becomes effective pursuant to its terms; or (ii) (if Apteau Bidco elects, with the consent of the Panel, to implement the Acquisition by means of a Takeover Offer) the Takeover Offer becomes or is declared unconditional in all respects in accordance with the requirements of the Code, and " <b>Effective</b> " shall be construed accordingly;
"Enterprise Division"	the business division of Sanderson which focuses on industry specific software to the manufacturing, distribution and supply chain industries;
"Euroclear"	Euroclear UK & Ireland Limited;
"Fairly Disclosed"	the information fairly disclosed by or on behalf of Sanderson: (i) in the annual report and accounts of the Sanderson Group for the financial year ended 30 September 2018; (ii) in this Announcement; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of Sanderson prior to the publication of this Announcement; or (iv) as otherwise specifically and fairly disclosed to Apteau Bidco prior to the date of this Announcement
"FCA" or "Financial Conduct Authority"	the United Kingdom Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000 or any successor thereto;
"Form(s) of Acceptance"	should the Acquisition be implemented by way of Takeover Offer, the form of acceptance and authority or any other document issued by Apteau Bidco or its receiving agent for the purpose of accepting the Takeover Offer;
"Form(s) of Proxy"	the forms of proxy for use in connection with the Court Meeting and the Sanderson General Meeting (as applicable) which shall accompany the Scheme Document;
"Gaytor Parent"	Gaytor Parent Limited, a private limited company registered in Jersey, being the holding company of the Apteau Group;
"holder"	a registered holder and includes any person(s) entitled by transmission;
"IFRS"	International Financial Reporting Standards;
"Interim Dividend"	the interim dividend of 1.5 pence per Sanderson Share, as announced on 15 May 2019 and paid on 19 July 2019 to Sanderson Shareholders on the register of members at the close of Business on 5 July 2019;
"Latest Practicable Date"	has the meaning given in paragraph (i) of Appendix II to this Announcement;
"Listing Rules"	the listing rules of the UKLA;
"London Stock Exchange"	London Stock Exchange Plc;
"Long Stop Date"	17 February 2020 (or such later date as may be agreed in writing by Apteau Bidco and Sanderson (with the Panel's consent and as the Court may approve (if such approval(s) are required));
"Market Abuse Regulation"	Regulation (EU) No. 597/2014 of the European Parliament and the Council of 16 April 2014 on market abuse;
"N+1 Singer"	Nplus1 Singer Advisory LLP;
"Neville Registrars"	Neville Registrars Limited, the company registrars of Sanderson;
"Non-Executive Directors"	John Clement Mackenzie Paterson and David James Gutteridge;
"Offer Period"	the offer period (as defined in the Code) relating to Sanderson, which commenced on the date of this Announcement;
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the code;
"Panel"	the Panel on Takeovers and Mergers;
"Raymond James"	Raymond James Financial International Limited;
"Registrar of Companies"	the registrar of companies in England and Wales;
"Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;

"Regulatory Information Service"	any of the services set out in Appendix 1 to the Listing Rules;
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Sanderson Shareholders in that jurisdiction;
"Sanderson"	Sanderson Group Plc, a public limited company incorporated in England with registered number 04968444 and with its registered address at Sanderson House, Manor Road, Coventry CV1 2GF;
"Sanderson Directors"	Christopher Winn, Ian Newcombe, Richard Mogg, John Paterson and David Gutteridge, or, where the context so requires, the directors of Sanderson from time to time;
"Sanderson General Meeting"	the general meeting of Sanderson Shareholders (including any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering, and, if thought fit, approving, the Sanderson Resolutions;
"Sanderson Group"	Sanderson and its subsidiary and associated undertakings;
"Sanderson Meetings"	the Court Meeting and the Sanderson General Meeting;
"Sanderson Pension Schemes"	(i) the Sanderson Group Retirement Benefit Scheme, (ii) Sanderson Group Pension Plan (Scottish Widows), (iii) Group Flexible Retirement Plan (Standard Life), (iv) the Open Business Solutions Pension Plan and (v) the Gould Hall Computer Services Pension Plan;
"Sanderson Resolutions"	such shareholder resolutions of Sanderson as are necessary to approve, implement and effect the Scheme and the Acquisition, including (without limitation) a resolution to amend the Articles of Association of Sanderson by the adoption of a new article (in terms approved by the Apteian Bidco) under which any Sanderson Shares issued or transferred after the Sanderson General Meeting shall either be subject to the Scheme or (after the Effective Date) shall be immediately transferred to Apteian Bidco (or as it may direct) in exchange for the same consideration as is due under the Scheme;
"Sanderson Shareholders"	the holders of Sanderson Shares;
"Sanderson Shares"	the ordinary shares of 10 pence each in the capital of Sanderson;
"Scheme" or "Scheme of Arrangement"	the proposed scheme of arrangement under Part 26 of the Companies Act between Sanderson and the Sanderson Shareholders to implement the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Sanderson and the Apteian Bidco;
"Scheme Document"	the document to be dispatched to Sanderson Shareholders and persons with information rights setting out, among other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Sanderson General Meeting (and shall include any supplementary scheme document (if applicable));
"Scheme Record Time"	the time and date specified as such in the Scheme Document;
"Scheme Shareholders"	holders of Scheme Shares;
"Scheme Shares"	the Sanderson Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of the Scheme Document;</li> <li>(ii) (if any) issued after the date of the Scheme Document and prior to the Scheme Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Scheme Voting Record Time and prior to the Scheme Record Time in respect of which the original or subsequent holder thereof shall be bound by the Scheme or shall by such time have agreed in writing to be bound by the Scheme,</li> </ul> <p>in each case, remaining in issue at the Scheme Record Time but excluding (a) any Sanderson Shares held by any member of the Wider Apteian Group (or their nominees) and (b) any Sanderson Shares held in treasury by Sanderson;</p>
"Scheme Voting Record Time"	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 pm on the day which is two days before the Court Meeting or, if the Court Meeting is adjourned, 6.00 pm on the day which is two days before the date of such adjourned Court Meeting;
"SEC"	the US Securities and Exchange Commission;
"Share Option Plans"	the Sanderson Unapproved Company Share Option Plan as adopted on 10 December 2004, the Sanderson Enterprise Management Incentive Plan as adopted on 10 December 2004 and the Sanderson 2015 Share Option Plan as adopted on 3 March 2015, in each case as amended from time to time;

"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
"subsidiary"	has the meaning given in section 1159 of the Companies Act;
"subsidiary undertaking"	has the meaning given in section 1162 of the Companies Act;
"TA Investment Manager"	TA Associates Management LP;
"Takeover Offer"	If, subject to the consent of the Panel, the Acquisition is effected by way of a takeover offer as defined in Chapter 3 Part 28 of the Companies Act, the offer to be made by or on behalf of Apteian Bidco to acquire the entire issued and to be issued share capital of Sanderson on the terms and subject to the conditions to be set out in the related offer document and where the context admits any subsequent revision, variation, extension or renewal of such offer;
"Third Party"	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, agency (including any trade agency), association, institution, environmental body, employee representative body, or any other body or person whatsoever in any jurisdiction;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UK Listing Authority" or "UKLA"	the United Kingdom Financial Conduct Authority in its capacity as the authority for listing in the United Kingdom;
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
"US Securities Act"	the US Securities Act of 1933, as amended, and rules and regulations promulgated thereunder;
"Vista"	Vista Equity Partners;
"Wider Apteian Group"	Apteian Bidco and associated undertakings and any other body corporate, partnership, joint venture or person in which Apteian Bidco and such undertakings (aggregating their interests) have a Significant Interest; and
"Wider Sanderson Group"	Sanderson and associated undertakings and any other body corporate, partnership, joint venture or person in which Sanderson and such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the respective meanings given thereto by the Companies Act.

All references to "pounds", "pounds Sterling", "Sterling", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom.

All references to "US\$", "\$" and "US Dollars" are to the lawful currency of the United States.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ris@lseg.com](mailto:ris@lseg.com) or visit [www.rns.com](http://www.rns.com).

END

OFFPBMATMBMMML

CLOSE

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.**

©2014 London Stock Exchange plc. All rights reserved