

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. THIS DOCUMENT CONTAINS DETAILS OF A PROPOSED ACQUISITION WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION TO TRADING OF SANDERSON SHARES ON AIM.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.**

If you sell or have sold or otherwise transferred all of your Sanderson Shares, please send this Document together with the accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

If you sell or have sold or otherwise transferred only part of your holding of Sanderson Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## **Recommended Cash Acquisition of SANDERSON GROUP PLC**

by

## **APTEAN LIMITED**

**to be effected by means of a scheme of arrangement of Sanderson Group Plc  
under Part 26 of the Companies Act 2006**

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**This Document (including all information incorporated into this Document by reference to another source) should be read as a whole and in conjunction with the Forms of Proxy. Your attention is drawn to Part One (*Letter from the Chairman of Sanderson Group Plc*) of this Document, which contains the unanimous recommendation of the Sanderson Directors that you vote in favour of the Scheme at the Court Meeting and the Sanderson Resolution to be proposed at the General Meeting of Sanderson. A letter from N+1 Singer explaining the Scheme appears in Part Two (*Explanatory Statement*) of this Document. This comprises an explanatory statement in compliance with section 897 of the Companies Act 2006.**

Notices of the Court Meeting and the General Meeting of Sanderson Group Plc, each of which will be held at Sanderson House, Manor Road, Coventry CV1 2GF on 30 August 2019, are set out in Part Nine (*Notice of Court Meeting*) and Part Ten (*Notice of General Meeting*) at the end of this Document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.10 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned. Please also refer to page 9 of this Document, which contain an indicative timetable of certain principal events in relation to the approval and implementation of the Acquisition.

**Action to be taken by Sanderson Shareholders is set out on pages 6 to 8 and at paragraph 16 of Part Two (*Explanatory Statement*) of this Document. Whether or not they intend to attend the Court Meeting or the General Meeting in person, Sanderson Shareholders are asked to complete and return the enclosed BLUE and YELLOW Forms of Proxy (or appoint a proxy electronically, as referred to in this Document) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Sanderson's registrars, Neville Registrars, not later than 11.00 a.m. on 28 August 2019 (in the case of the BLUE Form of Proxy for the Court Meeting) or 11.10 a.m. on 28 August 2019 (in the case of the YELLOW Form of Proxy for the General Meeting), or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting. Sanderson Shareholders who hold Sanderson Shares in CREST may also appoint a proxy using CREST by following the instructions set out on pages 7 to 8 of this Document. If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be handed to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting. However, in the case of the General Meeting, if the YELLOW Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid. The return of a completed Form of Proxy or the appointment of a proxy electronically through CREST will not prevent a Sanderson Shareholder from attending the Court Meeting or the General Meeting and voting and speaking at the relevant Meeting in person if they are entitled and wish to do so.**

Certain terms used in this Document are defined in Part Eight (*Definitions*). All times are references to London times unless otherwise stated.

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy, please call Neville Registrars on +44 (0) 121 585 1131. Lines are open between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls will be charged at the applicable national or international rates as the case may be. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Neville Registrars cannot provide legal, tax or financial advice or advice on the merits of the Acquisition or the Scheme.

Nplus1 Singer Advisory LLP ("**N+1 Singer**"), which is authorised and regulated by the FCA in the United Kingdom, is acting as financial adviser, nominated advisor and corporate broker 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.

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.

## **IMPORTANT NOTICES**

This Document has been prepared for the purposes of complying with English law, the Code, the rules of the London Stock Exchange and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside England and Wales. This Document and the Conditions and further terms set out in this document are governed by the laws of England and Wales and are subject to the jurisdiction of the English courts.

The release, publication or distribution of this Document in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Document does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. US holders of Sanderson Shares should note that the Scheme relates to the shares of an English company that is a “foreign private issuer” as defined under Rule 3b-4 of the US Exchange Act and will be governed by English law. Accordingly, neither the proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial statements of US companies. If Apteian Bidco were to elect to implement the Acquisition by way of a takeover offer, such offer will be made in compliance with applicable US securities laws and regulations, including US tender offer rules.

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 US.

It may be difficult for US holders of Sanderson Shares to enforce their rights and any claim arising out of the US federal securities laws, since Sanderson and Apteian Bidco are each located in a non-US jurisdiction, and some or all of their officers and directors are residents of non-US jurisdictions. US holders 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 US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

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

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Document includes ‘forward-looking statements’, including statements with respect to (a) the financial condition, results of operations and business of Sanderson and certain plans and objectives of Apteian Bidco with respect thereto (including anticipated earnings enhancements, estimated cost savings and other synergies, potential strategic options, plans for and benefits of integration, productivity improvements, estimated future growth and market position) and (b) the expected timing of the Scheme and the expected effects on Sanderson of the Scheme. 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 Apteian Bidco and/or Apteian, 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 Document could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Neither Apteian Bidco nor Sanderson assumes or undertakes any obligation to update, revise or correct any of the information contained in this Document 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 Apteian Bidco or Sanderson or the Enlarged Apteian 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 Document.

### **NO PROFIT FORECASTS OR ESTIMATES**

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

### **ROUNDING**

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

### **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 for 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.

### **DEALING DISCLOSURE REQUIREMENTS**

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 on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the 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 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.

#### **PUBLICATION AND AVAILABILITY OF THIS DOCUMENT**

A copy of this Document 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 Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions). For the avoidance of doubt, neither the content of any website referred to in this Document nor the content of any website accessible from hyperlinks is incorporated into or forms part of this Document.

If you have received this Document electronically, you may request a hard copy of this Document, free of charge, by calling Neville Registrars on +44 (0) 121 585 1131. Lines are open between 9.00 a.m. and 5.00 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.

This Document is dated 8 August 2019.

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## ACTION TO BE TAKEN

**For the reasons set out in this Document, the Sanderson Directors, who have been 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 advice to Sanderson, N+1 Singer has taken into account the commercial assessments of the Sanderson Directors. N+1 Singer is providing independent financial advice to the Sanderson Directors for the purposes of Rule 3 of the Code.**

**Accordingly, the Sanderson Directors believe that the terms of the Acquisition (including the Scheme) are in the best interests of Sanderson Shareholders as a whole and unanimously recommend that Sanderson Shareholders vote in favour of the Scheme at the Court Meeting and the Sanderson Resolution at the General Meeting, as the Sanderson Directors have irrevocably agreed to do in respect of their own beneficial holdings (and to use reasonable endeavours to procure that their close relatives so vote in respect of their beneficial holdings), and that you take the action described below.**

This page should be read in conjunction with the rest of this Document, and in particular, paragraph 12 of Part One (*Letter from the Chairman of Sanderson Group Plc*), paragraph 16 of Part Two (*Explanatory Statement*) and the notices of the Court Meeting and the General Meeting at the end of this Document.

### 1. Documents

Sanderson Shareholders – please check that you have received the following with this Document:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 11.00 a.m. on 30 August 2019; and
- a YELLOW Form of Proxy for use in respect of the General Meeting on 11.10 a.m. on 30 August 2019.

If you have not received either of these documents, please contact the Shareholder helpline on the number indicated below. A pre-paid envelope for use in the UK only for the return of the Forms of Proxy has also been included with this Document.

### 2. Voting at the Court Meeting and the General Meeting

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY (OR APPOINT A PROXY ONLINE OR THROUGH CREST ELECTRONIC PROXY APPOINTMENT SERVICE) AS SOON AS POSSIBLE.**

The Scheme will require approval at the meeting of Sanderson Shareholders convened by order of the Court to be held at Sanderson House, Manor Road, Coventry CV1 2GF at 11.00 a.m. on 30 August 2019. Implementation of the Scheme will also require approval of the Sanderson Resolution to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting on 30 August 2019 at 11.10 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned).

Sanderson Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting. A proxy need not be a Sanderson Shareholder. Sanderson Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy in respect of some or all of their Sanderson Shares, and may appoint more than one proxy as long as each proxy is appointed to exercise rights attached to different Sanderson Shares. A space has been included on the Forms of Proxy to allow Sanderson Shareholders to specify the number of Sanderson Shares in respect of which that proxy is appointed. If you wish to appoint more than one proxy in respect of your shareholding, please call the Sanderson Shareholder helpline on the number indicated below for further Forms of Proxy, or photocopy the Forms of Proxy, as required.

**(a) Sending Forms of Proxy by post or by hand**

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either (i) by post, or (ii) during normal business hours only, by hand, to Sanderson registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen, B62 8HD so as to be received as soon as possible and in any event not later than the relevant times set out below:

BLUE Forms of Proxy for the Court Meeting	11.00 a.m. on 28 August 2019
YELLOW Forms of Proxy for the General Meeting	11.10 a.m. on 28 August 2019

or, if the Court Meeting or General Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours before the time fixed for the adjourned Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, it may be handed to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not returned so as to be received by the above time, it will be invalid.

The completion and return of Forms of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending and voting at the Court Meeting and/or General Meeting, or any adjournments thereof, in person should you wish to do so and should you be so entitled.

**(b) Online appointment of proxies**

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Neville Registrars no later than 11.00 a.m. on 28 August 2019 for the Court Meeting and 11.10 a.m. on 28 August 2019 for the General Meeting (or, in the case of adjournment(s), the relevant appointment(s) must be received no later than 48 hours before the time fixed for the adjourned Meeting(s)). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by the deadline, you may complete the BLUE Form of Proxy and hand it to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

**(c) Electronic appointment of proxies through CREST**

If you hold Sanderson Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to the notices of the Meetings set out in Part Nine (*Notice of Court Meeting*) and Part Ten (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Neville Registrars (CREST Participant ID 7RA11) not later than 48 hours before the time fixed for the Court Meeting or the General Meeting (or any adjourned Meeting), as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Sanderson may treat as invalid a CREST Proxy Instruction in the circumstances set out in the CREST Regulations.

### **3. Share Option Plans**

Participants in the Share Option Plans will be contacted separately regarding the effect of the Scheme on their rights under the Share Option Plans. Further details are provided in paragraph 14 of Part Two of this Document.

### **4. Shareholder helpline**

If you have any questions about this Document, the Court Meeting, the General Meeting or how to complete the Forms of Proxy or to submit your proxies electronically, please call Neville Registrars on +44 (0) 121 585 1131. Lines are open between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls will be charged at the applicable national or international rates as the case may be. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Neville Registrars cannot provide legal, tax or financial advice or advice on the merits of the Acquisition or the Scheme.



## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on current dates expected by Sanderson and Apteian Bidco for the implementation of the Scheme and all dates and times are subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Sanderson Shareholders by an announcement through a Regulatory Information Service, with such announcement also being made available on Sanderson's website at <https://www.sanderson.com>.

Latest time for lodging Forms of Proxy for the:

Court Meeting (BLUE form) 11.00 a.m. on 28 August 2019<sup>(1)</sup>

General Meeting (YELLOW form) 11.10 a.m. on 28 August 2019<sup>(2)</sup>

Voting Record Time for the Court Meeting and the General Meeting 6.00 p.m. on 28 August 2019<sup>(3)</sup>

**Court Meeting** 11.00 a.m. on 30 August 2019

**General Meeting** 11.10 a.m. on 30 August 2019<sup>(4)</sup>

**The following dates are indicative only and are subject to change depending, among other things, on the date upon which (i) the Conditions to the Scheme are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme and (iii) the Court Order is delivered to the Registrar of Companies.**

Court Hearing 5 September 2019

Last day of dealings in Sanderson Shares 6 September 2019

Scheme Record Time 6.00 p.m. on 6 September 2019

Suspension of dealings in and disablement of CREST of Sanderson Shares By 7.30 a.m. on 9 September 2019

**Effective Date of the Scheme** 9 September 2019

Delisting and cancellation of admission to trading of Sanderson Shares By 7.00 a.m. on 10 September 2019

Latest date for despatch of cheques and crediting of CREST for cash consideration due under the Scheme 14 days after the Effective Date

Long Stop Date 11.59 p.m. on 17 February 2020<sup>(5)</sup>

(1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, the time fixed for any adjourned Court Meeting. BLUE Forms of Proxy not so lodged may be handed to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

(2) In order to be valid, the YELLOW Forms of Proxy for the General Meeting must be lodged not later than 48 hours prior to the time appointed for the General Meeting.

(3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the day which is two days prior to the date of the adjourned meeting.

(4) Or as soon thereafter as the Court Meeting is concluded or adjourned.

(5) This is the latest date by which the Scheme may become Effective. However, the Long Stop Date may be extended to such later date as Sanderson and Apteian Bidco may agree in writing (with the Panel's consent and as the Court may approve (should such approval(s) be required)).

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

## PART ONE

### LETTER FROM THE CHAIRMAN OF SANDERSON GROUP PLC

*Directors:*

Christopher Winn (*Chairman*)  
Ian Newcombe (*Chief Executive Officer*)  
Richard Mogg (*Group Finance Director*)  
John Paterson (*Non-Executive Director*)  
David Gutteridge (*Non-Executive Director*)

*Registered office:*

Sanderson Group Plc  
Sanderson House  
Manor Road  
Coventry CV1 2GF

*Incorporated in England and Wales with registration number 04968444*

8 August 2019

*To all Sanderson Shareholders and, for information only, to holders of options under the Share Option Plans and persons with information rights.*

Dear Shareholder

### RECOMMENDED CASH ACQUISITION OF SANDERSON

#### 1. Introduction

On 1 August 2019 the boards of Sanderson and Apteian Bidco announced that they had agreed the terms of a recommended cash acquisition by Apteian Bidco pursuant to which Apteian Bidco will acquire the entire issued and to be issued share capital of Sanderson, to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

This Part One sets out the background to the Acquisition and the reasons why the Sanderson Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolution at the General Meeting. I draw your attention to the letter from N+1 Singer set out in Part Two (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part Seven (*Additional Information*) of this Document.

In order to approve the terms of the Acquisition, Sanderson Shareholders will need to vote by the requisite majorities in favour of Scheme at the Court Meeting and the Sanderson Resolution at the General Meeting, to be held on 30 August 2019 at 11.00 a.m. and 11.10 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned), respectively, at Sanderson House, Manor Road, Coventry CV1 2GF. Details of the actions you should take are set out in paragraph 12 of this Part One and paragraph 16 of Part Two (*Explanatory Statement*) of this Document. The recommendation of the Sanderson Directors is set out in paragraph 16 of this Part One.

#### 2. Summary of the terms of the Acquisition

The Acquisition is to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act 2006.

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in Part Three (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders whose names appear on the register of members of Sanderson at the Scheme Record Time will be entitled to receive:

**in respect of each Sanderson Share: 140 pence in cash (the “Consideration”)**

The Consideration values the entire existing issued and to be issued share capital of Sanderson at approximately £90.1 million, on the basis of a fully diluted share capital of 64,350,234 Sanderson Shares, calculated on the bases set out in paragraph 21 of Part Seven (*Additional Information*).

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 commencement of the Offer Period);
- 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 commencement of the Offer Period); and
- 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 commencement of the Offer Period).

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 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 (although Sanderson Shareholders will be entitled to receive and retain that dividend (or other distribution)).

Further information about the Acquisition is provided in Part Two (*Explanatory Statement*) of this Document.

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

Aptean Bidco believes that Sanderson 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 of Aptean.

### **4. 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 trading results by achieving 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 Apteian 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 scale and international presence.

In considering their recommendation, the Sanderson Board has given due consideration to the points outlined below:

- The Board of Sanderson acknowledges that Apteian Bidco has stated that it attaches importance to the skills and experience of the Sanderson employees and management team. The Sanderson Board acknowledges that Apteian considers the Acquisition will offer greater opportunities for Sanderson staff as part of the Enlarged Apteian Group, particularly in terms of activities that pertain to developing and expanding UK and European market positions.
- Whilst the Sanderson Board notes that there may be some operational and administrative restructuring where duplications are identified as part of Apteian's full review of the Sanderson Group's corporate, technical, support and research and development functions and locations, Apteian has stated that it does not expect or intend for it to have a material impact on the balance of skills and functions in the Sanderson Group. It is expected that following the Acquisition, a full review may also lead to the identification of new locations of business or areas where research and development spend can be increased to develop and accelerate existing product offerings and new functionality. The Sanderson Board welcomes Apteian's statement that it may offer members of the Sanderson Board an opportunity to assist with the integration of Sanderson into the Wider Apteian Group.

The Sanderson Board notes that the detailed review to be undertaken by Apteian will need to be finalised following the successful completion of the Acquisition and it is therefore unable to express a more detailed opinion on the impact of the Acquisition on the Sanderson Group's management, employees and office locations. However, the Sanderson Board welcomes Apteian's confirmation that it considers that the Acquisition provides an opportunity to accelerate the Sanderson Group's growth in the UK 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 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 details outlined below, the Sanderson Directors believe that the offer price of 140 pence per Sanderson Share in cash provides attractive value and certainty to Sanderson Shareholders.

In considering whether to recommend the Acquisition, the Sanderson Directors took into account, *inter alia*, the following:

- the factors summarised above, including the current political and macro-economic environment and the performance of the Sanderson share price relative to Sanderson's underlying financial performance and prospects;
- the views expressed by some of Sanderson's larger shareholders to the Sanderson Directors / Sanderson's financial advisers;
- the price offered to Sanderson Shareholders, which at 140 pence per Sanderson Share 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 commencement of the Offer Period);
  - 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 commencement of the Offer Period);
  - 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 commencement of the Offer Period); and
  - a value of £90.1 million for Sanderson's issued and to be issued share capital;

- detailed conversations held between the Sanderson Directors and Apteau and its financial advisers which culminated in the Rule 2.7 Announcement; and
- the fact that the Acquisition provides for Sanderson Shareholders to realise the value of their holdings in cash at an attractive premium, in the context of a relative lack of liquidity in Sanderson's shares in their current market listing.

## **5. Irrevocable Undertakings and letter of intent in relation to the Acquisition**

Apteau Bidco has received irrevocable undertakings and a letter of intent from shareholders to support the Acquisition in aggregate in respect of 31,524,429 Sanderson Shares and Sanderson shares under option representing 49.0 per cent. of the share capital of Sanderson.

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

Apteau Bidco has also received irrevocable undertakings from each of the Sanderson Directors and 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 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 David 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 Apteau Bidco).

### ***Unicorn Asset Management irrevocable undertaking***

Unicorn Asset Management Ltd ("**Unicorn Asset Management**"), has provided Apteau 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 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.

### ***Downing irrevocable undertaking***

Downing LLP ("**Downing**"), has provided Apteau 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 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.

### ***Gresham House irrevocable undertaking***

Gresham House Asset Management Ltd ("**Gresham House**") has provided Apteau 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 competing transaction on terms which entitle each Sanderson Shareholder to receive not less than 154 pence for each Sanderson Share held.

### **Canaccord letter of intent**

Canaccord Genuity Fund Management (as agent for and on behalf of its discretionary managed clients) ("**Canaccord**") has provided a letter of intent stating that Canaccord currently intends to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting in respect of 6,255,984 Sanderson Shares, representing approximately 9.7 per cent. of the issued and to be issued share capital of Sanderson. Canaccord's intention does not impose any legally binding obligations on Canaccord to accept the proposed Acquisition nor does it affect Canaccord's ability to deal in Sanderson Shares.

Further details of these irrevocable undertakings and letter of intent are set out in paragraph 9 of Part Seven (*Additional Information*) of this Document. Copies of these documents are available at Sanderson's website (at <https://www.sanderson.com>) and will remain on display until completion of the Acquisition.

## **6. 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 Sanderson'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 £17.7 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).

## **7. Sanderson Board**

The Non-Executive Directors and Christopher Winn intend to resign as directors of Sanderson with effect from completion of the Acquisition.

## **8. Sanderson Management**

Aptean 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, Aptean 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.

## **9. Current trading and prospects**

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.

Financial information relating to Sanderson is set out in Part Five (*Financial Information*) of this Document.

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

### **10.1 Business of the Sanderson Group**

Prior to the date of the Rule 2.7 Announcement, Aptean 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, Aptean Bidco has been able to develop a preliminary strategy that it anticipates delivering for the Sanderson business. Upon the Acquisition becoming Effective, Aptean 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 Aptean Group including, with effect from the Effective Date, the Sanderson Group (the "**Enlarged Aptean 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 Apteian Bidco has been able to conduct to date, Apteian Bidco believes that Sanderson is a well-positioned business that will make an excellent partner for Apteian as it advances its European growth strategy organically and through acquisition. Apteian 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:

(a) *Enterprise Division*

Sanderson's Enterprise Division has direct complementarity with the majority of Apteian's existing operations. The integration of this division into the Apteian 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 Apteian's disciplined, customer-centric approach to product management. Apteian 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 Apteian's structure, which focuses on four manufacturing segments. Therefore, where Sanderson and Apteian have complementary industry domain knowledge, Apteian Bidco intends to share this actively across the Enlarged Apteian 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 Apteian 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
- Apteian Bidco intends to integrate the Enlarged Apteian Group's procurement capabilities to provide greater purchasing power to the Sanderson Group.

(b) *Digital Retail Division*

Sanderson's Digital Retail Division has an adjacent overlap with Apteian's existing operations, however Apteian does not currently provide multi-channel retail software as part of its product portfolio. Apteian Bidco therefore believes that the Digital Retail Division will require its own focused strategy as part of the Enlarged Apteian 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 Apteian Group will continue to use Sanderson's brand name and associated brands for at least twelve months after the Effective Date, whilst Apteian 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.



Aptean Bidco and the Aptean 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). Aptean 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, Aptean 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 Aptean Group and may lead to the identification of surplus headcount where there is unnecessary duplication or where operational efficiencies can be achieved.

Aptean Bidco intends to maintain Sanderson's existing corporate headquarters in Coventry. In conjunction with the aforementioned review of functions, Aptean 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. Aptean 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 Aptean Group, Christopher Winn, John Paterson and David Gutteridge may provide consultancy services to the Enlarged Group up to 31 December 2019, if requested to do so by the directors of Aptean BidCo.

(c) *Research and Development*

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

Aptean Bidco intends to take the same approach with Sanderson following the Acquisition. As part of this approach, Aptean 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 also lead to the identification of certain areas of surplus research and development headcount where operational efficiencies can be achieved across the Enlarged Aptean Group's existing research and development functions which include offshore development capabilities.

## 10.2 **Employees**

Aptean Bidco attaches great importance to the skills and experience of Sanderson's employees, including its management team. Aptean Bidco believes that the Acquisition will generally result in greater opportunities for Sanderson's staff as part of the Enlarged Aptean 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, Aptean Bidco intends to review the management, governance and incentive structure of Sanderson. Aptean 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.

Aptean 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.

### 10.3 **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 Document, Apteian Bidco has held constructive discussions with the trustee in relation to the impact of the Acquisition on the Sanderson DB Section. 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.

### 10.4 **Trading facilities**

The Sanderson Shares are currently admitted on AIM. As set out in paragraph 11 of Part Two (*Explanatory Statement*) of this Document, a request will be made to the London Stock Exchange to cancel the admission to trading of Sanderson Shares on AIM, to take effect from or shortly after the Effective Date. Please see the indicative timeline set out on page 9 of this Document for further information on the anticipated timeline for the cancellation of the listing and admission to trading of the Sanderson Shares

### 10.5 **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.

## 11. **Share Option Plans**

Details of the arrangements proposed to be implemented in relation to the Share Option Plans in connection with the Acquisition are set out in paragraph 14 of Part Two (*Explanatory Statement*) of this Document.

## 12. **Action to be taken by Sanderson Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Sanderson Shareholders in respect of the Acquisition and Scheme are set out in paragraph 16 of Part Two (*Explanatory Statement*) of this Document.

Details relating to the delisting of the Sanderson Shares and settlement of the cash consideration offered by Apteian Bidco are included in paragraph 11 of Part Two (*Explanatory Statement*) of this Document.

### **13. Overseas Sanderson Shareholders**

Overseas Sanderson Shareholders should refer to Part Six (*Additional Information for Overseas Sanderson Shareholders*) of this Document, which contains important information relevant to such holders.

### **14. The Scheme and the Meetings**

The Acquisition is being implemented by way of a Court-sanctioned scheme of arrangement between Sanderson and the Scheme Shareholders under Part 26 of the Companies Act 2006, although Apteian Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer (subject to the consent of the Panel where necessary). The procedure involves an application by Sanderson to the Court to sanction the Scheme, which will involve the Scheme Shares being transferred to Apteian Bidco, in consideration for which Scheme Shareholders will receive cash (on the basis described in paragraph 2 above).

To become Effective, the Scheme requires, among other things, the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders and the passing of the resolutions necessary to implement the Scheme at the General Meeting. Following the Court Meeting and the General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will only become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Sanderson Resolution at the General Meeting.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of opinion of Scheme Shareholders. You are therefore strongly urged to complete, sign and return your Forms of Proxy, or, alternatively, submit your proxy by electronic means, for both the Court Meeting and the General Meeting, as soon as possible. The completion and return of the Forms of Proxy will not prevent you from attending, voting and speaking at either the Court Meeting or the General Meeting, or any adjournment thereof, in person if you are entitled and wish to do so.**

**Further details of the Scheme and the Meetings are set out in paragraphs 2, 7 and 9 of Part Two (*Explanatory Statement*) of this Document.**

### **15. United Kingdom taxation**

Your attention is drawn to paragraph 13 of Part Two (*Explanatory Statement*) of this Document headed "*United Kingdom taxation*". Although this Document contains certain tax related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

### **16. Recommendation**

**The Sanderson Directors, who have been 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 advice to the Sanderson Directors, N+1 Singer has taken into account the commercial assessments of the Sanderson Directors. N+1 Singer is providing independent financial advice to the Sanderson Directors for the purposes of Rule 3 of the Code.**

**The Sanderson Directors believe that the terms of the Acquisition (including the Scheme) are in the best interests of Sanderson Shareholders as a whole and unanimously recommend that Sanderson Shareholders vote in favour of the Scheme at the Court Meeting and the Sanderson Resolution at the General Meeting, as they have irrevocably agreed to do in respect of their own beneficial holdings (and to use reasonable endeavours to procure that their close relatives so vote in respect of their beneficial holdings).**

## **17. Further information**

Your attention is drawn to further information contained in Part Two (*Explanatory Statement*), Part Three (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part Four (*Scheme of Arrangement*) and Part Seven (*Additional Information*) of this Document which provide further details concerning the Scheme.

You are advised to read the whole of this Document and not just rely on the summary information contained in this letter or in the Explanatory Statement.

Yours truly

**Christopher Winn**

*Chairman*

For and on behalf of Sanderson Group Plc

**PART TWO**  
**EXPLANATORY STATEMENT**

(In compliance with section 897 of the Companies Act 2006)

**Nplus1 Singer Advisory LLP**  
**One Bartholomew Lane**  
**London EC2N 2AX**

8 August 2019

*To the holders of Sanderson Shares and, for information only, to holders of options under the Share Option Plans and persons with information rights*

Dear Shareholder

**RECOMMENDED CASH ACQUISITION OF SANDERSON**

**1. Introduction**

On 1 August 2019 the boards of Sanderson and Apteian Bidco announced that they had agreed the terms of a recommended cash acquisition by Apteian Bidco pursuant to which Apteian Bidco will acquire the entire issued and to be issued share capital of Sanderson, to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

The Scheme requires, among other things, the approval of the Sanderson Shareholders and the sanction of the Court.

The Sanderson Directors have been advised by N+1 Singer in connection with the Acquisition and the Scheme. N+1 Singer has been authorised by the Sanderson Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

Your attention is drawn to Part One (*Letter from the Chairman of Sanderson Group Plc*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things, the background to and reasons for the unanimous recommendation by the Sanderson Directors to Sanderson Shareholders to vote in favour of the Sanderson Resolutions at the General Meeting.

The Scheme is set out in full in Part Four (*Scheme of Arrangement*) of this Document. For overseas holders of Sanderson Shares, your attention is drawn to Part Six (*Additional Information for Overseas Sanderson Shareholders*), which forms part of this Explanatory Statement.

Statements made or referred to in this letter regarding Apteian Bidco's reasons for the Acquisition, the financial effects of the Acquisition on Apteian Bidco and/or intentions or expectations of or concerning Apteian Bidco, reflect the views of Apteian Bidco's Board.

Statements made or referred to in this letter regarding the background and reasons for the recommendation of the Sanderson Board, information concerning the business of the Sanderson Group and/or intentions or expectations of or concerning the Sanderson Group prior to completion of the Acquisition, reflect the views of the Sanderson Board.

**2. Summary of the terms of the Acquisition**

The Acquisition is to be effected by way of a scheme of arrangement between Sanderson and Sanderson Shareholders under Part 26 of the Companies Act. Following the Scheme becoming Effective, the entire issued share capital of Sanderson will be held by Apteian Bidco.

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in Part Three (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Scheme Shareholders 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 commencement of the Offer Period);
- 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 commencement of the Offer Period);
- 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 commencement of the Offer Period); and
- a value of £90.1 million for Sanderson’s issued and to be issued share capital.

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 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 (although Sanderson Shareholders will be entitled to receive and retain that dividend (or other distribution)).

### **3. Background to and reasons for the recommendation**

Information relating to the background to and reasons for the Sanderson Directors’ recommendation of the Acquisition is set out in paragraph 4 of Part One (*Letter from the Chairman of Sanderson Group Plc*) of this Document.

### **4. 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.

The forerunner to 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.

Further information relating to Sanderson is set out in paragraph 6 of Part One (*Letter from the Chairman of Sanderson Group Plc*) of this Document.

As at the Latest Practicable Date, Sanderson had in issue and admitted to trading on AIM 60,472,484 ordinary shares of 10 pence each. Sanderson does not hold any Sanderson Shares in treasury. The ISIN of the Sanderson Shares is GB00B04X1Q77.

### **5. Information on Apteian Bidco and Apteian**

#### **5.1 Information on Apteian Bidco**

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

## 5.2 **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 serving 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. 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 consolidated revenues of approximately \$180 million and approximately \$65 million in EBITDA.

## 5.3 **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 Associates employs a long-term approach, utilising its strategic resources to help management teams build lasting value in high quality growth companies.

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.

## 5.4 **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.

## **6. Financing of the Acquisition and cash confirmation**

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 agreements and arranged by Golub Capital Markets LLC.

Further information relating to the financing of the Acquisition is set out in paragraph 11 of Part Seven (*Additional Information*) of this Document.

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

## **7. Conditions to the Acquisition and Scheme**

The Acquisition and, accordingly, the Scheme are subject to a number of conditions set out in full in Part Three (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including:

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

The Scheme will require approval by Scheme Shareholders at the Court Meeting and approval of the Sanderson Resolution by the required majority of Sanderson Shareholders who are permitted to vote on the Sanderson Resolution at the General Meeting, and the sanction of the Court at the Court Hearing. The Sanderson Meetings and the nature of the approvals required to be given at them are described in more detail in paragraph 9 below. All Scheme Shareholders are entitled to attend the Court Hearing in person or through representation to support or oppose the sanctioning of the Scheme.

The Scheme can only become Effective if all Conditions to the Scheme, including shareholder approvals and the sanction of the Court, have been satisfied (unless, where applicable, the relevant Condition is waived). The Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. This is expected to occur on 9 September 2019. Unless the Scheme becomes Effective by the Long Stop Date, or such later date as Sanderson and Aptean Bidco may agree and (if required) the Court and the Panel may allow, the Scheme will not become Effective and the Acquisition will not proceed.

## **8. Offer-related arrangements**

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 each other’s confidential information confidential and not to disclose such confidential information to third parties (other than with the written consent of the other party to named partners, advisors, 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 is set out in paragraph 8 of Part Seven (*Additional Information*) of this Document. The Confidentiality Agreement has been published on Sanderson’s website at



<https://www.sanderson.com> and is available for inspection at the times and places indicated in paragraph 20 of Part Seven (*Additional Information*) of this Document.

## **9. Description of the Scheme and the Meetings**

### **9.1 The Scheme**

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Sanderson and the Scheme Shareholders on the register of members at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Sanderson Shareholders at the Court Meeting and at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part Four (*Scheme of Arrangement*) of this 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 not already directly or indirectly held by it (if any). This is to be achieved by transferring the Scheme Shares held by Sanderson Shareholders as at the Scheme Record Time to Apteian Bidco, in consideration for which Apteian Bidco will pay cash on the basis set out in this Part Two.

### **9.2 Sanderson Meetings**

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Sanderson Shareholders at the separate General Meeting, both of which will be held on 30 August 2019, with the Court Meeting starting at 11.00 a.m. and the General Meeting starting at 11.10 a.m. (or as soon thereafter as the Court Meeting is concluded or adjourned). The Court Meeting is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Sanderson Shareholders to enable the Sanderson Directors to implement the Scheme and to amend the Articles of Association as described in paragraph 9.3 below.

Notices of both the Court Meeting and the General Meeting are set out in Part Nine (*Notice of Court Meeting*) and Part Ten (*Notice of General Meeting*) of this Document. Entitlement to attend and vote at these meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of Sanderson at the Voting Record Time.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Sanderson Resolution at the General Meeting.**

Any Sanderson Shares which Apteian Bidco may acquire prior to the Court Meeting or the General Meeting (and any Sanderson Shares which any member of the Wider Apteian Group (or their nominees) holds at the date of the Court Meeting or General Meeting) are not Scheme Shares and therefore no member of the Wider Apteian Group (or their nominees) is entitled to vote at the Court Meeting in respect of the Sanderson Shares held or acquired by it and will not exercise the voting rights attaching to these Sanderson Shares at the General Meeting. Each such member of the Wider Apteian Group will undertake to be bound by the Scheme.

#### **(a) Court Meeting**

The Court Meeting has been convened for 11.00 a.m. on 30 August 2019 to enable the Sanderson Shareholders who are registered as members of Sanderson at the Voting Record Time to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each member present in person or by proxy will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a simple majority in number representing 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders present and voting in person or by proxy.

It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return your Forms of Proxy as soon as possible. The completion and return of the Forms of Proxy will not prevent you from attending, voting and speaking at either the Court Meeting or the General Meeting, or any adjournment thereof, in person if you are entitled and wish to do so.

(b) *General Meeting*

In addition, the General Meeting has been convened for 11.10 a.m. on 30 August 2019 (or as soon thereafter as the Court Meeting is concluded or adjourned) to consider and, if thought fit, pass the Sanderson Resolution (which requires a vote in favour of not less than 75 per cent. of the votes cast in person or by proxy):

- authorising the Sanderson Directors to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- amending the Articles of Association in the manner described in paragraph 9.3 below.

Voting at the General Meeting will be by poll and each Sanderson Shareholder present in person or by proxy will be entitled to one vote for each Sanderson Share held as at the Voting Record Time.

Sanderson will announce the details of the votes at the Meetings as required under the Code through a Regulatory Information Service as soon as practicable after the conclusion of the Meetings and, in any event, by no later than 8.00 a.m. on the Business Day following the Meetings.

(c) *Court Hearing*

Under the Companies Act, the Scheme requires the sanction of the Court. The Court Hearing to sanction the Scheme is currently expected to be held on 5 September 2019, subject to the prior satisfaction or waiver of the other Conditions set out in Part Three (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document.

The Court Hearing will be held at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London EC4A 1NL. Sanderson Shareholders are entitled to attend the Court Hearing, should they wish to do so, in person or through counsel.

Following sanction of the Scheme by the Court, the Scheme will become Effective upon a copy of the Court Order being delivered to the Registrar of Companies. This is presently expected to occur two Business Days after the date of the Court Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

Sanderson and/or Apteian Bidco will make an announcement through a Regulatory Information Service as soon as practicable following the Scheme becoming Effective.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Sanderson Resolution at the General Meeting.**

If the Scheme does not become Effective by the Long Stop Date (or such later date as may be agreed in writing by Sanderson and Apteian Bidco with the Panel's consent and as the Court may approve (should such approval(s) be required)), the Scheme will never become Effective.

### 9.3 ***Amendments to the Articles of Association***

It is proposed, in the Sanderson Resolution, to amend the Articles of Association to ensure that any Sanderson Shares issued under the Share Option Plans or otherwise between the Voting Record Time and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Articles of Association so that any Sanderson Shares issued to any person other than Apteian Bidco or its

nominee(s) at or after the Scheme Record Time will be automatically acquired by Apteian Bidco on the same terms as under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than Apteian Bidco or its nominee(s)) being left with Sanderson Shares after dealings in such shares have ceased on the London Stock Exchange. The Sanderson Resolution set out in the notice of the General Meeting in Part Ten (*Notice of General Meeting*) of this Document seeks the approval of Sanderson Shareholders for such amendments.

#### 9.4 **Entitlement to vote at the Meetings**

Each Sanderson Shareholder who is entered in Sanderson's register of members at the Voting Record Time will be entitled to attend and vote on all resolutions to be put to the Court Meeting and the General Meeting. If either Meeting is adjourned, only those Sanderson Shareholders on the register of members at 6.00 p.m. on the day which is two days before the adjourned meeting will be entitled to attend and vote. Each eligible Sanderson Shareholder is entitled to appoint a proxy or proxies to attend, speak and, on a poll, to vote instead of him or her. A proxy need not be a Sanderson Shareholder.

Eligible Sanderson Shareholders who return completed Forms of Proxy or appoint a proxy electronically or through CREST may still attend the Meetings (or adjourned Meeting(s), if applicable) instead of their proxies and vote in person if they wish and are entitled to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call Neville Registrars on +44 (0) 121 585 1131. Lines are open between 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding English and Welsh public holidays). Calls will be charged at the applicable national or international rates as the case may be. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Neville Registrars cannot provide legal, tax or financial advice or advice on the merits of the Acquisition or the Scheme.

Further information on the actions to be taken is set out in paragraph 16 of this Part Two.

#### 9.5 **Modifications to the Scheme**

The Scheme contains a provision for Sanderson and Apteian Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

#### 9.6 **Implementation by way of a Takeover Offer**

Subject to obtaining the consent of the Panel Apteian Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, such Takeover Offer will be implemented on substantially the same terms and conditions, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect the change in method of effecting the Acquisition.

### **10. The Sanderson Directors and the effect of the Scheme on their interests**

The names of the Sanderson Directors and details of their interests are set out in Part Seven (*Additional Information*) of this Document. Sanderson Shares held by the Sanderson Directors will be subject to the Scheme.

The Sanderson Directors will have the same rights in respect of the Share Option Plans as other participants, as set out in paragraph 14 below.

The effect of the Scheme on the interests of Sanderson Directors does not differ from its effect on the like interests of any other Sanderson Shareholder.

## **11. Delisting of Sanderson Shares**

The last day of dealings in, and registration of transfers of, Sanderson Shares on the London Stock Exchange will be the Business Day immediately after the Court Hearing and the Sanderson Shares will be suspended from AIM by 8.00 a.m. on the second Business Day following the Court Hearing.

Prior to the Effective Date, it is intended that applications will be made to the London Stock Exchange for Sanderson Shares to cease to be admitted to trading on AIM for listed securities, and to the UK Listing Authority for the listing of Sanderson Shares on AIM to be cancelled. Such cancellation is expected to take place by 8.00 a.m. on the Business Day after the Effective Date.

Aptean Bidco intends that, following the Effective Date, Sanderson will be re-registered as a private company under the Companies Act.

On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled and share certificates in respect of Scheme Shares held in certificated form will cease to be valid documents of title and should be destroyed or, at the request of Sanderson, delivered up to Sanderson, or to any person appointed by Sanderson to receive the same.

## **12. Settlement of Consideration**

Subject to the Acquisition becoming Effective (and except as provided in Part Six (*Additional Information for Overseas Sanderson Shareholders*) of this Document in relation to certain overseas Sanderson Shareholders), settlement of the Consideration to which any Sanderson Shareholder is entitled under the Scheme will be effected in the following manner:

### **12.1 Sanderson Shares held in uncertificated form (i.e. in CREST)**

Where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Sanderson Shares in uncertificated form, the cash consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Aptean Bidco procuring Neville Registrars to instruct Euroclear to create an assured payment obligation in accordance with the CREST assured payment arrangements in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Sanderson Shares in respect of the Consideration due to him not later than the 14th day following the Effective Date.

By 8.00 a.m. on the second Business Day following the Scheme Court Hearing, each holding of Sanderson Shares credited to any stock account in CREST will be disabled and all Sanderson Shares will be removed from CREST in due course.

Aptean Bidco reserves the right to pay all, or any part of, the Consideration referred to above to all or any Scheme Shareholder(s) who hold Sanderson Shares in uncertificated form in the manner referred to in paragraph 12.2 below if, for any reason, it wishes to do so.

In the case of joint holders, payment will be made to the holder whose name stands first in the register of members of Sanderson in respect of the joint holding concerned.

### **12.2 Sanderson Shares held in certificated form**

Where, immediately prior to the Scheme Record Time, a Scheme Shareholder holds Sanderson Shares in certificated form, settlement of the cash consideration due under the Scheme in respect of the Scheme Shares will be dispatched:

- (a) by first class post, by cheque drawn on a branch of a UK clearing bank; or
- (b) by such other method as may be approved by the Panel.

All such cash payments will be made in pounds sterling and drawn on a United Kingdom clearing bank. Payments made by cheque shall be made payable to the Scheme Shareholder(s) concerned. Cheques will be dispatched not later than the 14th day following the Effective Date to the person entitled thereto at the address as appearing in the register of members of Sanderson at the Scheme Record Time (or in accordance with any special standing instructions regarding communications) or,

in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned. None of Sanderson, Apteian Bidco or the Wider Apteian Group or any nominee(s) of Sanderson or Apteian Bidco or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.

Apteian Bidco reserves the right to pay all, or any part of, the Consideration referred to above to all or any Scheme Shareholder(s) who hold Sanderson Shares in certificated form by any other method approved by the Panel if, for any reason, it wishes to do so.

### 12.3 **General**

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

On the Effective Date, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Sanderson, delivered up to Sanderson, or to any person appointed by Sanderson to receive the same. On the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Except with the consent of the Panel, settlement of the Consideration to which any Sanderson Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Apteian Bidco might otherwise be, or claim to be, entitled against such Sanderson Shareholder.

### 12.4 **Dividends**

If any dividend and/or other form of capital return or distribution is authorised, declared, made or paid or becomes payable in respect of Scheme Shares on or after 1 August 2019 and prior to the Effective Date (other than the Interim Dividend), the Consideration payable on each Scheme 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.

If the Consideration for each Scheme Share is reduced by the amount of dividend and/or other form of capital return or distribution that has not been paid:

- (a) any reference in this Scheme and the Document to the Consideration payable under the Scheme shall be deemed a reference to the Consideration as so reduced;
- (b) Sanderson Shareholders appearing on the register of members at the relevant record time as determined by the directors of Sanderson will be entitled to receive and retain that dividend and/or other form of capital return or distribution in respect of the Sanderson Shares they hold; and
- (c) the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of the Scheme.

To the extent that any such dividend and/or capital return and/or distribution is declared, made, paid or becomes payable and it is: (i) transferred pursuant to the Scheme on a basis which entitles Apteian Bidco to receive and retain it; or (ii) cancelled in full prior to payment, the Consideration to be delivered by Apteian Bidco will not be subject to change in accordance with this paragraph 12.4.

## 13. **United Kingdom taxation**

**The comments set out below summarise certain limited aspects of the UK taxation treatment of certain Sanderson Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be current HM Revenue and Customs (“HMRC”) practice (which may not be binding on HMRC), both of which are subject to change, possibly with retrospective effect.**

**The comments are intended as a general guide and do not deal with certain types of Sanderson Shareholder such as charities, trusts, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Sanderson Shares by reason of their employment or as**

carried interest, collective investment schemes, persons subject to UK tax on the remittance basis and insurance companies.

References below to “UK Holders” are to Sanderson Shareholders who are resident for tax purposes in, and only in, the United Kingdom (and, in the case of individuals, to whom “split year” treatment does not apply and who are domiciled for tax purposes in, and only in, the United Kingdom), who hold their Sanderson Shares as an investment (other than under a self-invested personal pension plan or individual savings account) and who are the absolute beneficial owners of their Sanderson Shares.

Overseas holders of Sanderson Shares are referred to Part Six (*Additional Information for Overseas Sanderson Shareholders*) of this Document, which summarises certain UK tax consequences of the Scheme for such holders.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

### 13.1 *UK taxation of chargeable gains (“CGT”)*

The transfer of Sanderson Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder’s Sanderson Shares for CGT purposes and therefore may, depending on the UK Holder’s particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

#### (a) *Individual Sanderson Shareholders*

Subject to available reliefs or allowances, gains arising on a disposal of Sanderson Shares by an individual UK Holder will be taxed at the rate of 10 per cent. or 20 per cent. depending on the individual’s personal circumstances, including other taxable income and gains in the relevant tax year.

The capital gains tax annual exemption (£12,000 for the 2019/20 tax year) may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Sanderson Shares.

#### (b) *Corporate Sanderson Shareholders*

For UK Holders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Sanderson Shares), indexation allowance may be available where the Sanderson Shares were acquired prior to 31 December 2017 in respect of the period of ownership of the Sanderson Shares up to and including 31 December 2017 to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the transfer of their Sanderson Shares under the Scheme in return for cash.

The substantial shareholding exemption may apply to exempt from corporation tax any gain arising to UK Holders within the charge to UK corporation tax where a number of conditions are satisfied, including that the corporate UK Holder (together with certain associated companies) has held not less than 10 per cent. of the ordinary issued share capital of Sanderson for a period of at least one year beginning not more than six years prior to the date of disposal.

### 13.2 *UK stamp duty and stamp duty reserve tax (“SDRT”)*

No UK stamp duty or SDRT should generally be payable by Sanderson Shareholders on the transfer of their Sanderson Shares under the Scheme.

## 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 with the details of the arrangements

applicable to them. A summary of the effect of the Scheme on options under the Share Option Plans (“**Options**”) is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Share Option Plan and/or the communications to the participants in the Share Option Plans regarding the effect of the Scheme on their rights under the Share Option Plans and the details of the arrangements applicable to them (the “**Share Plan Letters**”), the rules of the relevant Share Option Plan or the terms of the Share Plan Letters (as the case may be) will prevail.

Options under the Sanderson 2004 Unapproved Plan and the Sanderson 2004 EMI Plan are currently exercisable. Options under the Sanderson 2015 Share Option Plan will, to the extent they are not already exercisable, become exercisable with effect from the time the Court sanctions the Scheme.

The Scheme 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 General Meeting, be immediately transferred to Aptean 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 is contained in the Notice of General Meeting at Part Ten (*Notice of General Meeting*).

## **15. Overseas holders**

Overseas holders of Sanderson Shares should refer to Part Six (*Additional Information for Overseas Sanderson Shareholders*) of this Document which contains important information relevant to such holders.

## **16. Actions to be taken**

### **16.1 Forms of Proxy**

Sanderson Shareholders will find accompanying this Document a BLUE Form of Proxy and a YELLOW Form of Proxy. The BLUE Form of Proxy is to be used in connection with the Court Meeting and the YELLOW Form of Proxy is to be used in connection with the General Meeting. Whether or not you intend to attend these Meetings please complete and sign both Forms of Proxy and return them in the reply-paid envelope provided in accordance with the instructions printed thereon to Sanderson’s registrars, Neville Registrars, at Neville House, Steelpark Road, Halesowen BG2 8HD, as soon as possible but in any event at least 48 hours prior to the relevant Meeting.

If the BLUE Form of Proxy relating to the Court Meeting is not lodged by the relevant time, it may be handed to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of that Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not lodged so as to be received by the time mentioned above, it will be invalid.

Sanderson Shareholders are entitled to appoint a proxy in respect of some or all of their Sanderson Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different Sanderson Share or Sanderson Shares held by such holder. Sanderson Shareholders who wish to appoint more than one proxy in respect of their holding of Sanderson Shares should contact Neville Registrars for further Forms of Proxy or photocopy the Forms of Proxy as required.

The completion and return of either Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below) will not preclude you from attending the Court Meeting or the General Meeting and voting in person, if you so wish.

### **16.2 Electronic appointment of proxies through CREST**

Sanderson Shareholders who hold Sanderson Shares through CREST and who wish to appoint a proxy or proxies for the Court Meeting and General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (please also refer to the accompanying notes to Part Nine (*Notice of Court Meeting*) and Part

Ten (*Notice of General Meeting*) of this Document). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must in order to be valid, be transmitted so as to be received by Neville Registrars (CREST Participant ID 7RA11) at least 48 hours prior to the Court Meeting or the General Meeting, as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Neville Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Sanderson may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

### 16.3 **Online appointment of proxies**

As an alternative to completing and returning the printed Forms of Proxy, Sanderson Shareholders entitled to attend and vote at the Meetings may appoint a proxy electronically by logging on to [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Neville Registrars no later than 11.00 a.m. on 28 August 2019 for the Court Meeting and 11.10 a.m. on 28 August 2019 for the General Meeting (or, in the case of adjournment(s), not later than 48 hours before the time fixed for the adjourned Meeting(s)). Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of Neville Registrars, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to complete and return your forms of proxy as soon as possible, whether or not you intend to attend the meetings in person. The completion and return of the Forms of Proxy will not prevent you from attending, voting and speaking at either the Court Meeting or the General Meeting, or any adjournment thereof, in person if you are entitled and wish to do so.**

### 16.4 **Shareholder Helpline**

If you have any questions about this Document, the Court Meeting, the General Meeting or how to complete the Forms of Proxy or to submit your proxies electronically, please call Neville Registrars +44 (0) 121 585 1131. Lines are open from 9.00 a.m. and 5.00 p.m. Monday to Friday (excluding



English and Welsh public holidays). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Neville Registrars cannot provide legal, tax or financial advice or advice on the merits of the Acquisition or the Scheme.

#### **17. Further information**

The terms of the Scheme are set out in full in Part Four (*Scheme of Arrangement*) of this Document. Further information regarding Sanderson and Apteau Bidco is set out in Part Seven (*Additional Information*) of this Document. Documents published and available for inspection are listed in paragraph 20 of Part Seven (*Additional Information*) of this Document.

Yours truly,

**Mark Taylor**

*Managing Director*

for and on behalf of Nplus1 Singer Advisory LLP

## **PART THREE**

### **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 p.m. 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 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 of the votes attached to 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 as set out in this 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 Resolution being duly passed by the requisite majority or majorities of Sanderson Shareholders at the General Meeting, or at any adjournment thereof, such General Meeting to be held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting as set out in this 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 as set out in this 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 of this Part Three 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 Aptean 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 Aptean 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 Aptean 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 Aptean 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 Aptean 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, Aptean 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 the Rule 2.7 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, Aptean 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, Apteian 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 General Meeting and the Court Hearing. If any such deadline is not met, Apteian 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 3(i) (inclusive).Conditions 3(a) to 3(i) (inclusive) must be fulfilled or waived by, no later than 11.59 p.m. on the date immediately preceding the Court Hearing.
2. If Apteian Bidco is required by the Panel to make an offer for Sanderson Shares under the provisions of Rule 9 of the Code, Apteian 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. Apteian 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 Apteian 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 1 August 2019 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 Document 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 Apteian Bidco to receive and retain it; or (ii) cancelled in full prior to payment, the consideration to be delivered by Apteian 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, Apteian 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 Apteian 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. Apteian 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 Apteian Bidco may decide, subject to the Panel's consent, provided that the acceptance condition will not be satisfied unless any member of the Wider Apteian 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.

**PART FOUR**

**THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**

**COMPANIES COURT (ChD)**

**CR-2019-005050**

**IN THE MATTER OF SANDERSON GROUP PLC**

**and**

**IN THE MATTER OF THE COMPANIES ACT 2006**

**SCHEME OF ARRANGEMENT**

*(under Part 26 of the Companies Act 2006)*

**between**

**SANDERSON GROUP PLC**

**AND**

**THE HOLDERS OF THE SCHEME SHARES**

**(as hereinafter defined)**

**PRELIMINARY**

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

<b>“Aptean Bidco”</b>	Aptean Limited, a private limited company incorporated in England and Wales with registered number 03399429 whose registered office is at 7 Rushmills, Northampton NN4 7YB;
<b>“Aptean Group”</b>	Gaytor Parent and its subsidiaries, subsidiary undertakings from time to time, which includes Aptean Bidco;
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public or bank holiday) in London (UK) on which clearing banks are generally open for normal business;
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“Code”</b>	the City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	the Companies Act 2006, as may be amended from time to time;
<b>“Court”</b>	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court;
<b>“Court Hearing”</b>	the hearing at which Sanderson will seek an order sanctioning the Scheme pursuant to Part 26 of the Companies Act;

<b>“Court Meeting”</b>	the meeting of Sanderson Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme, including any adjournment or reconvening thereof;
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme;
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
<b>“Document” or “Scheme Document”</b>	the circular to the Sanderson Shareholders published by Sanderson on 8 August 2019 containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;
<b>“Effective Date”</b>	the date on which the Scheme becomes effective in accordance with its terms;
<b>“Encumbrances”</b>	liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Gaytor Parent”</b>	Gaytor Parent Limited, a company registered in Jersey, being the holding company of the Apteon Group (which is controlled by funds managed and advised by TA Associates LP and Vista Equity Partners Management, LLC);
<b>“holder”</b>	a registered holder and includes any person(s) entitled by transmission;
<b>“Latest Practicable Date”</b>	close of business on 7 August 2019, being the latest practicable date before publication of the Document;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Receiving Agent”</b>	the receiving agent appointed by Apteon Bidco for the purposes of this Scheme, being Neville Registrars Limited, incorporated in England and Wales with registered number 04770411 and with its registered address at Neville House, Steelpark Road, Halesowen B62 8HD;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>“Scheme” or “Scheme of Arrangement”</b>	this scheme of arrangement under Part 26 of the Companies Act in its present form or with or subject to any modification, addition or condition approved or imposed by Court;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day immediately after the date of the Court Hearing;
<b>“Share Option Plans”</b>	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;

<b>“Significant Interest”</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>“Sanderson Shareholders”</b>	the holders of Sanderson Shares;
<b>“Sanderson Shares”</b>	the ordinary shares of 10 pence each in the capital of Sanderson;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares;
<b>“Scheme Shares”</b>	<p>the Sanderson Shares:</p> <ul style="list-style-type: none"><li>(i) in issue at the date of the Document;</li><li>(ii) (if any) issued after the date of the Document and prior to the Voting Record Time; and</li><li>(iii) (if any) issued at or after the 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>
<b>“uncertificated” or “uncertificated form”</b>	in a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the day of such adjourned meeting; and
<b>“Wider Apteian Group”</b>	Apteian Bidco and its 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.

- (B) In this Scheme, all references to clauses are to clauses of this Scheme. All times referred to in this Scheme are to London time.
- (C) As at the Latest Practicable Date, the issued share capital of Sanderson was £6,047,248.40 divided into 60,472,484 ordinary shares of 10 pence each, all of which are credited as fully paid up. Sanderson does not hold any Sanderson Shares in treasury at the date of this Scheme.
- (D) As at the Latest Practicable Date, options to acquire up to 3,877,750 Sanderson Shares are outstanding under the Share Option Plans.
- (E) Apteian Bidco was incorporated on 7 July 1997 under the Companies Act 1985 as a private company limited by shares with company number 03399429.

- (F) As at the Latest Practicable Date, no Sanderson Shares were registered in the name of or beneficially owned by Apteian Bidco or any other member of the Apteian Group.
- (G) Apteian Bidco has agreed to appear by Counsel at the hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## **THE SCHEME**

### **1. Transfer of Scheme Shares**

- 1.1 On the Effective Date, Apteian Bidco (or such of its nominee(s) as are agreed between Apteian Bidco and Sanderson) shall acquire all of the Scheme Shares fully paid up, with full title guarantee, and free from all Encumbrances and together with all rights at the Effective Date or thereafter attached thereto, 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.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred from the Scheme Shareholders to Apteian Bidco (or such of its nominee(s) as are agreed between Apteian Bidco and Sanderson) and such transfer shall be effected by means of a form of transfer or other instrument or instruction of transfer and to give effect to such transfer(s) any person may be appointed by Apteian Bidco as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Scheme Shareholder to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer, or to procure the transfer by means of CREST or otherwise give any instructions to transfer (in each case, whether as a deed or otherwise), the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred.
- 1.3 Pending the transfer of the Scheme Shares pursuant to sub-clauses 1.1 and 1.2 of this Scheme, each Scheme Shareholder irrevocably appoints Apteian Bidco as its attorney and/or agent and/or otherwise to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares, to sign any consent to short notice of any general or separate class meeting of Sanderson and on their behalf to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Apteian Bidco to attend general and separate class meetings of Sanderson and authorises Sanderson to send to Apteian Bidco and/or its nominee(s) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Sanderson, such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.
- 1.4 Forthwith upon receipt of any transfer of Scheme Shares in favour of Apteian Bidco (or such of its nominee(s) as are agreed between Apteian Bidco and Sanderson) which is executed in the manner provided by this clause 1 and, where required, is duly stamped, Sanderson shall register the transferees as the holder of Scheme Shares comprised in the transfer and shall effect such registration notwithstanding that the transfer is not accompanied by the certificate for the shares so comprised.

### **2. Consideration for the transfer of Scheme Shares**

- 2.1 Subject to and in consideration for the transfer of the Scheme Shares to Apteian Bidco and/or its nominee(s) as provided in clause 1 of this Scheme, Apteian Bidco shall (subject as hereinafter provided) pay or procure that there shall be paid to or for the account of each Scheme Shareholder as appearing on the register of members of Sanderson at the Scheme Record Time:

**for each Scheme Share**

**140 pence in cash**

- 2.2 If any dividend and/or other form of capital return or distribution is announced, authorised, declared, made or paid or becomes payable in respect of Scheme Shares on or after 1 August 2019 and prior to the Effective Date, the amount set out in sub-clause 2.1 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.
- 2.3 If, pursuant to sub-clause 2.2 of this Scheme, the consideration payable by Apteau Bidco for each Scheme Share is reduced by the amount of dividend and/or other form of capital return or distribution that has not been paid:
- (a) any reference in this Scheme and the Document to the consideration payable under the Scheme shall be deemed a reference to the consideration as so reduced;
  - (b) Sanderson Shareholders appearing on the register of members at the relevant record time as determined by the directors of Sanderson will be entitled to receive and retain that dividend and/or other form of capital return or distribution in respect of the Sanderson Shares they hold; and
  - (c) the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of the Scheme.
- 2.4 To the extent that any such dividend and/or capital return and/or distribution is declared, made, paid or becomes payable and it is: (i) transferred pursuant to the Scheme 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 sub-clause 2.1 will not be subject to change in accordance with sub-clause 2.2 of this Scheme.

### **3. Settlement and dispatch of consideration**

- 3.1 As soon as practicable after the Effective Date, and in any event not more than 14 days after the Effective Date, Apteau Bidco shall:
- (a) in the case of the Scheme Shares which immediately prior to the Scheme Record Time are in certificated form, procure the Receiving Agent to dispatch to the persons entitled thereto in accordance with sub-clause 3.2 below, cheques for the sums payable to each of them respectively in accordance with clause 2 of this Scheme, provided that Apteau Bidco reserves the right to make payment of the said consideration by any other method approved by the Panel; and
  - (b) in the case of the Scheme Shares which immediately prior to the Scheme Record Time are in uncertificated form, procure the Receiving Agent to instruct Euroclear to create an assured payment obligation in respect of the sums payable in accordance with the CREST assured payment arrangements, provided that Apteau Bidco reserves the right to make payment of the said consideration by the method described in sub-clause 3.1(a) if, for any reason, it wishes to do so.
- 3.2 All deliveries of notices, cheques, certificates or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the person entitled thereto at the address appearing in the register of members of Sanderson at the Scheme Record Time (or in accordance with any special instructions regarding communications) or, in the case of joint holders, to the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time.
- 3.3 All cheques shall be made in pounds sterling and drawn on a United Kingdom clearing bank and shall be made payable to the Scheme Shareholder concerned or, in the case of joint holders, to the holder whose name stands first in the register of members of Sanderson, to whom, in accordance with the foregoing provisions of this clause 3, the envelope containing the same is addressed, and the encashment of any such cheque shall be a complete discharge of Apteau Bidco's obligation under this Scheme to pay the monies represented thereby. Apteau Bidco shall dispatch or procure the dispatch of cheques within 14 days of the Effective Date.



- 3.4 In respect of payments made through CREST, the creation of such an assured payment obligation shall be a complete discharge of Apteian Bidco's obligation under this Scheme to pay the monies represented thereby.
- 3.5 The monies to be transferred by Apteian Bidco or its nominee(s) referred to in sub-clause 1.2 (as applicable) to the Receiving Agent for the purposes of satisfying the obligations of Apteian Bidco or its nominee(s) referred to in sub-clause 1.2 (as applicable) to pay the consideration due and payable to the Scheme Shareholders under and in accordance with the terms of the Scheme shall be held by the Receiving Agent solely for that purpose until the discharge of such obligations in accordance with sub-clauses 3.3 and 3.4 above.
- 3.6 None of Sanderson, or Apteian Bidco, the Wider Apteian Group or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, cheques, statements of entitlement or certificates sent in accordance with this clause 3, which shall be sent at the risk of the person or persons entitled thereto.
- 3.7 The preceding sub-clauses of this clause 3 of this Scheme shall take effect subject to any prohibition or condition imposed by law.

#### **4. Certificates in respect of Scheme Shares and cancellation of CREST entitlements**

With effect from and including the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares represented thereby and every Scheme Shareholder shall be bound at the request of Sanderson to deliver up such share certificates to Sanderson, or, as it may direct, to destroy such share certificates;
- (b) Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (c) following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Sanderson's registrars, Neville Registrars, shall be authorised to rematerialise entitlements to such Scheme Shares; and
- (d) subject to the completion of such transfers, forms, instruments or instructions as may be required in accordance with clause 1 of this Scheme and the payment of any UK stamp duty thereon, Sanderson shall make, or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares to Apteian Bidco and/or its nominee(s) (and for such purposes any such transfer, form, instrument or instruction which is in writing and which constitutes an instrument of transfer shall be deemed to a principal instrument).

#### **5. Mandates**

All mandates and other instructions given to Sanderson by Scheme Shareholders in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid. In respect of dividends and/or other forms of capital return or distribution for which the consideration payable by Apteian Bidco has been reduced pursuant to clause 2 (and such reduction has not been reversed pursuant to sub-clause 2.4) Sanderson may, after this Scheme has become effective and notwithstanding the transfer of the Scheme Shares to Apteian Bidco and/or its nominee(s), pay such dividends and/or other forms of capital return or distribution in accordance with applicable mandates and instructions in force prior to the Scheme Record Time.

#### **6. Operation of this Scheme**

- 6.1 This Scheme shall become effective in accordance with its terms as soon as a copy of the Court Order shall have been delivered to the Registrar of Companies for England and Wales.
- 6.2 Unless this Scheme has become effective on or before 11:59 p.m. on 17 February 2020, or such later date, if any, as Sanderson and Apteian Bidco may agree in writing (with the Panel's consent and as the Court may approve (if such approval(s) are required)), this Scheme shall never become effective.

6.3 Sanderson and Apteian Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose.

## **7. Governing Law**

This Scheme is governed by English law and is subject to the exclusive jurisdiction of English courts. The rules of the Code apply to this Scheme on the basis provided in the Code.

Dated: 8 August 2019

## PART FIVE

### FINANCIAL INFORMATION

#### **Part A: Financial information relating to Sanderson**

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

- the audited accounts of the Sanderson Group for the financial year ended 30 September 2018 are set out on pages 24 to 74 (both inclusive) of Sanderson's Annual Report 2018 available from Sanderson's website at <https://www.sanderson.com>;
- the audited accounts of Sanderson for the financial year ended 30 September 2017 are set out on pages 21 to 68 (both inclusive) of Sanderson's Annual Report 2017 available from Sanderson's website at <https://www.sanderson.com>; and
- the unaudited interim financial results of the Sanderson Group for the six months ended 31 March 2019 are available from Sanderson's website at <https://www.sanderson.com>.

#### **Part B: Financial information relating to the Aptean Group**

For the last financial year to 31 December 2018, the Aptean Group had approximately \$180 million of consolidated revenues and \$65 million in EBITDA. The Aptean Group does not publish accounts or other financial statements.

#### **Part C: Effect of the Scheme becoming Effective on Aptean Bidco**

With effect from the Effective Date, the earnings, assets and liabilities of Sanderson will be consolidated with the earnings, assets and liabilities of Aptean Bidco and Aptean Bidco will be liable to Aptean for amounts drawn to pay the Consideration pursuant to the Financing Arrangements.

#### **Part D: No incorporation of website information**

Save as expressly referred to herein, neither the content of Sanderson's website, nor the content of any website accessible from hyperlinks on Sanderson's website, is incorporated into, or forms part of, this Document.

## PART SIX

### ADDITIONAL INFORMATION FOR OVERSEAS SANDERSON SHAREHOLDERS

#### 1. General

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

The availability of the Acquisition to holders of Sanderson Shares who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction to which they are resident. It is the responsibility of any person into whose possession this Document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.

The release, publication or distribution of this Document in certain jurisdictions may be restricted by law. Persons who are not resident in the UK or who are subject to the laws of other relevant jurisdictions should inform themselves of, and observe, any applicable requirements. Failure to comply with the applicable restrictions may constitute a violation of the securities law of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of any such restrictions by any persons.

Unless otherwise determined by Apteau 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 and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed 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 Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

This Document does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.

**Overseas Sanderson Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.**

#### 2. US Securities Laws

US holders of Sanderson Shares should note that the Scheme relates to the shares of an English company that is a "foreign private issuer" as defined under Rule 3b-4 under the US Exchange Act and will be governed by English law. Accordingly, neither the proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and to the Scheme. Moreover, the Acquisition and the Scheme will be subject to the disclosure requirements and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this Document has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the accounting standards applicable to financial statements of US companies. If Apteau Bidco were to elect to implement the acquisition of the Sanderson Shares by way of a Takeover Offer, the offer will be made in compliance with applicable US securities laws and regulations.

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 US.

In accordance with normal UK practice, Apteau Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Shares outside the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn, in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

The receipt of cash pursuant to the Acquisition by a US holder of Sanderson Shares as consideration for the transfer of its Sanderson Shares pursuant to the Scheme will be a taxable transaction for US federal income tax purposes and may also be a taxable transaction under applicable state and local tax laws, as well as foreign and other tax laws. Each US holder of Sanderson Shares is strongly advised to consult an appropriately qualified independent professional tax adviser immediately with respect to the tax consequences of the Scheme.

### **3. UK taxation of certain overseas Sanderson Shareholders**

Non-UK Holders should not be subject to United Kingdom taxation of chargeable gains in respect of the Scheme, but they may be subject to foreign taxation depending on their personal circumstances. No UK stamp duty or SDRT should generally be payable by Non-UK Holders on the transfer of their Sanderson Shares under the Scheme.

References above to **“Non-UK Holders”** are to (A) individual Sanderson Shareholders who (i) are not resident for tax purposes in the United Kingdom, (ii) have not returned and will not be returning to the United Kingdom after a period of “temporary non-residence”, and (iii) are not carrying on a trade (or profession or vocation) in the United Kingdom, and (B) Sanderson Shareholders which are companies and are not within the charge to UK corporation tax.

## PART SEVEN

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The Sanderson Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraphs 1.2 to 1.4 below. To the best of the knowledge and belief of the Sanderson Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Apteian Bidco Directors and the Apteian Directors, whose names are set out in paragraphs 2.2 and 2.3 (respectively) below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to the Apteian Group, themselves, their close relatives, related trusts, other connected persons and (other than TA Associates, the TA Funds, Vista and the Vista Funds) persons deemed to be acting in concert (as such term is defined in the Code) with Apteian Bidco. To the best of the knowledge and belief of the Apteian Bidco Directors and Apteian Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The TA Responsible Persons, whose names are set out in paragraph 2.4 below, each accept responsibility for the information contained in this Document (including any expressing opinion) relating to TA Associates, the TA Funds and themselves and their respective close relatives, related trusts and other connected persons in this Document. To the best of the knowledge and belief of the TA Responsible Persons (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.4 The Vista Responsible Persons, whose names are set out in paragraph 2.5 below, each accept responsibility for the information contained in this Document (including any expressing opinion) relating to Vista, the Vista Funds and themselves and their respective close relatives, related trusts and other connected persons in this Document. To the best of the knowledge and belief of the Vista Responsible Persons (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1 The Sanderson Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Christopher Winn	<i>Executive Chairman</i>
Ian Newcombe	<i>Chief Executive Officer</i>
Richard David Mogg	<i>Group Finance Director</i>
John Clement Mackenzie Paterson	<i>Non-Executive Director</i>
David James Gutteridge	<i>Non-Executive Director</i>

The service address of each of the Sanderson Directors is Sanderson House, Manor Road, Coventry CV1 2GF.

The company secretary of Sanderson is Richard David Mogg.

2.2 The Apteian Bidco Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
Alan Gibson Somerville	<i>Chief Operating Officer</i>
Sandra Ann Cummings	<i>Finance Director</i>
Hellen Maria Stein	<i>Senior Legal Counsel</i>

The service address of each of the Apteian Bidco Directors is 7 Rushmills, Northampton NN4 7YB.

Apteian Bidco has no company secretary.

Apteian Bidco is a private limited company with its registered office at 7 Rushmills, Northampton NN4 7YB.

2.3 The Apteian Directors and their respective positions are:

<i>Name</i>	<i>Position</i>
TVN Reddy	<i>Chief Executive Officer</i>
Hythem El-Nazer	<i>Director</i>
Donna Troy	<i>Director</i>
David Bonnette	<i>Director</i>
Ashutosh Agrawal	<i>Director</i>
James A. Frangis	<i>Director</i>
Michael M Libert	<i>Director</i>
Brian N. Sheth	<i>Director</i>
Marc V. Teillon	<i>Director</i>

2.4 The TA Responsible Persons and their respective positions are:

<i>Name</i>	<i>Position</i>
Hythem El-Nazer	<i>Managing Director</i>
Ashutosh Agrawal	<i>Managing Director</i>
Michael M Libert	<i>Senior Vice President</i>

2.5 The Vista Responsible Persons and their respective positions are:

<i>Name</i>	<i>Position</i>
David Bonnette	<i>Operating Principal</i>
Brian N. Sheth	<i>Co-Founder and President</i>
Marc V. Teillon	<i>Principal</i>

### **3. Interests in Sanderson Shares**

3.1 For the purposes of paragraphs 3 to 5:

- (a) **“acting in concert”** has the meaning given to it in the Code;
- (b) **“arrangement”** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (c) **“dealing”** has the meaning given to it in the Code;
- (d) **“derivative”** has the meaning given to it in the Code;
- (e) **“interest”** or **“interests”** in relevant securities shall have the meaning given to it in the Code;
- (f) **“relevant Apteian Bidco securities”** mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Apteian Bidco including equity share capital of Apteian Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

- (g) **“relevant Sanderson securities”** mean relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Sanderson including equity share capital of Sanderson (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (h) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 Save in respect of 141,003 Sanderson Shares held by Raymond James Investment Services Limited (a party under common control with Raymond James, who is a party acting in concert with Aptean Bidco for the purpose of the Code), neither Aptean Bidco, nor any of the Aptean Bidco Directors, nor, so far as Aptean Bidco is aware, any person acting in concert with it has: (i) any interest in or right to subscribe for any relevant Sanderson securities; nor (ii) any short positions in respect of any relevant Sanderson securities (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 Sanderson securities (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 Sanderson securities.

3.3 As at the Latest Practicable Date, the Sanderson Directors (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant Sanderson securities:

<i>Name</i>	<i>Number of Sanderson Shares</i>	<i>Number of shares under option</i>
Christopher Winn <sup>(1)</sup>	8,000,000	Nil
Ian Newcombe	178,750	2,191,750
Richard David Mogg	Nil	500,000
John Clement Mackenzie Paterson	90,000	Nil
David James Gutteridge	575,000	Nil

<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.

Other than as set out in this paragraph 3.3, there are no other holdings of Sanderson Shares connected to the Sanderson Directors.

### **Share options**

#### **Richard David Mogg**

<i>Name of Share Option Plan</i>	<i>Grant Date</i>	<i>Number of Sanderson Shares over which options are held</i>	<i>Exercise price per Sanderson Share (£)</i>	<i>Exercise period</i>
Sanderson 2015 Share Option Plan	29 March 2018	500,000	0.25	1 January 2019 to 29 March 2028



## Ian Newcombe

<i>Name of Share Option Plan</i>	<i>Grant Date</i>	<i>Number of Sanderson Shares over which options are held</i>	<i>Exercise price per Sanderson Share (£)</i>	<i>Exercise period</i>
Sanderson 2004 Unapproved Plan	21 May 2010	300,000	0.23	21 May 2013 to 21 May 2020
Sanderson 2004 Unapproved Plan	29 June 2011	118,750	0.30	29 June 2014 to 29 June 2021
Sanderson 2004 Unapproved Plan	27 November 2012	200,000	0.4575	27 November 2015 to 27 November 2019
Sanderson 2004 EMI Plan	13 December 2013	200,000	0.71	13 December 2016 to 13 December 2023
Sanderson 2015 Share Option Plan	17 January 2017	123,000	0.72	17 January 2020 to 17 January 2024
Sanderson 2015 Share Option Plan	29 March 2018	1,250,000	0.25	1 January 2019 to 29 March 2028

3.4 As at the Latest Practicable Date, no persons acting in concert with Sanderson held short positions relating to Sanderson Shares.

## 4. Dealings in Sanderson Shares

4.1 The following dealings in relevant securities by persons acting in concert with Apteian Bidco have taken place during the Disclosure Period and have not been aggregated:

<i>Name</i>	<i>Date</i>	<i>Transaction/ Nature of Dealing</i>	<i>Number of Sanderson Shares</i>	<i>Price (£)</i>
Raymond James	08/01/2019	SALE	7,269	0.865
Investment Services Limited	08/01/2019	SALE	10,065	0.865
	08/01/2019	SALE	22,367	0.872
	08/01/2019	SALE	13,420	0.866
	14/01/2019	SALE	3,019	0.894
	15/01/2019	SALE	5,032	0.889
	25/01/2019	SALE	11,183	0.924
	11/03/2019	SALE	10,065	0.921
	10/05/2019	SALE	9,000	1.137
	30/05/2019	SALE	7,775	1.132
	26/06/2019	SALE	16,775	1.225
	01/07/2019	SALE	16,775	1.192
	22/07/2019	SALE	3,000	1.240
	23/07/2019	SALE	3,019	1.237
	23/07/2019	SALE	11,183	1.218

4.2 Save as disclosed in paragraph 4.1 above, during the Disclosure Period, there have been no dealings in relevant securities of Sanderson by Apteian Bidco, the Wider Apteian Group, the Apteian Bidco Directors, their close relatives, related trusts and companies, persons acting in concert with Apteian Bidco or persons with whom Apteian Bidco or any person acting in concert with Apteian Bidco has any arrangement.

## 5. Interests and Dealings – General

5.1 Save as disclosed in paragraphs 3.1 to 3.3 and 4 above, as at the Latest Practicable Date,

- (a) neither Apteian Bidco nor any member of the Wider Apteian Group had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery

obligation or any right to require another person to take delivery of, relevant Sanderson securities nor has any member of the Apteian Group dealt in any relevant Sanderson securities during the Disclosure Period;

- (b) none of the Apteian Bidco Directors nor their close relatives, related trusts and companies, had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities, nor has any such person dealt in any relevant Sanderson securities during the Disclosure Period;
- (c) no person deemed to be acting in concert with Apteian Bidco had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities, nor has any such person dealt in any relevant Sanderson securities during the Disclosure Period;
- (d) no person who has an arrangement with Apteian Bidco or any person acting in concert with Apteian Bidco had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities, nor has any such person dealt in any relevant Sanderson securities during the Disclosure Period; and
- (e) neither Apteian Bidco, nor any person acting in concert with Apteian Bidco, has borrowed or lent any relevant Sanderson securities, save for any borrowed shares which have been either on-lent or sold.

5.2 Save as disclosed in paragraphs 3.1 to 3.3 above, as at the Latest Practicable Date:

- (a) no member of the Sanderson Group had any interest in, right to subscribe in respect of, or any short position in relation to relevant Apteian Bidco securities, nor has any such person dealt in any relevant Sanderson securities or relevant Apteian Bidco securities during the Offer Period;
- (b) none of the Sanderson Directors had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities or relevant Apteian Bidco securities nor has any such person dealt in any relevant Sanderson securities during the Offer Period;
- (c) no person deemed to be acting in concert with Sanderson had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities, nor has any such person dealt in any relevant Sanderson securities during the Offer Period;
- (d) no person who has an arrangement with Sanderson had any interest in, right to subscribe in respect of, any short position under a derivative in relation to any, or had any delivery obligation or any right to require another person to take delivery of, relevant Sanderson securities, nor has any such person dealt in any relevant Sanderson securities during the Offer Period; and
- (e) neither Sanderson, nor any person acting in concert with Sanderson has borrowed or lent any relevant Sanderson securities, save for any borrowed shares which have been either on-lent or sold.

5.3 Save as disclosed herein, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the resolutions to be proposed at the General Meeting.

5.4 Save as disclosed herein, none of (i) Apteian Bidco or any person acting in concert with Apteian Bidco; or (ii) Sanderson or any person acting in concert with Sanderson has any arrangement in relation to relevant Sanderson securities.

5.5 No agreement, arrangement or understanding (including any compensation arrangement) exists between Apteian Bidco or any person acting in concert with it and any of the Sanderson Directors or the recent directors, shareholders or recent shareholders of Sanderson having any connection with or dependence upon or which is conditional upon the Acquisition.

- 5.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Sanderson Shares to be acquired by Apteau Bidco pursuant to the Scheme will be transferred to any other person.

## 6. Directors' service contracts and letters of appointment

### 6.1 Sanderson Executive Directors

Christopher Winn, Ian Newcome and Richard Mogg (the “**Sanderson Executive Directors**”) are employed on employment contracts/service agreements. An annual bonus is agreed with the Remuneration Committee each year and which takes effect from 1 October each year (the “**Annual Bonus Plan**”). The Annual Bonus Plan refers to the current salary, bonus, benefits and notice pay arrangements of the Sanderson Executive Directors each year. Based on the Annual Bonus Plan effective from 1 October 2018, the current salary and benefits of the Sanderson Executive Directors are as follows:

<i>Name</i>	<b>Christopher Winn</b>	<b>Ian Newcombe</b>	<b>Richard David Mogg</b>
<i>Job title</i>	Executive Chairman	Chief Executive Officer	Group Finance Director
<i>Commencement date</i>	3 January 1995	10 April 2005	2 October 2017
<i>Date of most recent contract</i>	31 October 2013	12 August 2016	14 August 2017
<i>Annual salary</i>	£270,443 + £21,139 in lieu of pension Total = £291,572	£219,555 + £11,193 in lieu of pension Total = £230,748	£150,075
<i>On target bonus</i>	£81,000	£81,000	£45,000
<i>Notice period</i>	12 months from the Company 6 months from Executive	12 months	12 months
<i>Car allowance</i>	£27,043	£21,955	£15,007
<i>Holidays</i>	30 + statutory holiday	30 + statutory holiday	25 + statutory holiday
<i>Pension</i>	No. Payment in lieu	No. Payment in lieu	10 per cent. basic salary
<i>Private medical insurance</i>	Yes, as above	Yes	Yes. Executive and immediate family
<i>Permanent health insurance</i>	No	Yes	Yes
<i>Life Insurance</i>	Yes. Capped at £740,000	Yes	Yes. 4 times annual salary
<i>Other benefits</i>	Fuel card Home broadband connection and home telephone (less £200 personal contribution)	Fuel card	Fuel card
<i>Restrictive covenants</i>	12 months	12 months	12 months
<i>Confidentiality obligations</i>	Yes	Yes	Yes

### 6.2 Non-Executive Directors

Under the terms of their letters of appointment, the Non-Executive Directors, serve for an initial period of two years unless terminated by either party giving three months' notice. This notice period extends to 12 months following a change of control event. At each annual general meeting of Sanderson, one third of the Sanderson Directors, including the Non-Executive Directors, are required to retire by rotation as a director in accordance with article 97 of the Articles of Association and may be re-appointed at the same meeting. With effect from 1 October 2018, each Non-Executive Director receives a fee of £39,000 per annum.

## 7. Market quotations

- 7.1 The following table shows the Closing Price for Sanderson Shares for the first Business Day of each of the six months immediately before the date of this Document, for 31 July 2019 (being the last Business Day prior to the commencement of the Offer Period) and for the Latest Practicable Date.

<i>Date</i>	<i>Sanderson Share price (£)</i>
1 February 2019	94.5
1 March 2019	93.0
1 April 2019	93.5
1 May 2019	107.5
3 June 2019	116.0
1 July 2019	134.0
31 July 2019	127.5
Latest Practicable Date	140.0

## 8. Material contracts

### 8.1 **Sanderson material contracts and offer-related arrangements**

Save as disclosed below, no member of the Sanderson Group has, during the period beginning on 1 August 2017 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business or any offer-related arrangement.

The following contracts, being (i) offer-related arrangements or (ii) not being contracts entered into in the ordinary course of business and which are or may be material, have been entered into by members of the Sanderson Group in the period beginning on 1 August 2017 and ending on the Latest Practicable Date:

#### (A) *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 each other’s confidential information confidential and not to disclose such confidential information to third parties (other than with the written consent of the other party to named partners, advisors, 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.

#### (B) *Other*

On 23 November 2017, Sanderson entered into an agreement to purchase the entire issued share capital of Anisa Consolidated Holdings Limited (“**Anisa**”) from its individual shareholders (the “**Anisa Agreement**”). The purchase consideration for the acquisition comprised an initial £3.39 million, made up of approximately £2.06 million in cash and by the issue of 1,894,217 new Sanderson Shares valued at 70 pence. Further consideration of £1.82 million was subsequently paid to Anisa share option holders satisfied by cash and 2,096,436 new Sanderson Shares, also valued at 70 pence. Under the terms of the Anisa Agreement, loan notes with a coupon of 5 per cent. to the value of £1.05 million were repaid in October 2018. Deferred consideration, totalling approximately £1.63 million has been paid in three tranches. The first payment of £563,000 was paid in April 2018 and the second payment for the same amount was paid in October 2018. A third and final deferred payment of up to £500,000 was paid in April 2019. Sanderson entered into an income guarantee in favour of Ross Telford, the Anisa founder, worth £45,000 per annum until 1 October 2023.

On 8 January 2018, Sanderson entered into a guarantee and indemnity in favour of Barclays Bank Plc (“**Barclays**”) pursuant to which Sanderson agreed to guarantee outstanding liabilities owed to Barclays from time to time under the existing banking facilities held by Anisa. The guarantee is subject to a limit of £4,125,000 plus interest, charges, costs and expenses.

On 1 April 2019, Sanderson entered into an agreement to purchase the entire issued share capital of Gould Hall Computer Services Limited from its individual shareholders. The purchase consideration for the acquisition comprised an initial £1.85 million, made up of £1.27 million in cash and by the issue of 500,000 Sanderson Shares. Deferred consideration, totalling

£2.15 million, is payable in cash in a number of tranches over the next six years; £0.60 million is unconditional and payable by 2023 and a further £1.55 million that is conditional upon certain performance criteria having been met.

## 8.2 **Aptean Bidco material contracts and offer-related arrangements**

Save as disclosed below, no member of the Aptean Group has, during the period beginning on 1 August 2017 and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business or any offer-related arrangement.

The following contracts, being (i) offer-related arrangements or (ii) not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Aptean Group in the period beginning on 1 August 2017 and ending on the Latest Practicable Date.

(A) *Confidentiality Agreement*

See paragraph 8.1(A) above for details of the Confidentiality Agreement.

(B) *Financing Arrangements*

See paragraph 11 of Part Seven (*Additional Information*) of this Document for details of the Financing Arrangements.

## 9. Irrevocable Undertakings and letter of intent

Aptean Bidco has received irrevocable undertakings and a letter of intent from shareholders to support the Acquisition in aggregate in respect of 31,524,429 Sanderson Shares and Sanderson shares under option representing 49.0 per cent. of the share capital of Sanderson.

### 9.1 **Irrevocable Undertakings given by the Sanderson Directors**

Aptean Bidco has received irrevocable undertakings from each of the Sanderson Directors in respect of all of their own beneficial holdings of Sanderson Shares and the beneficial holdings of their close relatives, to cast (or, with respect to Sanderson Shares held by close relatives, to use reasonable endeavours to procure the casting of) all voting rights attaching to such Sanderson Shares in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolution at the General Meeting. If the Acquisition is implemented by way of a Takeover Offer, the Sanderson Directors have undertaken to accept, or use reasonable endeavours to procure the acceptance of, the Takeover Offer.

As at the Latest Practicable Date, the Sanderson Directors (and their close relatives and related trusts) had the following interests in Sanderson Shares:

<i>Name</i>	<i>Number of Sanderson Shares</i>	<i>Number of Sanderson Shares under option</i>
Christopher Winn <sup>(1)</sup>	8,000,000	Nil
Ian Newcombe	178,750	2,191,750
Richard David Mogg	Nil	500,000
John Clement Mackenzie Paterson	90,000	Nil
David James Gutteridge	575,000	Nil

<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.

## 9.2 **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 votes) in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolutions at the 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:

<i>Name</i>	<i>Number of Sanderson Shares</i>
Ross Telford	741,567
David Renshaw	2,068,545

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.

## 9.3 **Irrevocable Undertakings given by Sanderson Shareholders**

The following Sanderson Shareholders have each given an irrevocable undertaking to Apteian Bidco to vote in favour of the Scheme at the Court Meeting and in favour of the Sanderson Resolutions at the 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:

<i>Name of Sanderson Shareholder</i>	<i>Number of Sanderson Shares in respect of which undertaking is given</i>	<i>Higher Competing Offer Price</i>	<i>Percentage (%) of Sanderson issued and to be issued share capital</i>
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 Apteian Bidco makes an improved offer on terms at least as favourable with regard to the value of the consideration offered in any competing transaction

### (1) **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 Takeover Offer (as the case may be) lapses or is withdrawn.

### (2) **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 Takeover Offer does not become or is not declared wholly unconditional or lapses in accordance with its terms); (ii) Apteian 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 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.

(3) ***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 Takeover Offer does not become or is not declared wholly unconditional or lapses in accordance with its terms); (ii) Apteian 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 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.

9.4 ***Letter of intent given by Sanderson Shareholder***

Canaccord Genuity Fund Management (as agent for and on behalf of its discretionary managed clients) ("**Canaccord**") has provided a letter of intent stating that Canaccord currently intends to vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the General Meeting in respect of 6,255,984 Sanderson Shares, representing approximately 9.7 per cent. of the issued and to be issued share capital of Sanderson. Canaccord's intention does not impose any legally binding obligations on Canaccord to accept the proposed Acquisition nor does it affect Canaccord's ability to deal in Sanderson Shares.

## 10. Acquisition-related fees and expenses

### 10.1 Wider Aptean Group fees and expenses

The aggregate fees and expenses expected to be incurred by the Wider Aptean Group in connection with the Acquisition (assuming that the Acquisition is completed) are expected to amount to between £6.1 million and £6.2 million, excluding applicable VAT or other taxes. The aggregate fees and expenses consist of the following categories (assuming, in relation to each category, that the Acquisition is completed):

Category	Amount <sup>(1)</sup> (excluding applicable VAT) (£)
Financing arrangements <sup>(2)</sup>	Up to 2.84 million
Financial and corporate broking advice <sup>(3)</sup>	Up to 1.47 million
Legal advice <sup>(4)</sup>	1.4 to 1.5 million
Accounting advice <sup>(4)</sup>	278,000
Other costs and expenses	100,000
Total	6.1 to 6.2 million

<sup>(1)</sup> Figures are given in sterling equivalents and have been subject to rounding adjustments. Where the underlying fee or expense is in US dollars, the exchange rate of £1 = \$1.2133 has been used. These exchange rates reflect the spot exchange rates as at 12.00 p.m. on the Latest Practicable Date. The actual amount of the fees and expenses incurred on a sterling basis may vary depending on foreign exchange movements during the course of the Offer Period.

<sup>(2)</sup> Refer to paragraph 11 of Part Seven (*Additional Information*) for further details of these arrangements.

<sup>(3)</sup> The final fees and expenses for financial and corporate broking advice will depend on whether discretionary fees are paid (such discretionary fees are reflected in the range provided above).

<sup>(4)</sup> Professional fees are estimated as a range as they are charged by reference to hourly rates (or, as applicable, the duration of the provision of the relevant services) and the residual amount of advisory work required in connection with the Acquisition (or, as applicable, the duration of the provision of the relevant services) is uncertain.

In addition, stamp duty at a rate of 0.5 per cent. on the purchase price of the Scheme Shares to be acquired by Aptean Bidco pursuant to the Scheme will be payable by Aptean Bidco.

### 10.2 Sanderson fees and expenses

The aggregate fees and expenses expected to be incurred by Sanderson in connection with the Acquisition (assuming that the Acquisition is completed) are expected not to exceed an amount equal to £1,200,500 excluding VAT or other taxes. The aggregate fees and expenses consist of the following categories:

Category	Amount (£) <sup>(1)</sup>
Financial and corporate broking advice <sup>(2)</sup>	925,000
Legal advice <sup>(3)</sup>	240,000
Accounting advice	5,500
Other costs and expenses <sup>(4)</sup>	30,000
Total	1,200,500

<sup>(1)</sup> Figures are given in sterling.

<sup>(2)</sup> The final fees and expenses for financial and corporate broking advice will depend on whether discretionary fees are paid (such discretionary fees are reflected in the range provided above).

<sup>(3)</sup> These costs are based, in part, on hourly rates. In relation to these elements, amounts included here reflect the time incurred up to the Latest Practicable Date, together with an estimate of the further fees to be incurred.

<sup>(4)</sup> Certain of these services are charged, in part, based on the service volumes provided. In relation to these elements, the amounts included reflect an estimate of the expected service volumes required.

## 11. Financing arrangements relating to Aptean Bidco

On 31 July 2019, Aptean entered into (i) the First Amendment to the First Lien Credit Agreement dated 23 April 2019 with Golub Capital Markets LLC ("**Golub**"), as incremental arranger ("**First Amendment to First Lien**") and (ii) the First Amendment to the Second Lien Credit Agreement dated 23 April 2019 with Golub, as incremental arranger ("**First Amendment to Second Lien**") and, together with the First Amendment to First Lien, the "**Amendments**".



Under the terms of the Amendments, Peach Funding Corporation (this and each subsequent lender under the Amendments, a “**First Amendment Term Lender**”) agrees to make available to Aptean certain term loans (together, the “**Term Facilities**”) in the aggregate principal amounts and currencies described in the following paragraph. The proceeds of loans drawn under the Term Facilities are to be applied, among other things, to finance the aggregate consideration payable by Aptean Bidco pursuant to the Acquisition and to refinancing existing indebtedness of the Sanderson Group.

The Term Facilities have been made available as: (a) an incremental senior term loan facility, consisting of a first lien tranche in an aggregate amount equal to \$75,000,000; and (b) an incremental senior term loan facility consisting of a second lien tranche in an aggregate amount equal to \$36,700,000. The Term Facilities are committed on a customary “certain funds” basis.

Under the Amendments the period during which the funds are available in respect of the Scheme is the “**Certain Funds Period**”, which is defined as follows: the period from the date of the Amendment until the earliest of: (i) the date falling fourteen days after the Effective Date; (ii) the date on which the Scheme lapses in accordance with its terms or is withdrawn or Aptean Bidco definitively announces that it no longer intends to proceed with the Scheme, in each case, to the extent required, with the consent of the Panel or by order of the Court; (iii) the date on which, at a court approved meeting of the Scheme Shareholders (which is not adjourned or postponed), the Scheme is not approved in accordance with the Companies Act by the requisite majority of the Scheme Shareholders; (iv) the date on which, applications for the issuance of the Court Order having been made to the Court (and not adjourned or otherwise postponed), the Court (in its final judgment) refuses to grant the Court Order; and (v) the Long Stop Date, unless, in respect of (ii) through (iv) (inclusive) above, Aptean Bidco has elected, with the consent of the Panel to switch from a Scheme to a Takeover Offer and for the purposes of switching from a Scheme to a Takeover Offer, within five Business Days of such event Aptean has notified Golub that Aptean Bidco intends to issue, and then Aptean Bidco does issue, the announcement of a switch to a Takeover Offer within five Business Days of such notification, unless the Panel, by such time, has not approved the final terms of such announcement of a switch to a Takeover Offer in which case Aptean Bidco shall issue the announcement of a switch to a Takeover Offer within two Business Days of such Panel approval.

The final maturity date of the Term Facilities is the earlier of, with respect to the First Amendment to First Lien: (a) 23 April 2026; and (b) the earlier termination of the first lien credit agreement, and, with respect to the First Amendment to Second Lien: (i) 23 April 2027 and (ii) the earlier termination of the second lien credit agreement.

The obligations under the Term Facilities will be secured by substantially all of the assets of Aptean and certain affiliates of Aptean pursuant to (i) the First Lien Security Agreement, dated 23 April 2019, entered into by Aptean and certain of its affiliates and (ii) the Second Lien Security Agreement, dated 23 April 2019, entered into by Aptean and certain of its affiliates, in each case, subject to customary carve-outs and materiality thresholds. There is no security in respect of the Term Facilities over the assets of the Sanderson Group.

The Term Facilities contains customary representations and warranties, affirmative and negative covenants and events of default, each with appropriate carve-outs and materiality thresholds. The rate of interest payable on each loan drawn under the Term Facilities is the aggregate of the applicable margin plus LIBOR or applicable base rate (as applicable).

The margin on the (a) the term loans under the First Amendment to First Lien is expected to be, with respect to LIBOR: (i) 4.25 per cent. with net leverage ratio of 4.40:1.00, (ii) 4.00 per cent. with net leverage ratio equal to or less than 4.40:1.00 but greater than 3.90:1.00, and (iii) 3.75 per cent. with a net leverage ratio of equal to or less than 3.90:1.00; (b) the term loans under the First Amendment to First Lien is expected to be, with respect to applicable base rate loans: (i) 3.25 per cent. with a net leverage ratio of 4.40:1.00, (ii) 3.00 per cent. with net leverage ratio equal to or less than 4.40:1.00 but greater than 3.90:1.00, and (iii) 2.75 per cent. with a net leverage ratio of equal to or less than 3.90:1.00; and (c) the term loans under the First Amendment to Second Lien is expected to be: (i) 8.50 per cent. with respect to LIBOR and (ii) 7.50 per cent. with respect to the applicable base rate loans.

The First Amendment Term Lenders shall be entitled (i) with respect to the First Amendment to First Lien at any time on or prior to the earlier of (x) the Scheme becoming Effective and (y) a successful syndication of the term loans under the First Amendment to First Lien, to make the changes set forth in paragraph (a) below

and (ii) with respect to the term loans under the First Amendment to Second Lien at any time on or prior to the earlier of (x) the Scheme becoming Effective and (y) a successful syndication of the term loans under the First Amendment to Second Lien, to make the changes set forth in paragraph (b) below, in each case, if the First Amendment Term Lenders reasonably determine that (x) any such change is necessary or advisable in order to ensure a successful syndication of the applicable term loans or (y) if the applicable term loans under the First Amendment to First Lien cannot be successfully syndicated prior to the Effective Date:

- (a) increase the margin applicable to the term loans under the First Amendment to First Lien by (x) not more than 50 basis points per annum or (y) if successful syndication has not occurred on or prior to 1 September 2019, 75 basis points per annum, provided that up to 25 basis points (or 37.5 basis points if successful syndication has not occurred on or prior to 1 September 2019) per annum of any increase in applicable margins permitted thereunder may be implemented, but only after consultation with Apteian, in the form of upfront fees; and
- (b) increase the applicable margin under the term loans under the First Amendment to Second Lien by not more than 100 basis points per annum, provided that up to 50 basis points per annum of any increase in applicable margins permitted thereunder may be implemented, but only after consultation with Apteian, in the form of upfront fees.

Commitment fees and underwriting and arrangement fees, among other fees, are also payable under the terms of the Term Facilities and ancillary documentation.

The proceeds of the Term Facilities will be made available to Apteian Bidco under an intercompany loan, which is to be entered into between Apteian and Apteian Bidco on or prior to the Effective Date.

## 12. Ratings

Prior to the Offer Period, Apteian had been assigned issuer credit ratings of B3 from Moody's and B- from Standard & Poor's. There is no other rating or outlook currently publicly accorded to the Apteian Group by any rating agency.

## 13. Cash confirmation

Raymond James, as lead financial adviser to Apteian Bidco and Apteian, is satisfied that sufficient resources are available to satisfy in full the consideration payable to Sanderson Shareholders under the terms of the Acquisition.

## 14. Persons acting in concert

14.1 In addition to Apteian Bidco Directors (together with their close relatives and related trusts) and members of the Wider Apteian Group, the TA Funds and the Vista Funds, the persons who, for the purposes of the Code, are acting in concert with Apteian Bidco for the purposes of the Acquisition and which are required to be disclosed are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Apteian Bidco</i>
TA Associates Management LP	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States	Investment adviser to TA Invested Funds which beneficially own 50 per cent. of Apteian Bidco
Vista Equity Partners Management LLC	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801, United States	Investment adviser to Vista Invested Funds which beneficially own 50 per cent. of Apteian Bidco
Raymond James Financial International Limited	Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY	Financial Adviser to Apteian Bidco

14.2 In addition to Sanderson Directors (together with their close relatives and related trusts) and members of the Wider Sanderson Group, the persons who, for the purposes of the Code, are acting in concert with Sanderson for the purposes of the Acquisition and which are required to be disclosed are:

<i>Name</i>	<i>Registered Office</i>	<i>Relationship with Sanderson</i>
Nplus1 Singer Advisory LLP	One Bartholomew Lane, London EC2N 2AX	Financial Adviser and Rule 3 Financial Adviser to Sanderson

### **15. Persons with potential interest of 5 per cent. or more in Sanderson**

The following TA Invested Funds and Vista Invested Funds each hold a direct interest of more than 5 per cent. of the issued equity share capital of Gaytor Parent and indirectly more than 5 per cent. of the issued share capital of Apteon Bidco and therefore, following the Effective Date, will have an indirect interest of 5 per cent. or more of the share capital of Sanderson: (i) TA XII-A EU AIV, LP; (ii) TA XII-B EU AIV, LP; (iii) Vista Foundation Fund III, LP and (iv) Vista Foundation Fund III-A, LP.

### **16. No significant change**

There has been no significant change in the financial or trading position of Sanderson since 31 March 2019, being the date to which the latest interim financial information published by Sanderson was prepared.

### **17. General**

The average net debt of the Sanderson Group for the twelve months ended 30 September 2018 was £832,000.

### **18. Consent**

N+1 Singer has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included. Raymond James has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included.

### **19. Documents incorporated by reference**

Parts of other documents are incorporated by reference into, and form part of, this Document.

Part Five (*Financial Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.

A person who has received this Document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested by calling Sanderson's registrars, Neville Registrars, on +44 (0) 121 585 1131. Lines are open between 9.00 a.m. and 5.00 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.

### **20. Documents published on a website**

Copies of the following documents will be available for viewing 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 Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions), and will also be available for inspection at the registered office of Sanderson at Sanderson House, Manor Road, Coventry CV1 2GF and at the offices of Schofield Sweeney LLP at Springfield House, 76 Wellington Street, Leeds LS1 2AY during usual business hours on Monday to Friday of each week (English and Welsh public holidays excepted), in each case, up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (a) this Document and the Forms of Proxy;
- (b) the memorandum and articles of association of each of Sanderson and Apteon Bidco;

- (c) a draft of the articles of association of Sanderson, as proposed to be amended at the General Meeting;
- (d) the consolidated audited report and accounts of Sanderson for the two financial years ended 30 September 2017 and 30 September 2018, and the unaudited interim results of Sanderson for the six months ended 31 March 2019;
- (e) the Confidentiality Agreement;
- (f) the service agreements and letters of appointment of the Sanderson Directors referred to in paragraph 5.6 above;
- (g) copies of the irrevocable undertakings referred to in paragraph 9 of this Part Seven (*Additional Information*);
- (h) the Financing Arrangements referred to in paragraph 11 of this Part Seven (*Additional Information*); and
- (i) the written consents referred to in paragraph 18 of this Part Seven (*Additional Information*).

## **21. Sources of information and bases of calculation**

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

- (a) 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 months to 31 March 2019;
- (b) the value of the Acquisition on a fully diluted basis has been calculated on the basis of 60,472,484 Sanderson Shares in issue on the Latest Practicable Date and an additional 3,877,750 Sanderson Shares that may be issued pursuant to the exercise of options under the Share Option Plans (calculated on the basis that all such options are exercised in full);
- (c) as at the close of business on the Latest Practicable Date, Sanderson had 60,472,484 Sanderson Shares in issue. Sanderson does not hold any Sanderson Shares in treasury. The ISIN for Shares is GB00B04X1Q77;
- (d) the fully diluted share capital of Sanderson (being 64,350,234 Sanderson Shares) is calculated on the basis of 60,472,484 Sanderson Shares in issue on the Latest Practicable Date and up to 3,877,750 further Sanderson Shares that may be issued pursuant to the exercise of options under the Share Option Plans (calculated as per (b) above);
- (e) the price per Sanderson Share set out in paragraph 2 of Part Two (*Explanatory Statement*) of this Document, values the entire issued and to be issued share capital of Sanderson at approximately £90.1 million on the basis of a fully diluted share capital of 64,350,234 Sanderson Shares;
- (f) unless otherwise stated, all prices and Closing Prices for Sanderson Shares are closing middle market quotations derived from the daily AIM appendix to the daily Official List published by the London Stock Exchange;
- (g) certain of the figures included in this Document have been subject to rounding to the nearest decimal point or nearest two decimal points (as applicable); and
- (h) in paragraph 10 of this Part Seven (*Additional Information*), the exchange rate of £1 = US\$1.2133 has been used to calculate the sterling equivalent of the amounts of Sanderson's and Aptean Bidco's fees and expenses. These exchange rates reflect the spot exchange rates as at 12.00 p.m. on the Latest Practicable Date.

## PART EIGHT

### DEFINITIONS

<b>“Acquisition”</b>	the proposed acquisition by Apteian Bidco of the entire issued and to be issued ordinary share capital of Sanderson, to be effected by means of the Scheme or, should Apteian 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;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	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;
<b>“Amended Sanderson Articles”</b>	the amended articles of association to be adopted by Sanderson pursuant to the Sanderson Resolution;
<b>“Apteian”</b>	Apteian, Inc, a Delaware corporation with its registered office at 4325 Alexander Drive, Suite 100, Alpharetta, GA 30022-3740, United States;
<b>“Apteian Bidco”</b>	Apteian Limited, a private limited company incorporated in England and Wales with registered number 03399429 whose registered office is at 7 Rushmills, Northampton, NN4 7YB;
<b>“Apteian Bidco Directors”</b>	the persons whose names are set out in paragraph 2.2 of Part Seven ( <i>Additional Information</i> ) of this Document;
<b>“Apteian Directors”</b>	the persons whose names are set out in paragraph 2.3 of Part Seven ( <i>Additional Information</i> ) of this Document;
<b>“Apteian Group”</b>	Gaytor Parent and its subsidiaries, subsidiary undertakings from time to time, which includes Apteian Bidco and Apteian;
<b>“Articles of Association”</b>	the articles of association of Sanderson;
<b>“associated undertaking”</b>	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;
<b>“Authorisations”</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>“Board”</b>	as the context requires, the board of directors of Sanderson or the board of directors of Apteian Bidco and the terms ‘Sanderson Board’ and ‘Apteian Bidco Board’ shall be construed accordingly;
<b>“Business Day”</b>	a day (other than a Saturday, Sunday or public or bank holiday) in London (UK) on which clearing banks are generally open for normal business;
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST);

<b>“Closing Price”</b>	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;
<b>“CMA Phase 2 Reference”</b>	a reference of the Acquisition to the chair of the United Kingdom Competition and Markets Authority for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>“Code”</b>	the City Code on Takeovers and Mergers;
<b>“Companies Act”</b>	the Companies Act 2006, as may be amended from time to time;
<b>“Conditions”</b>	the conditions to the Acquisition and to the implementation of the Scheme set out in Part Three ( <i>Conditions to the Implementation of the Scheme and to the Acquisition</i> ) of this Document;
<b>“Confidentiality Agreement”</b>	the confidentiality agreement entered into by TA Investment Manager and Sanderson on 29 March 2019;
<b>“Consideration”</b>	has the meaning given to it in paragraph 2 of Part Two ( <i>Explanatory Statement</i> ) of this Document;
<b>“Court”</b>	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court;
<b>“Court Hearing”</b>	the hearing at which the Court sanctions the Scheme, under section 899 of the Companies Act;
<b>“Court Meeting”</b>	the meeting of Sanderson Shareholders (and any adjournment thereof) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part Nine ( <i>Notice of Court Meeting</i> ) of this Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without modification or amendment) or any adjournment thereof;
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme;
<b>“CREST”</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Regulations;
<b>“CREST Manual”</b>	the CREST Manual published by Euroclear, as amended from time to time;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>“Dealing Disclosure”</b>	an announcement pursuant to Rule 8 of the containing details of dealings in interests in the relevant securities of a party to an offer;
<b>“Digital Retail Division”</b>	the business division of Sanderson which focuses on providing multi-channel retail software;
<b>“Disclosure Period”</b>	the period beginning on 1 August 2018 and ending on the Latest Practicable Date;
<b>“Document” or “Scheme Document”</b>	this document dated 8 August 2019 addressed to Sanderson Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;

<b>“Effective Date”</b>	the date on which either: (i) the Scheme becoming effective pursuant to its terms; or (ii) (if Apteian 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;
<b>“Enlarged Apteian Group”</b>	has the meaning given to it in paragraph 10.1 of Part One ( <i>Letter from the Chairman of Sanderson Group Plc</i> );
<b>“Enterprise Division”</b>	the business division of Sanderson which focuses on industry specific software to the manufacturing, distribution and supply chain industries;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited;
<b>“Explanatory Statement”</b>	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in Part Two ( <i>Explanatory Statement</i> ) this Document;
<b>“Fairly Disclosed”</b>	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 the Rule 2.7 Announcement; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of, Sanderson prior to the publication of the Rule 2.7 Announcement; or (iv) as otherwise specifically and fairly disclosed to Apteian Bidco prior to the date of the Rule 2.7 Announcement;
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority acting in its capacity as Authority means the competent authority for the purposes of Part VI of FSMA or any successor thereto;
<b>“Financing Arrangements”</b>	the arrangements put in place to finance the Acquisition, details of which are set out in paragraph 11 of Part Seven;
<b>“Form(s) of Acceptance”</b>	should the Acquisition be implemented by way of Takeover Offer, the form of acceptance and authority or any other document for the purpose of accepting the Takeover Offer;
<b>“Form(s) of Proxy”</b>	either or both (as the context demands) of the BLUE Form of Proxy in relation to the Court Meeting and the YELLOW Form of Proxy in relation to the General Meeting;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 (as it may have been, or may from time to time be, amended, modified, re-enacted or replaced);
<b>“Gaytor Parent”</b>	Gaytor Parent Limited, a company registered in Jersey, being the holding company of the Apteian Group (which is controlled by funds managed and advised by TA Associates and Vista);
<b>“General Meeting”</b>	the general meeting of Sanderson (an any adjournment thereof) to be convened in connection with the Scheme, notice of which is set out in Part Ten ( <i>Notice of General Meeting</i> ) of this Document;
<b>“holder”</b>	a registered holder and includes any person(s) entitled by transmission;

<b>“Interim Dividend”</b>	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;
<b>“Latest Practicable Date”</b>	close of business on 7 August 2019, being the latest practicable date before publication of this Document;
<b>“Listing Rules”</b>	the listing rules made under FSMA by the UK Listing Authority and contained in the UK Listing Authority’s publication of the same name, as amended from time to time;
<b>“London Stock Exchange”</b>	London Stock Exchange Plc;
<b>“Long Stop Date”</b>	17 February 2020 (or such later date (if any) as Sanderson and Apteau Bidco may agree and the Court and the Panel may allow);
<b>“N+1 Singer”</b>	Nplus1 Singer Advisory LLP;
<b>“Neville Registrars”</b>	Neville Registrars Limited, the company registrars of Sanderson;
<b>“Non-Executive Directors”</b>	John Clement Mackenzie Paterson and David James Gutteridge;
<b>“Offer Period”</b>	the period commencing on 1 August 2019 and ending on the earlier of the date on which it is announced that the Scheme has become Effective and/or the date on which it is announced that the Scheme has lapsed or has been withdrawn (or such other date as the Code may provide or the Panel may decide);
<b>“Opening Position Disclosure”</b>	has the same meaning as in Rule 8 of the Code;
<b>“Panel”</b>	the Panel on Takeovers and Mergers;
<b>“Raymond James”</b>	Raymond James Financial International Limited;
<b>“Registrar of Companies”</b>	the registrar of companies in England and Wales;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>“Regulatory Information Service”</b>	has the meaning given in Appendix I to the Listing Rules;
<b>“Remuneration Committee”</b>	the remuneration committee of the Board;
<b>“Restricted Jurisdiction”</b>	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;
<b>“Rule 2.7 Announcement”</b>	the joint announcement made by Apteau Bidco and Sanderson in relation to the Acquisition on 1 August 2019;
<b>“Sanderson”</b>	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;
<b>“Sanderson 2004 EMI Plan”</b>	the Sanderson Enterprise Management Incentive Plan as adopted on 10 December 2004;



<b>“Sanderson 2004 Unapproved Plan”</b>	the Sanderson Unapproved Company Share Option Plan as adopted on 10 December 2004;
<b>“Sanderson 2015 Share Option Plan”</b>	the Sanderson 2015 Share Option Plan as adopted on 3 March 2015;
<b>“Sanderson Directors”</b>	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;
<b>“Sanderson Group”</b>	Sanderson and its subsidiary undertakings and associated undertakings;
<b>“Sanderson Meetings” or “Meetings”</b>	the Court Meeting and the General Meeting;
<b>“Sanderson Pension Schemes”</b>	(i) the Sanderson Group Retirement Benefit Scheme, (ii) Sanderson Group Pension Plan (Scottish Widows); and (iii) Group Flexible Retirement Plan (Standard Life); (iv) the Open Business Solutions Pension Plan and (v) the Gould Hall Computer Services Pension Plan;
<b>“Sanderson Resolution”</b>	the special resolution to approve the implementation of the Scheme and the adoption of the Amended Sanderson Articles to be considered at the General Meeting as set out in Part Ten ( <i>Notice of General Meeting</i> ) of this Document;
<b>“Sanderson Shareholders”</b>	the holders of Sanderson Shares;
<b>“Sanderson Shares”</b>	the ordinary shares of 10 pence each in the capital of Sanderson;
<b>“Scheme” or “Scheme of Arrangement”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Sanderson and holders of Scheme Shares, as set out in Part Four ( <i>Scheme of Arrangement</i> ) of this Document, with or subject to any modification, addition or condition approved or imposed by the Court;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Business Day immediately after the date of the Court Hearing;
<b>“Scheme Shareholders”</b>	holders of Scheme Shares;
<b>“Scheme Shares”</b>	the Sanderson Shares: <ul style="list-style-type: none"> <li>(i) in issue at the date of this Document;</li> <li>(ii) (if any) issued after the date of this Document and prior to the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the 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>
<b>“SEC”</b>	the US Securities and Exchange Commission;

<b>“Share Option Plans”</b>	the Sanderson 2004 Unapproved Plan, the Sanderson 2004 EMI Plan and the Sanderson 2015 Share Option Plan, in each case as amended from time to time;
<b>“Significant Interest”</b>	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 of such undertaking;
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act;
<b>“subsidiary undertaking”</b>	has the meaning given in section 1162 of the Companies Act;
<b>“TA Associates”</b>	TA Associates;
<b>“TA Funds”</b>	has the meaning given to it in paragraph 5.3 of Part Two;
<b>“TA Invested Funds”</b>	the TA Funds holding indirect interests in Apteau Bidco, being TA XII-A-EU AIV LP, TA XII-B-EU AIV LP and TA Investors IV EU AIV LP;
<b>“TA Investment Manager”</b>	has the meaning given to it in paragraph 5.3 of Part Two;
<b>“TA Responsible Persons”</b>	the persons whose names are set out in paragraph 2.4 of Part Seven ( <i>Additional Information</i> ) of this Document;
<b>“Takeover Offer”</b>	if (subject to the consent of the Panel and the terms of this Document) the Acquisition is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer to be made by or on behalf of Apteau Bidco to acquire the 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;
<b>“Third Party”</b>	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;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Listing Authority”</b>	the Financial Conduct Authority in its capacity as the authority for listing in the United Kingdom;
<b>“uncertificated” or “uncertificated form”</b>	in a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“US Exchange Act”</b>	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
<b>“Vista”</b>	Vista Equity Partners;
<b>“Vista Funds”</b>	has the meaning given to it in paragraph 5.4 of Part Two;
<b>“Vista Invested Funds”</b>	the Vista Funds with indirect interests in Apteau Bidco being Vista Foundation Fund III LP, Vista Foundation Fund III-A, LP and VFF III FAF, LP;

<b>“Vista Responsible Persons”</b>	the persons whose names are set out in paragraph 2.5 of Part Seven ( <i>Additional Information</i> ) of this Document;
<b>“Voting Record Time”</b>	6.00 p.m. on the day which is two days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days before the day of such adjourned meeting;
<b>“Wider Apteian Group”</b>	Apteian Bidco and its 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
<b>“Wider Sanderson Group”</b>	Sanderson and its 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.

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 Document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

**PART NINE**  
**NOTICE OF COURT MEETING**

**Claim No. CR-2019-005050**

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**COMPANIES COURT (ChD)**

IN THE MATTER OF  
SANDERSON GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 8 August 2019 made in the above matter, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares (as defined in the Scheme referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme**”) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between Sanderson Group Plc (the “**Company**”) and the holders of Scheme Shares and that such meeting will be held at Sanderson House, Manor Road, Coventry CV1 2GF on 30 August 2019 at 11.00 a.m. at which place and time all holders of Scheme Shares are requested to attend.

A copy of the said Scheme and a copy of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this notice forms part.

Voting on the resolution to approve the Scheme will be by poll and each member present in person or by proxy will be entitled to one vote for each Sanderson Share held at the Voting Record Time (each as defined in the Scheme referred to below).

**Scheme Shareholders entitled to attend and vote at the Court Meeting may vote in person at the Court Meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting.**

**A BLUE Form of Proxy, for use at the Court Meeting, has been provided with this notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) be returned to the Company’s registrars, Neville Registrars Limited (“Registrars” or “Neville”), at Neville House, Steelpark Road Halesowen B62 8HD either (i) by post or (ii) (during normal business hours only) by hand, to be received not later than 11.00 a.m. on 28 August 2019 or, in the case of an adjournment of the Court Meeting, 48 hours before the time appointed for the adjourned meeting. However, if not so lodged, BLUE Forms of Proxy (together with any such authority, if applicable) may be handed to the Chairman of the Court Meeting or to the Registrars, on behalf of the Chairman of the Court Meeting, before the start of the Court Meeting.**

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy. A space has been included in the BLUE Form of Proxy to allow Scheme Shareholders to specify the number of shares in respect of which

that proxy is appointed. Scheme Shareholders who return the BLUE Form of Proxy duly executed but leave this space blank will be deemed to have appointed the proxy in respect of all of their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Registrar for further BLUE Forms of Proxy or photocopy forms of proxy as required. A Scheme Shareholder may appoint more than one proxy in relation to the Court Meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (which can be viewed at [www.euroclear.com](http://www.euroclear.com)).

In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Neville by no later than 11.00 a.m. on 28 August 2019 (or if the Court Meeting is adjourned, 48 hours before the time fixed for the adjourned Court Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which Neville is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Forms of Proxy may alternatively be submitted electronically by logging on to [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements as set out on the Form of Proxy. For an electronic proxy appointment to be valid, the appointment must be received by Neville (CREST Participant ID 7RA11) no later than 11.00 a.m. on 28 August 2019 (or, if the Court Meeting is adjourned, 48 hours before the time fixed for the adjourned Court Meeting).

**Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this notice forms part), will not prevent a Scheme Shareholder from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if such Scheme Shareholder wishes and is entitled to do so.**

### **Voting Record Time**

Entitlement to attend, speak and vote at the Court Meeting or any adjournment thereof, and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.00 p.m. on 28 August 2019 or, if the Court Meeting is adjourned, 6.00 p.m. on the date which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

### **Joint Holders**

In the case of joint holders of Scheme Shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

### **Corporate Representatives**

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Christopher Winn or, failing him, Ian Newcombe or, failing him, Richard Mogg to act as chairman of the Court Meeting and has directed the chairman to report the result of the meeting to the Court.

The said Scheme will be subject to the subsequent sanction of the Court.

Dated 8 August 2019

**SCHOFIELD SWEENEY LLP**

Springfield House  
76 Wellington Street  
Leeds LS1 2AY

Solicitors for the Company

**Nominated Persons**

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “**Nominated Person**”) does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

## PART TEN

### NOTICE OF GENERAL MEETING

#### SANDERSON GROUP PLC

**NOTICE IS HEREBY GIVEN** that a general meeting of Sanderson Group Plc (the “**Company**”) will be held at Sanderson House, Manor Road, Coventry CV1 2GF on 30 August 2019 at 11.10 a.m. (or as soon thereafter as the Court Meeting (as defined in Part Eight (*Definitions*) of the Scheme Document which this notice forms part (the “**Document**”)) is concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution of the shareholders of the Company. Unless defined in this notice, capitalised terms used in this notice shall have the meaning given to them in Part Eight (*Definitions*) of the Document.

#### SPECIAL RESOLUTION

THAT:

- (A) for the purpose of giving effect to the Scheme between the Company and the holders of the Scheme Shares, a copy of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or with or subject to any modification, addition, or condition agreed by the Company and Apteian Bidco and approved or imposed by the Court, the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (B) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new article 157:

#### “157. Scheme of Arrangement

- 157.1 In this Article 157, references to the “Scheme” are to the Scheme of Arrangement between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 8 August 2019 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Apteian Limited) under Part 26 of the Companies Act 2006 and terms defined in the Scheme shall have the same meanings in this Article 157.
- 157.2 Notwithstanding any other provisions in these Articles, if the Company issues any Sanderson Shares other than to any member of the Apteian Group or its nominee(s) on or after the date of the adoption of this Article and prior to the Scheme Record Time such Sanderson Shares shall be issued subject to the terms of the Scheme and the holder or holders of such Sanderson Shares shall be bound by the Scheme accordingly.
- 157.3 Notwithstanding any other provision of these Articles, if any Sanderson Shares are issued to, or transferred to or held by, any person or his nominee other than Apteian Bidco or its nominee(s) (a “**New Member**”) at or after the Scheme Record Time, such Sanderson Shares (the “**Post-Scheme Shares**”) will, provided that the Scheme has become Effective, be immediately transferred to Apteian Bidco or its nominee(s) (which shall be obliged to acquire all of those Post-Scheme Shares) in consideration of and conditional on the payment to the New Member of the same cash consideration per Sanderson Share as would have been payable to a holder of the Scheme Shares under the Scheme.
- 157.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per Sanderson Share to be paid under Article 157.3 above shall be adjusted by the Directors in such manner as the auditors of the Company or an independent investment bank selected by the Company (whichever in their absolute discretion the directors may elect) may determine to be fair and reasonable to the New Member reflecting such reorganisation or alteration.

References in this Article to Sanderson Shares shall, following such adjustment, be construed accordingly.

- 157.5 The consideration to be paid for any Sanderson Shares transferred under Article 157.3 or 157.4 will be paid as soon as practicable and in any event no later than 14 days after the date of transfer of such Sanderson Shares and the payment of such consideration shall constitute a complete discharge to Apteian Bidco (or its nominee(s), as applicable) and the Company in respect of their obligations.
- 157.6 To give effect to any such transfer required by this Article, the Company may appoint any person as attorney or agent of the New Member to execute and deliver a form of transfer on behalf of the New Member in favour of Apteian Bidco (or, if applicable, its nominee(s)) and to do all such things and execute and deliver such documents as may, in the opinion of the attorney or agent, be necessary or desirable to vest such Post-Scheme Shares in Apteian Bidco (or its nominee(s), if applicable). Pending the registration of Apteian Bidco (or its nominee(s), if applicable) as the holder of any Post-Scheme Shares to be transferred pursuant to this Article, each New Member irrevocably appoints Apteian Bidco as its attorney and/or agent and/or otherwise to exercise on its behalf (in place of and to the exclusion of the relevant New Member) any voting rights attached to the Post-Scheme Shares and any or all rights and privileges attaching to the Post-Scheme Shares, to sign any consent to short notice of any general or separate class meeting of the Company and on the New Member's behalf to execute a form of proxy in respect of its Post-Scheme Shares appointing any person nominated by Apteian Bidco (or its nominee(s), if applicable) to attend general and separate class meetings of the Company and authorises the Company to send to Apteian Bidco and/or its nominee(s) any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of the Company, such that from the Effective Date, no New Member shall be entitled to exercise any voting rights attached to the Post-Scheme Shares or any other rights or privileges attaching to the Post-Scheme Shares. The Company shall not be obliged to issue a certificate to the New Member for any Post-Scheme Shares.
- 157.7 Notwithstanding any other provision of these Articles, neither the Company nor the Directors shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the date on which the Scheme becomes Effective, other than to Apteian Bidco or its nominee(s) pursuant to the Scheme.
- 157.8 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) paragraph 6.2 of the Scheme, this Article 157 shall cease to be of any effect."

8 August 2019

By Order of the Board

**Richard Mogg**

*Company Secretary*

Registered Office: Sanderson House, Manor Road, Coventry CV1 2GF

Registered in England and Wales No. 04968444



**Notes:**

1. Only holders of ordinary shares of 10 pence in the capital of Sanderson are entitled to attend and vote at this meeting and may appoint a proxy to attend, speak and vote instead of them. A Sanderson Shareholder may appoint more than one proxy in relation to the general meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of the Company and the appointment of a proxy will not preclude a Sanderson Shareholder from attending and voting in person at the general meeting should he or she subsequently decide to do so.
2. As at 7 August 2019, being the latest practicable date prior to the publication of this notice, the Company's issued share capital consists of 60,472,484 ordinary shares, carrying one vote each. There is no other class of shares in the Company and the Company does not hold any shares in treasury. Therefore the total voting rights in the Company as at 7 August 2019 are 60,472,484.
3. A YELLOW Form of proxy is enclosed for use at this meeting. To be valid, completed forms of proxy must be returned so as to arrive at the offices of the Company's registrar, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen B62 8HD not later than 11.10 a.m. on 28 August 2019, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting. Sanderson Shareholders who wish to appoint more than one proxy in respect of their holdings of Sanderson Shares should contact Neville Registrars for further forms of proxy or photocopy the YELLOW Forms of Proxy as required.
4. As an alternative to completing and returning the printed Form of Proxy, Sanderson Shareholders may also appoint a proxy to vote on the resolution being put to the meeting electronically at [www.sharegateway.co.uk](http://www.sharegateway.co.uk) and completing the authentication requirements as set out on the Form of Proxy. Please note that, to be valid, electronic proxy appointments must be received by Neville Registrars no later than 11.10 a.m. on 28 August 2019. If you have any difficulties with online voting, you should contact Neville Registrars on +44 (0) 121 585 1131. Any electronic communication, including the lodgement of an electronic proxy appointment received by the Company or its agents that is found to contain any virus will not be accepted.
5. Sanderson Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual, which can be viewed at [www.euroclear.com](http://www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's registrars, Neville Registrars (CREST Participant ID 7RA11) not later than 11.10 a.m on 28 August 2019, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, the CREST sponsor or voting service provider are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
9. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of such company or an attorney for such company.
10. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the general meeting.
12. Completion and return of a form of proxy, or the appointment of proxies through CREST, will not preclude a shareholder from attending and voting in person if they are entitled to and wish to do so.
13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. on the day which is two days before the date of the meeting. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
14. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first-named being the most senior).
15. The statement of rights of Sanderson Shareholders in relation to the appointment of proxies described in these notes does not apply to nominated persons. Such rights can only be exercised by Sanderson Shareholders.

16. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**nominated person**") may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a nominated person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
17. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
18. Any member attending the meeting (in person or by proxy) has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
  - (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information,
  - (b) the answer has already been given on a website in the form of an answer to a question, or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
19. As an alternative to appointing a proxy, any corporation which is a member may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.
20. A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found on the Company's website at <https://www.sanderson.com>.
21. The resolutions to be put to the meeting will be voted on by poll and not by show of hands. A poll reflects the number of voting rights exercisable by each member and so the board considers it a more democratic method of voting. Members and proxies will be asked to complete a poll card to indicate how they wish to cast their votes. These cards will be collected at the end of the meeting. The results of the poll will be published on the Company's website and notified to the National Storage Mechanism once the votes have been counted and verified.
22. Except as provided above, members who have general queries about the General Meeting should use the following means of communication (no other methods of communication will be accepted): calling Neville Registrars on +44 (0) 121 585 1311. Lines are open from 9.00 a.m. to 5.00 p.m. Monday to Friday (except English and Welsh public holidays). Please note that calls may be recorded and Neville Registrars cannot provide legal, tax or financial advice, or advice on the merits of the Acquisition or the Scheme.
23. You may not use any electronic address provided in either this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.



