

## EXECUTION VERSION

### DEED OF IRREVOCABLE UNDERTAKING

To: James Hay Holdings Limited (the **Offeror**)  
Dunn's House  
St. Pauls Road  
Sailsbury  
Wiltshire  
SP2 7BF

9 February 2021

#### Proposed offer for Nucleus Financial Group PLC

##### 1. Introduction

We, the undersigned, understand that:

- (a) the Offeror is considering making an offer to acquire, directly or indirectly, all the ordinary shares of 0.1 pence each (**Ordinary Shares**) in the capital of Nucleus Financial Group PLC (the **Target**) (the **Proposed Transaction**) other than those Ordinary Shares owned by the Offeror or any of its subsidiaries at the time of publication of the formal document containing details of a Scheme (as defined below) (the **Scheme Document**) or a formal document containing an Offer (as defined below) (the **Offer Document**);
- (b) it is intended that the Proposed Transaction will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (a **Scheme**), but the Offeror has reserved the right to elect to implement the Proposed Transaction by way of a takeover offer, as defined in the Companies Act 2006 (an **Offer**); and
- (c) the Proposed Transaction will be substantially on the terms and conditions to be set out in a firm offer announcement to be made under Rule 2.7 of the City Code on Takeovers and Mergers (the **Code**) (the **Press Announcement**) and substantially in the form of the attached draft Press Announcement, together with any additional terms and conditions as may be required by: (i) the Panel on Takeovers and Mergers (the **Panel**); (ii) the Code; (iii) the Financial Conduct Authority; and (iv) the London Stock Exchange plc and/or any other relevant securities exchange and/or any other applicable law or regulation and as agreed by us in writing.

##### 2. Condition of undertaking

The terms of this undertaking are conditional on the Press Announcement being released not later than 5.00 p.m. (London time) on the date of this undertaking or such later date and/or time as we and the Offeror may agree.

##### 3. Warranties and undertakings

###### 3.1 We confirm and warrant that:

- (a) we have the power and authority to enter into this undertaking and perform our obligations under it;
- (b) we are the registered holder and beneficial owner of (or are otherwise able to control the exercise of all rights, including voting rights, attaching to) the ordinary shares specified in

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Schedule 1 (the **Shares**, which expression will be deemed to include any shares in the capital of the Target:

- (i) attributable to or derived from the Shares or into which the Shares may be converted, subdivided or consolidated as a result of any reorganisation of the share capital of the Target; and/or
- (ii) in which we acquire an interest,

in each case after the date of this undertaking);

- (c) we are able to procure the transfer of the Shares free from all liens, equities, charges, encumbrances, options, rights of pre-emption, and any other third party rights and interests of any nature; and
- (d) we are not interested in, or otherwise able to control the exercise of voting rights attaching to, any shares or other securities of the Target other than those of which details are set out in Schedule 1.

3.2 We undertake to the Offeror that, unless and until the obligations under this undertaking lapse in accordance with the terms of this undertaking, we will not (and, if applicable, we will procure that the registered holder of the shares will not):

- (a) sell, transfer, charge, encumber, pledge or grant any option over or otherwise dispose of any of the Shares or any interest in any of the Shares except to the Offeror under the terms of the Proposed Transaction;
- (b) accept or give any undertaking in respect of any other offer or similar transaction in respect of any of the Shares which would frustrate the Proposed Transaction or any part of it (whether it is conditional or unconditional and irrespective of the means by which it is to be implemented);
- (c) acquire any further interest in any shares in the Target unless the Panel has first determined, and confirmed to the Offeror and the Target, that we are not acting in concert with the Offeror for the purpose of Note 9 on the definition of “acting in concert” in the Code;
- (d) exercise or, where applicable, procure the exercise of, any voting rights attaching to the Shares on any resolution (whether or not amended and whether put to a show of hands or a poll) which is proposed at any general or class meeting of the Target or any meeting of holders of shares in the Target convened by a court pursuant to section 896 of the Companies Act 2006 which might reasonably be expected to impede or frustrate the Proposed Transaction in any way (which shall include any resolution to approve a scheme of arrangement, merger, acquisition or disposal relating to any shares in the Target or any of its subsidiaries, or any asset of the Target or any of its subsidiaries, by a third party) otherwise than in accordance with the Offeror’s written instructions;
- (e) enter into any agreement or arrangement with any person, whether conditionally or unconditionally, or solicit or encourage any person, to do any of the acts referred to in paragraph 3.2(a) to (d) (inclusive) above;
- (f) pursuant to section 303 Companies Act 2006, without the prior written consent of the Offeror, requisition, or join in requisitioning, any general or class meeting of the Target.

3.3 For the purposes of voting on any resolution referred to under paragraph 3.2(d) above, we shall, if required by the Offeror appoint the chairman of the relevant meeting (or such other person named by

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the Offeror) as our proxy to attend and vote at the relevant meeting and we shall not amend, revoke or withdraw any such appointment.

### 4. Scheme

We undertake to the Offeror that, if the Proposed Transaction is implemented by way of a Scheme:

- (a) we shall exercise or, where applicable, procure the exercise of, all voting rights attaching to the Shares to vote in favour of any resolution to approve the Scheme and any resolution which is necessary to implement the Proposed Transaction which is proposed at any general or class meeting of the Target (including any adjournment thereof) or at any meeting of holders of shares in the Target convened by a court pursuant to section 896 of the Companies Act 2006 (including any adjournment thereof) in connection with the Scheme (any such meeting being a **Shareholders' Meeting**);
- (b) at any Shareholders' Meeting at which are present, we shall exercise all voting rights attaching to the Shares in accordance with the prior written instruction of the Offeror, provided such instruction accords with the spirit of this undertaking;
- (c) we shall, after the despatch of the Scheme Document to shareholders of the Target (and without prejudice to any right we have to attend and vote in person at the Shareholders' Meetings to implement the Proposed Transaction (including any adjournment thereof)):
  - (i) in the case of those Shares referred to in Schedule 1, as soon as reasonably practicable and in any event within five Business Days after the date of the Scheme Document; and
  - (ii) in the case of any other Shares, by the earlier of: (A) within five Business Days after the date on which we become able to control the exercise of all rights, including voting rights, attaching to those Shares; and (B) the deadline for receipt of proxies for the relevant Shareholders' Meeting,

return, or procure the return of, if applicable, the signed forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the resolutions to implement the Proposed Transaction) in accordance with the instructions printed on those forms of proxy and, if applicable, in respect of any Shares held in uncertificated form, take or procure the taking of any other action which may be required by or on behalf of the Offeror or its nominated representative in order to make a valid proxy appointment and give valid proxy instructions (voting in favour of the resolutions to implement the Proposed Transaction); and

- (d) not revoke or amend any proxy submitted in accordance with paragraph 4(c).

### 5. Offer

We undertake to the Offeror that, if the Proposed Transaction is implemented by way of an Offer:

- (a) upon the Offer being made, we will accept or, where applicable, procure the acceptance of the Offer in respect of the Shares in accordance with the procedure for acceptance set out in the Offer Document;
- (b) we shall, after the despatch of the Offer Document to shareholders to the Target:

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- (i) in the case of those Shares referred to in Schedule 1, as soon as reasonably practicable and in any event within seven Business Days of the date of the Offer Document; and
- (ii) in the case of any other Shares by the earlier of: (A) within seven Business Days of the date on which we become able to control the exercise of all rights, including voting rights, attaching to those Shares; and (B) the closing date of the offer immediately following the date on which we become able to control the exercise of all rights, including voting rights, attaching to those Shares; and
- (c) notwithstanding that the terms of the Offer Document may confer rights of withdrawal on accepting shareholders, we shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised.

### **6. Publicity and provision of information**

6.1 We acknowledge that in accordance with:

- (a) Rule 2.10 of the Code, particulars of this undertaking will be disclosed in the Press Announcement;
- (b) Rule 24.3 of the Code, particulars of this undertaking will be included in the Scheme Document and/or the Offer Document (as applicable); and
- (c) Rule 26.1 of the Code, this undertaking will be published on a website following release of the Press Announcement.

6.2 We consent to:

- (a) the issue of the Press Announcement with the references to us and this undertaking substantially in the form and context in which they appear in the form of the draft Press Announcement attached to this undertaking as Schedule 2;
- (b) the despatch of the Scheme Document and/or Offer Document (as applicable) containing particulars of this undertaking and, if required, details of our interests and dealings in Target securities as required by the Code; and
- (c) this undertaking being published on a website following receipt of the Press Announcement.

### **7. Announcing and Proceeding with the Offer**

We acknowledge that:

- (a) the release of the Press Announcement is at the Offeror's absolute discretion and the Offeror reserves the right not to release the Press Announcement; and
- (b) nothing in this undertaking obliges the Offeror to announce or proceed with the Scheme or the Offer, or to despatch the Scheme Document or the Offer Document (as applicable) if it is not required to do so under the Code.

### **8. Lapse of undertaking**

8.1 All obligations under this undertaking will lapse and cease to have any effect:

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- (a) immediately if the Press Announcement is not released by 5.00 p.m. on the date of this undertaking (or any later time or date agreed between us and the Offeror);
- (b) upon service of notice in writing by us to the Offeror by email to [REDACTED] if the Scheme Document has not been posted on or before the date falling 28 days after the date of this undertaking (or such later date as agreed between the Offeror and us), unless on or before such date, the Offeror announces its election to implement the Proposed Transaction by way of an Offer;
- (c) if the Offeror elects to implement the Proposed Transaction by way of an Offer, the Offer Document has not been published within 28 days (or such later date as agreed between the Offeror and us) of the issue of the announcement by the Offeror confirming the switch from the Scheme to an Offer;
- (d) immediately if the Offeror announces, with the consent of the Panel, that it does not intend to proceed with the Proposed Transaction; or
- (e) on and from the earlier of:
  - (i) 11.59 p.m. (London time) on the date falling nine calendar months from the date of this undertaking, or such later time and date (if any) as we and the Offeror shall agree in writing; and
  - (ii) the time and date on which the Proposed Transaction is withdrawn, lapses or otherwise terminates in accordance with its terms.

8.2 If our obligations in this undertaking lapse, we shall have no claim against the Offeror and the Offeror shall have no claim against us, other than in respect of any prior breach of any of the terms of this undertaking.

## 9. General

9.1 If any of the Shares are not registered in our name, we will procure that the registered holder(s) of those Shares act in accordance with the terms of this undertaking.

9.2 We acknowledge that, if we breach any of our obligations in this undertaking, damages alone would not be an adequate remedy and that an order for specific performance would be an essential element of any adequate remedy for that breach.

9.3 Any reference to a time, date or period in this undertaking is a reference to London time and may be extended by mutual agreement between the parties but, as regards any time, date or period originally fixed or so extended, time will be of the essence.

9.4 The *ejusdem generis* principle of construction shall not apply to this undertaking. Any phrase introduced by the terms “other”, “including”, “include” and “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words following or preceding those terms.

9.5 No variation of this undertaking shall be effective unless agreed between each of the parties to it.

9.6 In this undertaking the expression the "Proposed Transaction" extends to any improved cash offer announced by or on behalf of the Offeror during the offer period, whether voluntary or mandatory, irrespective of how the improved offer is to be implemented provided that in the opinion of our financial advisor, the terms of such improved offer are no less favourable to us than the terms set out

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in the Press Announcement and, for the avoidance of doubt, this undertaking will continue to be binding in respect of the Shares in respect of any such improved offer.

- 9.7 This undertaking and any non-contractual obligations arising out of or in connection with it will be governed by, and construed in accordance with, English law.
- 9.8 The English courts have exclusive jurisdiction to settle any dispute, claim or controversy arising out of or in connection with this undertaking (including a dispute, claim or controversy relating to any non-contractual obligations arising out of or in connection with this undertaking) and we irrevocably submit to the exclusive jurisdiction of the English courts for all purposes in relation to this undertaking.

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**SCHEDULE 1**

**THE SHARES**

<i>Name(s) of registered holders as appearing on the register of members</i>	<i>No. of ordinary shares</i>
Sanlam UK Limited	39,914,760

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**SCHEDULE 2**  
**DRAFT PRESS ANNOUNCEMENT**



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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART IN, INTO OR FROM ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) 596/2014 (AS AMENDED IN THE UNITED KINGDOM FROM 1 JANUARY 2021). UPON PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE.

9 February 2021

**RECOMMENDED CASH OFFER**

for

**Nucleus Financial Group plc**

by

**James Hay Holdings Limited**

**(an indirect wholly owned subsidiary of IFG Group Limited, the parent company of the James Hay Group)**

**Summary**

The Boards of James Hay Holdings Limited ("**James Hay Holdings**") and Nucleus Financial Group plc ("**Nucleus**") are pleased to announce that they have reached agreement on the terms of a recommended all cash offer to be made by James Hay Holdings, pursuant to which James Hay Holdings is to acquire the entire issued and to be issued share capital of Nucleus (the "**Acquisition**"). The Acquisition is intended to be effected by means of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act 2006 (the "**Scheme**").

Under the terms of the Scheme, which is subject to the Conditions and further terms set out in Appendix 1 of this Announcement, and to the full terms and conditions to be set out in the Scheme Document, Nucleus Shareholders will be entitled to receive:

**188 pence in cash for each Nucleus Share**

The Acquisition values the share capital of Nucleus at approximately £144.62 million on a fully diluted basis.

The price offered by James Hay Holdings for the Acquisition of 188 pence per Nucleus Share (the "**Offer Price**") represents a premium of approximately:

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- 41.89 per cent. to the Closing Price per Nucleus Share of 132.5 pence on 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 58.68 per cent. to the volume weighted average price per Nucleus Share of 118.5 pence in the 3 months to 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 35.53 per cent. to the volume weighted average price per Nucleus Share of 138.7 pence in the 12 months to 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period); and
  - 12.24 per cent. to the Closing Price per Nucleus Share of 167.5 pence on 8 February 2021 (being the Latest Practicable Date).

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

The Acquisition combines the James Hay Group, a specialist pensions innovator with a 40-year track record of providing retirement solutions to larger financial adviser firms, with Nucleus' reputation as an award-winning, adviser-led, financial planning and investment platform for small to medium-sized adviser firms. The combination creates the capability to service the entire adviser market with a wide range of financial planning and retirement needs, including leading SIPP and drawdown features among a broad range of tax wrappers (including ISAs, GIAs, onshore and offshore bonds).

James Hay and Nucleus have strong and trusted reputations in the UK platform market, with a service-driven approach that will be an integral part of the Combined Group's high-tech, high-touch service proposition and philosophy post-transaction.

Following the Acquisition, James Hay Holdings intends to merge the operations of Nucleus with the James Hay Group to create a leading financial planning and retirement-focused adviser platform with c£45 billion of AUA and scale, enabling greater investment in technology, products and service to meet the needs of advisers and their clients.

The James Hay Group is indirectly owned by the Epiris Funds together with select members of the James Hay Group management.

### **Recommendations**

The Nucleus Directors, who have been so advised by Shore Capital and Craven Street Capital as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Shore Capital and Craven Street Capital are providing independent financial advice to the Nucleus Directors for the purposes of Rule 3 of the Code. In providing their advice to the Nucleus Directors, Shore Capital and Craven Street Capital have taken into account the commercial assessments of the Nucleus Directors.

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Accordingly, the Nucleus Directors intend to recommend unanimously that the Scheme Shareholders vote in favour of the Scheme at the Nucleus Court Meeting and that Nucleus Shareholders vote in favour of the Resolution at the Nucleus General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept such Offer) as the Nucleus Directors who hold Nucleus Shares have irrevocably undertaken to do or, as they have otherwise irrevocably undertaken to direct (and procure that) their nominees do, in respect of their own beneficial holdings amounting in aggregate to 1,011,371 Nucleus Shares, representing approximately 1.32 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out at paragraph 12 and Appendix 3 to this Announcement.

### **Irrevocable undertakings**

In addition to the irrevocable undertakings from the Nucleus Directors described above, James Hay Holdings has received an irrevocable undertaking from Sanlam to vote, or procure votes, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), in respect of 39,914,760 Nucleus Shares in aggregate, representing approximately 52.19 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

In addition, certain other Nucleus Shareholders have irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), in respect of their own beneficial holdings totalling 1,806,851 Nucleus Shares, representing in aggregate approximately 2.36 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

Accordingly, in aggregate with the irrevocable undertakings received from the Nucleus Directors, as at the date of this Announcement, James Hay Holdings has received legally binding irrevocable undertakings to vote, or procure the voting, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or in the event that the Scheme is implemented by way of an Offer, to accept or procure acceptance of the Offer) in respect of a total of 42,732,982 Nucleus Shares representing, in aggregate, approximately 55.88 per cent. of Nucleus' existing issued ordinary share capital as at the Latest Practicable Date.

Further details of these irrevocable undertakings are set out at paragraph 12 and Appendix 3 to this Announcement.

### **General**

It is intended that the Scheme will be implemented by way of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act 2006, further details of which are contained in the full text of this Announcement and which

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will be set out in the Scheme Document. However, James Hay Holdings reserves the right, with the consent of the Panel, to implement the Scheme by way of a takeover offer (as defined in Part 28 of the Companies Act 2006).

The Scheme will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including the approval of the Scheme by the Scheme Shareholders and the sanction of the Scheme by the Court. The Conditions also include the receipt of approval by the FCA.

The Scheme Document will include full details of the Scheme, together with notices of the Nucleus Court Meeting and the Nucleus General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document will be despatched to Nucleus Shareholders on or about 5 March 2021.

In order to become effective, the Scheme must be approved by a majority in number of Scheme Shareholders present and voting and entitled to vote at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Nucleus Shares voted by such Scheme Shareholders. In addition, a special resolution to approve amendments to Nucleus' articles of association to ensure that, if the Scheme is approved at the Nucleus Court Meeting, any Nucleus Shares issued after the Scheme Record Time will automatically be acquired by James Hay Holdings on the same terms as under the Scheme must be passed by Nucleus Shareholders representing at least 75 per cent. of votes cast at the Nucleus General Meeting.

The Scheme is expected to become effective in the second quarter of 2021, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement and as stated in the following paragraph.

If any dividend and/or other form of capital return or distribution is authorised, declared, made or paid by Nucleus in respect of Nucleus Shares on or after the date of this Announcement and with a record date prior to the Effective Date, James Hay Holdings reserves the right to reduce the consideration payable in respect of each Nucleus Share held by the amount of all or part of any such dividend and/or other form of capital return or distribution, except where Nucleus Shares are or will be acquired pursuant to the Acquisition on a basis which entitles James Hay Holdings to receive such dividend, other distribution or return of capital and retain it. If James Hay Holdings exercises this right and any such reduction takes place, Nucleus Shareholders shall be entitled to receive and retain that dividend, return of capital or other distribution. Any reduction of the consideration payable under the Acquisition pursuant to this right 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.

**The global COVID-19 pandemic is restricting the ability of Governmental Entities around the world to conduct their normal operations. James Hay Holdings expects that Governmental Entities will not be operating according to their normal schedules during**

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the upcoming period and it may, therefore, take longer for the Conditions to be satisfied. Accordingly, any dates in respect of the expected timetable for the Acquisition set out in this Announcement are indicative, subject to change (by agreement between James Hay Holdings and Nucleus and, where required, the Court) and provided by way of guidance only. James Hay Holdings shall keep the Nucleus Shareholders notified of any updates or changes to the expected timetable as additional guidance is released. Further details regarding the expected timetable will be contained in the Scheme Document.

- Commenting on the Acquisition, David Ferguson, CEO of Nucleus, said:

*“Since we launched in 2006 we've always put the customer centre stage and while that has made us a little bit different it's carried us to £17.4 billion in AUA and to a point where the sentiment of our users and our people has never been better. Becoming part of this enlarged group gives us a key role in a much bigger story where we can create a leading independent platform of scale with a high tech, high touch proposition and philosophy. I think the combination of our people's talents and the size of the opportunity can see us carefully navigate the roadmap to deliver on this collective medium-term goal. I look forward to getting to know our new colleagues and moulding a group culture that is centred on doing the right thing and building a market-defining product that really delivers for advisers and their clients.”*

- Commenting on the Acquisition, Richard Rowney, CEO of the James Hay Group said:

*“We are excited to be announcing the acquisition of Nucleus, which on completion will create a leading, independent, adviser platform, with c£45 billion of AUA. The two businesses have complementary areas of expertise and common beliefs about the importance of independence and only serving the adviser market.*

*We admire much about Nucleus and the skills within its team, and look forward to working with them to better serve the growing needs of advisers. By joining forces, we can combine Nucleus' reputation for great digital user-experience and James Hay's pension specialism, creating greater strength and a platform with the scale to invest and deliver real value for advisers and their clients.”*

- Commenting on the Acquisition, Angus Samuels, Chairman of Nucleus, said:

*“The Board of Nucleus is pleased to recommend James Hay Holdings' cash offer for the Company. The offer reflects the quality of the business and represents an opportunity for shareholders to exit their holding in cash at a significant premium to the pre-offer share price. Going forward, the Board believes that in joining with James Hay, Nucleus will be part of a combined group that will have the scale and resources to support its continued growth against the backdrop of a highly competitive marketplace. The Nucleus Board*

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*therefore unanimously recommends that shareholders vote in favour of the resolutions relating to the Acquisition.”*

- Commenting on the Acquisition, Bill Priestley, Chief Investment Partner of Epiris said:

*“The combination of the James Hay and Nucleus businesses is a compelling opportunity to create one of the largest adviser platforms in the UK wealth management sector. We are delighted to be supporting James Hay on this acquisition, a transaction which not only is transformational for the business, but also will deliver significant benefits to both James Hay’s and Nucleus’ advisers and clients. Following the acquisition, we believe the combined group will be well positioned to take advantage of further growth opportunities as the market continues to evolve.”*

**This summary should be read in conjunction with the full text of this Announcement and the Appendices.**

The Scheme will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. The sources and bases for certain financial information contained in this Announcement are set out in Appendix 2. Appendix 3 contains details of the irrevocable undertakings received in relation to the Scheme that are referred to in this Announcement. Appendix 4 contains definitions of certain terms used in this summary and this Announcement.

**Enquiries:**

**Investor Enquiries**

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**Nucleus**

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Jennifer Renwick

Jake Thomas

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Burges Salmon LLP are retained as legal advisers for Nucleus. Macfarlanes LLP are retained as legal advisers for the James Hay Group.

**Further Information**

*This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Nucleus pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Scheme. Any decision in respect of, or other response to, the Scheme should be made on the basis of the information contained in the Scheme Document.*

*Nucleus and James Hay Holdings urge Nucleus Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Scheme. Any vote in respect of resolutions to be proposed at the Nucleus Meetings to approve the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

**Information Relating to Nucleus Shareholders**

*Please be aware that addresses, electronic addresses and certain other information provided by Nucleus Shareholders, persons with information rights and other relevant persons for the receipt of communications from Nucleus may be provided to James Hay Holdings during the Scheme Period as required under Section 4 of Appendix 4 of the City Code.*

**Overseas Jurisdictions**

*The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom to vote their Nucleus Shares with respect to the Scheme at the Nucleus Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the*



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*Nucleus Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*Unless otherwise determined by James Hay Holdings or required by the City Code, and permitted by applicable law and regulation, no person may vote in favour of the Scheme by any such use, means or instrumentality from 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 Announcement and any formal documentation relating to the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Scheme. If the Acquisition is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

*Further details in relation to Nucleus Shareholders in overseas jurisdictions will be contained in the Scheme Document.*

#### **Additional Information for US Investors**

*The Scheme relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, James Hay Holdings exercises the right to implement the Scheme by way of an Offer and determines to extend the Offer into the United States, the Offer will be made in compliance with applicable United States laws and regulations. Financial information included in this Announcement and the Scheme Document has been or will have been prepared in*

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*accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*It may be difficult for US holders of Nucleus Shares to enforce their rights and any claim arising out of the US federal laws, since Nucleus and James Hay Holdings are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Nucleus Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

### ***Important Notices Relating to Financial Advisers***

*Fenchurch Advisory Partners LLP, which is authorised and regulated by the FCA in the UK, is acting as financial adviser exclusively for the James Hay Group and James Hay Holdings and no one else in connection with the matters set out in this Announcement and will not be responsible to anyone other than the James Hay Group and James Hay Holdings for providing the protections afforded to clients of Fenchurch Advisory Partners or for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.*

*Shore Capital & Corporate Limited and Shore Capital Stockbrokers Limited (either individually or collectively "Shore Capital") which are authorised and regulated by the Financial Conduct Authority in the United Kingdom, are acting exclusively for Nucleus and for no-one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than Nucleus for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to the subject matter of this Announcement or any other matter referred to herein. Neither Shore Capital & Corporate Limited nor Shore Capital Stockbrokers Limited, nor any of their subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Shore Capital in connection with this Announcement, any statement contained herein or otherwise.*

*Craven Street Capital, an appointed representative of Resolution Compliance Limited which is authorised and regulated by the FCA in the UK, is acting as joint financial adviser exclusively for Nucleus and no one else in connection with the matters set out in this Announcement and will not be responsible to anyone other than Nucleus for providing the protections afforded to clients of Craven Street Capital or its affiliates, or for providing advice in relation to the Scheme or any other matters referred to in this Announcement*

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

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*This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Acquisition and other information published by the James Hay Group or James Hay Holdings and Nucleus contain certain forward-looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of the James Hay Group and Nucleus and their respective groups and certain plans and objectives with respect to the Combined Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the James Hay Group and Nucleus about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on the James Hay Group and Nucleus, the expected timing and scope of the Acquisition and other statements other than historical 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", or other words of similar meaning. These statements are based on assumptions and assessments made by the James Hay Group and/or Nucleus in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward-looking statements.*

*There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Nucleus Group, refer to the Nucleus 2019 Annual Report and Accounts.*

*Each forward-looking statement speaks only as at the date of this Announcement. Neither the James Hay Group nor Nucleus, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.*

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## **Rounding**

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

## **No Profit Forecasts or Estimates**

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

## **Dealing and Opening Position Disclosure Requirements**

*Under Rule 8.3(a) of the City Code, any person who is interested in one 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 3.30pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one 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(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in*

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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 Disclosures 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). 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 contact the Panel's Market Surveillance Unit on +44 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 on website and availability of hard copies**

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on James Hay's website [www.jameshay.co.uk](http://www.jameshay.co.uk) and on Nucleus' website [www.nucleusfinancial.com/investors](http://www.nucleusfinancial.com/investors) by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Nucleus Shareholders may request a hard copy of this Announcement by: (i) contacting Nucleus during business hours on +44 (0) 131 226 9800 or (ii) by submitting a request in writing to Nucleus at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH.

#### **MAR**

The information contained within this Announcement is deemed by Nucleus to constitute inside information as stipulated under the Market Abuse Regulation (as amended in the United Kingdom from 1 January 2021).

Upon the publication of this Announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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

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NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART IN, INTO OR FROM ANY RESTRICTED JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014 (AS AMENDED IN THE UNITED KINGDOM FROM 1 JANUARY 2021). UPON PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION WILL BE CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE.

9 February 2021

**RECOMMENDED CASH OFFER**

for

**Nucleus Financial Group plc**

by

**James Hay Holdings Limited**

**(an indirect wholly owned subsidiary of IFG Group Limited, the parent company of the James Hay Group)**

**1 INTRODUCTION**

The Boards of James Hay Holdings and Nucleus are pleased to announce that they have reached agreement on the terms of a recommended all cash offer to be made by James Hay Holdings for the acquisition of the entire issued and to be issued share capital of Nucleus, to be effected by means of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act 2006.

**2 THE SCHEME**

Under the terms of the Scheme, which will be subject to the Conditions and other terms set out in this Announcement and to the full terms and conditions which will be set out in the Scheme Document, Nucleus Shareholders will be entitled to receive:

**188 pence in cash for each Nucleus Share**

The Acquisition values the share capital of Nucleus at approximately £144.62 million on a fully diluted basis.

The price offered by James Hay Holdings for the Acquisition of 188 pence per Nucleus Share represents a premium of approximately:

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- 41.89 per cent. to the Closing Price per Nucleus Share of 132.5 pence on 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 58.68 per cent. to the volume weighted average price per Nucleus Share of 118.5 pence in the 3 months to 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period);
  - 35.53 per cent. to the volume weighted average price per Nucleus Share of 138.7 pence in the 12 months to 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period); and
  - 12.24 per cent. to the Closing Price per Nucleus Share of 167.5 pence on 8 February 2021 (being the Latest Practicable Date).

If any dividend and/or other form of capital return or distribution is authorised, declared, made or paid by Nucleus in respect of Nucleus Shares on or after the date of this Announcement and with a record date prior to the Effective Date, James Hay Holdings reserves the right to reduce the consideration payable in respect of each Nucleus Share held by the amount of all or part of any such dividend and/or other form of capital return or distribution, except where Nucleus Shares are or will be acquired pursuant to the Acquisition on a basis which entitles James Hay Holdings to receive such dividend, other distribution or return of capital and retain it. If James Hay Holdings exercises this right and any such reduction takes place, Nucleus Shareholders shall be entitled to receive and retain that dividend, return of capital or other distribution. Any reduction of the consideration payable under the Acquisition pursuant to this right 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.

In the event that the Acquisition is to be implemented by way of a takeover offer (as defined in Part 28 of the Companies Act 2006), the Nucleus Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

### **3 BACKGROUND TO AND REASONS FOR THE ACQUISITION**

Following the Acquisition, James Hay Holdings intends to merge the operations of Nucleus with the James Hay Group to create a leading financial planning and retirement-focused adviser platform. The Combined Group will have c£45 billion of AUA, in a market where scale is increasingly important in order to generate the profitability necessary to make greater investments in technology, products and service to meet the needs of advisers and their clients.

The Acquisition combines the James Hay Group, a specialist pensions innovator with a 40-year track record of helping larger financial adviser firms make retirement more rewarding with Nucleus' reputation as an award-winning, adviser-led financial planning and investment platform

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for small to medium-sized adviser firms. The combination creates the capability to service the entire adviser market with a wide range of financial planning and retirement needs, including leading SIPP and drawdown features among a broad range of tax wrappers (including ISAs, GIAs, onshore and offshore bonds).

#### **4 INFORMATION RELATING TO JAMES HAY HOLDINGS, THE JAMES HAY GROUP AND EPIRIS**

##### *James Hay Holdings*

James Hay Holdings is a company limited by shares, incorporated on 29 May 1990 under the laws of England and Wales and is an existing subsidiary of the James Hay Group. The directors of James Hay Holdings are Gavin Howard and Richard Rowney.

##### *James Hay Group*

James Hay was founded in 1979 as a specialist platform for retirement wealth planning, providing services to financial advisers and their clients, enabling them to administer pensions, savings and investments in a cost and tax efficient way.

James Hay was one of the first SIPP providers in the UK and was a pioneer in developing the modular approach to retirement wealth planning. James Hay's flagship retirement planning vehicle, the Modular iPlan (launched in 2014), utilises a modular approach for SIPPs, ISAs and GIAs. This modular proposition enables transparent and flexible pricing, ensuring end-clients only pay for the services utilised. The proposition was most recently recognised by winning the 2020 MoneyAge SIPP Provider of the Year award.

Today, the James Hay Group manages £27.9 billion of pension and savings assets on behalf of over 59,000 clients. The James Hay Group is indirectly owned by the Epiris Funds together with select members of the James Hay Group management.

##### *Epiris*

Epiris is one of the longest-established private equity firms in the UK. Formerly known as Electra Partners, Epiris managed the FTSE 250-listed investment trust Electra Private Equity PLC until 2017, and in 2018 Epiris announced the final close of Epiris Fund II, an institutional private equity fund that attracted capital commitments totalling £821 million from some of the world's leading investors.

Epiris invests in UK-headquartered businesses with an enterprise value of between £75 million and £500 million. It has a strong track record of transforming businesses in partnership with exceptional management teams. Its approach is to focus on strategic clarity, operational excellence, growth acceleration and mergers and acquisitions.



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## 5 INFORMATION RELATING TO NUCLEUS

Nucleus is an investment platform provider founded in 2006 by advisers committed to aligning their interests with their clients to alter the balance of power in the industry and put client interests centre stage. Its technology and data-oriented platform has been built in partnership with users and now provides services to more than 1,400 active adviser users from a total user base of some 2,800 advisers from 879 financial adviser firms as at 31 January 2021. It is responsible for AUA of c£17.4 billion on behalf of more than 101,000 customers.

The multi award-winning platform offers a range of custody, trading, payment, reporting, fee-handling, research and integration services across a variety of tax wrappers and more than 6,500 asset choices including cash, OEICs, unit trusts, offshore funds, structured products and listed securities, including ETFs and investment trusts. The platform currently facilitates over 1.1 million customer account transactions on average per month.

Nucleus has been awarded CoreData's 'Best medium sized platform' for 2020 (and the last nine years). It has also been awarded a 5-star service rating at the 2019 and 2020 Financial Adviser Awards, the Schroders 'Platform of the Year' award for 2016, 2017 and 2018 (and highly-commended 2020 runner up) and won 'Best Platform' and 'Platform Innovation' at the 2018 Money Marketing Awards.

The ordinary shares of Nucleus have been quoted on the AIM market of the London Stock Exchange since 2018 under the symbol AIM:NUC.

## 6 JAMES HAY HOLDINGS' INTENTIONS AND PLANS

Following completion of the Acquisition, the James Hay Holdings Board intends that the existing business activities of Nucleus and James Hay will continue within the Combined Group.

### *Background to the Acquisition*

James Hay Holdings believes that the acquisition of Nucleus represents an attractive opportunity to create a leading financial planning and retirement-focused adviser platform in the UK with c£45 billion of AUA. The combination of James Hay's expertise in SIPPs and retirement with Nucleus' reputation as an adviser-led, financial planning and investment platform, will enable the Combined Group to compete successfully at scale in the industry, delivering the products and services which advisers and their clients need.

### *Clients*

The Combined Group will have an enhanced ability to provide clients and advisers with a comprehensive financial planning and retirement proposition, including leading SIPP and drawdown features among a broad range of tax wrappers (including ISAs, GIAs, onshore and offshore bonds).

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Both James Hay and Nucleus have strong and trusted reputations in the UK platform market, with a service-driven approach that will continue to be an integral and growing part of the Combined Group's high-tech, high-touch service proposition and philosophy post-transaction.

The Combined Group will become one of the largest adviser platform providers in the UK and this scale will enable greater investment in technology, products and service for the benefit of advisers and their clients.

#### *Brand*

In recognition of Nucleus' trusted and leading brand with advisers in the UK platform market, James Hay Holdings intends to retain the Nucleus brand for at least 12 months after the Effective Date, whilst it assesses the optimal branding strategy for the Combined Group.

#### *Technology*

An important focus area for James Hay's standalone strategy has been to invest in developing a market leading platform to expand the proposition for James Hay's growing adviser base and end clients. On 27 January 2021, certain companies within the James Hay Group entered into a master services agreement ("**MSA**") with FNZ (UK) Ltd ("**FNZ**") and pursuant to the terms of the MSA, FNZ has agreed to provide administration services in relation to James Hay's existing pension and investment management business and to configure a new asset management platform onto which the assets currently under administration on the James Hay platform will be migrated and subsequently administered. This will enable advisers and their end clients not only to continue to benefit from James Hay's pension expertise, but also from the considerable investment FNZ has made over many years in the development of its technology, people and administration.

Nucleus' user experience is developed in line with the requirements of users and delivered across technology licensed from Bravura and in-house relationship management, platform operations, development, data, hosting and configuration capabilities.

Immediately following completion of the Acquisition, James Hay Holdings intends to work with Nucleus' management team to undertake a detailed evaluation of the existing Nucleus platform arrangements (in particular those relating to Bravura) and this process is expected to take up to three months. Subject to the outcome of this evaluation, the medium-term intention is to optimise and align the target operating model of the Combined Group around Nucleus' front-end user experience with continued investment into Nucleus' front-end capabilities. It is envisaged that underlying platform administration services for the Combined Group will be provided by FNZ over time in a measured and controlled way to ensure continuity for clients, with the migration of some technology and the platform administration of Nucleus' assets from the existing arrangements (including Bravura's technology) onto FNZ's technology and operations.

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### *Employees, Management and Directors*

James Hay Holdings attaches great importance to the skills, experience and continued commitment of Nucleus' management and employees, and will endeavour to harness the talent in both James Hay and Nucleus to optimise the benefits for clients.

Given the proposed target operating model of the Combined Group, it is envisaged that a material number of Nucleus' employees, principally within the technology and platform operations functions, will transfer to FNZ at a time that is aligned to the migration programme, over the medium term. The timing of any transfer is dependent on the wider evaluation, including James Hay Holdings' review of Nucleus' existing contractual arrangements with Bravura referred to above.

Following completion of the Acquisition, James Hay Holdings will, with the management team of Nucleus, also perform a review of the Combined Group's central and headquarter functions. The review and integration process is expected to take up to 12 months and may identify opportunities to leverage skills and talents across the Combined Group but may also lead to a moderate reduction in headcount where there is duplication or where operational efficiencies might be achieved.

The James Hay Holdings Board intends to safeguard the existing statutory and contractual employment rights of the employees and management of both Nucleus and the Nucleus Group and James Hay Holdings and the James Hay Group. In particular, the James Hay Holdings Board has no plans to make any material change in the conditions of employment, or in the balance of skills and functions, of the employees and management of Nucleus and the Nucleus Group or James Hay Holdings and the James Hay Group. Implementation of any employee transfers or reductions will be subject to comprehensive planning and engagement with employees and consultation with employees and their representatives as required by applicable law.

The current non-executive directors of Nucleus will resign from Nucleus on or after the Effective Date.

### *Pensions*

The James Hay Holdings Board envisages no change in the rate of contribution made to Nucleus' pension schemes following the Scheme. Nucleus only operates defined contribution pension arrangements for its management and employees and has no exposure under any form of defined benefit (final salary) pension scheme.

### *Management incentives*

James Hay Holdings has not entered into and has not had discussion on proposals to enter into, any form of incentive arrangements with members of Nucleus' management. It is the intention to

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put in place appropriate arrangements for management of Nucleus following the Scheme becoming Effective.

*Locations of business, headquarters, fixed assets and research and development*

James Hay does not currently operate from a single headquarters. Following completion of the Acquisition, it is envisaged that the headquarter functions will continue to operate from James Hay's and Nucleus' existing locations.

James Hay Holdings does not envisage any change in the locations of Nucleus' offices and anticipates that any employees that transfer to FNZ will continue to work from their current locations.

Nucleus does not have significant fixed assets (other than premises) and the James Hay Holdings Board envisages no material redeployment of the fixed assets of Nucleus.

Nucleus has no dedicated research and development function.

*Trading facilities*

Nucleus Shares are currently traded on AIM and, as set out in paragraph 15 below, a request will be made to the London Stock Exchange to cancel trading in Nucleus Shares on AIM, to take effect from or shortly after the Effective Date. As stated in paragraph 15 below, dealings in Nucleus Shares will be suspended prior to the Effective Date and thereafter there will be no trading facilities in relation to Nucleus Shares.

As a result of the cancellation of trading in Nucleus Shares on AIM, the Combined Group expects to achieve savings from Nucleus no longer having to comply with its ongoing public company reporting obligations.

No statements in this paragraph 6 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## **7 FINANCING OF THE ACQUISITION**

James Hay Holdings is providing the cash consideration payable under the Acquisition through a combination of (i) equity financing drawn down from the Epiris Funds, as well as (ii) debt financing to be provided under certain term loan facilities made available to SaintMichelCo (an indirect parent of James Hay Holdings, as borrower) by various funds managed or advised by Ares Management Limited.

Fenchurch Advisory Partners, financial adviser to James Hay Holdings, is satisfied that sufficient cash resources are available to James Hay Holdings to enable it to satisfy, in full, the payment of the Consideration to Nucleus Shareholders under the terms of the Acquisition.

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

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## **8 RECOMMENDATIONS**

The Nucleus Directors, who have been so advised by Shore Capital and Craven Street Capital as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. Shore Capital and Craven Street Capital are providing independent financial advice to the Nucleus Directors for the purposes of Rule 3 of the City Code. In providing their advice to the Nucleus Directors, Shore Capital and Craven Street Capital have taken into account the commercial assessments of the Nucleus Directors.

Accordingly, the Nucleus Directors intend unanimously to recommend that the Scheme Shareholders vote in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept such Offer) as the Nucleus Directors who hold Nucleus Shares have irrevocably undertaken to do or, as they have otherwise irrevocably undertaken to direct (and procure that) their nominees do, in respect of their own beneficial holdings amounting in aggregate to 1,011,371 Nucleus Shares, representing approximately 1.32 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

## **9 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION**

Since Nucleus' Shares were admitted to AIM in July 2018, AUA have grown from £14.3 billion to £17.4 billion at 31 December 2020. A recovery in net inflows helped AUA increase by 7.9 per cent. year-on-year through 2020 despite the Covid-19 pandemic-induced slowdown in user activity over the spring and summer. Nucleus has increased the customer base from 90,000 customers at the time of its admission to AIM to more than 101,000 customers at 31 December 2020. The Nucleus Directors believe that the Company has also delivered strategic and operational progress including through restructured relationships with its technology partner, through the recent acquisition of certain assets of OpenWealth and by way of the recent launch of Nucleus IMX, Nucleus' model portfolio service. The recovery in inflows and market levels together with the restructuring of the Nucleus Group have improved the outlook for the Nucleus Group and the Directors continue to have confidence in the Nucleus Group's strategy to deliver future value for Nucleus Shareholders.

While the Nucleus Directors believe that Nucleus has a bright future as an independent listed company, they recognise the Acquisition represents an attractive opportunity for Nucleus Shareholders, including Sanlam, to realise an immediate cash value for their investment at a significant premium of 41.89 per cent. over Nucleus' Share price of 132.5 pence as at 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period). Recognising Nucleus' limited free float and the illiquidity in the Nucleus Shares, the Acquisition allows Nucleus Shareholders to realise value in full at a level which might not be otherwise achievable in the near-term.

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In reaching the decision to recommend the Acquisition, the Nucleus Directors have further considered that:

- Taking the best elements of both businesses, a successfully integrated combination of the James Hay Group and Nucleus should be expected to offer a high quality online product, high touch offline service and excellent technical support, which together with enhanced scale can become a highly competitive retirement-focused platform;
- As mentioned above, since Nucleus' shares have been admitted to AIM there has been limited free float in the Nucleus Shares and trading in Nucleus Shares has been illiquid in nature, partly as a result of the large Sanlam shareholding, and the Nucleus Directors anticipate that there will be limited opportunity to increase the free float and liquidity in the Nucleus Shares in the short term; and
- The process behind the Acquisition was initiated by Sanlam, who has confirmed that the Acquisition has their full support. Sanlam is a controlling shareholder with an interest of approximately 52.19 per cent. of the ordinary share capital of Nucleus, and has given a binding irrevocable undertaking to vote in favour of the Acquisition.

The Acquisition is subject to regulatory approvals and is expected to complete in the second quarter of 2021. Accordingly, following careful consideration of the above factors, the Nucleus Directors intend unanimously to recommend the Acquisition to Nucleus Shareholders.

The Nucleus Board notes James Hay Holdings' stated intentions regarding their strategic plans that the existing business activities of Nucleus will continue within the Combined Group, as well as the importance that James Hay Holdings places on the contribution, skills and experience of Nucleus' employees and, subject to the potential position reductions described above, James Hay Holdings' statements of intention to safeguard the existing contractual and statutory employment rights of the employees and management of Nucleus and the Nucleus Group, including regarding pensions, in accordance with applicable law (having due regard to the outcome of appropriate consultation with relevant employee representatives) upon completion of the Acquisition.

The Nucleus Board also notes the intention for certain Nucleus employees to transfer to FNZ in due course, and that James Hay Holdings does not envisage any change to the locations of Nucleus' offices in Edinburgh and Glasgow and anticipates that any employees that transfer to FNZ will continue to work from their current locations.

## **10 CURRENT TRADING**

Nucleus entered 2021 having seen a robust recovery in AUA and inflows in Q4 2020 following a temporary slowdown during the spring and summer months while the country grappled with the Covid-19 pandemic.

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The news of a vaccine in December along with confirmation of a Brexit deal and resolution of the long-running US presidential election process looks to have had a positive impact on investor sentiment with net inflows of £69 million in January 2021 representing an 11.3 per cent. increase on the previous year (January 2020: £62 million).

AUA increased to £17.44 billion, an increase of 7.8 per cent. on the previous year (31 January 2020: £16.2 billion). By comparison, the FTSE All-Share Index decreased 10.2 per cent. year-on-year.

Gross inflows of £159 million were achieved in January 2021, a slight reduction on the previous year (January 2020: £165 million) which was, of course, prior to the Covid-19 pandemic. Outflows from the platform in January 2021 fell by 12.6 per cent. compared to January 2020.

Advisers actively using the platform increased by 0.6 per cent. in January 2021 compared to the previous year and customer numbers increased by 3.9 per cent. year-on-year to over 101,000.

The positive AUA and inflow picture was supported by Nucleus' highest-ever people engagement which in turn has driven Nucleus to achieve its highest-ever net promoter score (+41).

## **11 OFFER-RELATED ARRANGEMENTS**

### ***Confidentiality Agreement***

James Hay Holdings and Nucleus have entered into a mutual non-disclosure agreement dated 25 November 2020 pursuant to which each of James Hay Holdings and Nucleus has undertaken, among other things, to keep certain information relating to the Acquisition and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

### ***Clean Teams Agreements***

James Hay Holdings, Nucleus and their respective advisers have also entered into the Clean Teams Agreements the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties for the purposes of assessing antitrust or other regulatory issues and seeking relevant clearances, are undertaken on a confidential basis and that certain commercially and competitively sensitive information is ring-fenced.

## **12 IRREVOCABLE UNDERTAKINGS**

The Nucleus Directors who are Nucleus Shareholders have irrevocably undertaken to direct (and to procure that) their nominees or, where relevant, themselves to vote in favour of the Scheme (or to accept the Offer, if applicable) in respect of their own beneficial holdings totalling 1,011,371 Nucleus Shares, representing in aggregate approximately 1.32 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

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James Hay Holdings has received an irrevocable undertaking from Sanlam to vote, or procure votes, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), in respect of 39,914,760 Nucleus Shares in aggregate, representing approximately 52.19 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

In addition, certain other Nucleus Shareholders have irrevocably undertaken to vote, or procure votes, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or, in the event that the Acquisition is implemented by an Offer, to accept or procure acceptance of such Offer), in respect of their own beneficial holdings totalling 1,806,851 Nucleus Shares, representing in aggregate approximately 2.36 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

In total, therefore, James Hay Holdings has received irrevocable undertaking to vote, or procure the voting, in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting (or in the event that the Scheme is implemented by way of an Offer, to accept or procure acceptance of the Offer) from Nucleus Shareholders holding in aggregate 42,732,982 Nucleus Shares (representing approximately 55.88 per cent. of the existing issued share capital of Nucleus as at the Latest Practicable Date).

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this Announcement.

### **13 FURTHER TERMS AND CONDITIONS OF THE ACQUISITION**

Appendix 1 to this Announcement sets out the Conditions and further terms to which the Acquisition will be subject.

It is intended that the Acquisition will be effected by a court sanctioned scheme of arrangement of Nucleus, between Nucleus and the Nucleus Shareholders, under Part 26 of the Companies Act 2006.

Under the Scheme, the Scheme Shares held by Scheme Shareholders will be transferred to James Hay Holdings in consideration for which Scheme Shareholders will receive the Consideration on the basis set out in paragraph 2 of this Announcement.

The Scheme will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this Announcement and to be set out in the Scheme Document. The Conditions include the receipt of approval by the FCA.

To become effective, the Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the Nucleus Court Meeting. The resolution must be approved by a majority in number of the Scheme Shareholders present\* and voting (and entitled to vote), either in person\*



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or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, a special resolution must be passed at the Nucleus General Meeting to approve amendments to Nucleus' articles of association to ensure that, if the Scheme is approved at the Nucleus Court Meeting, any Nucleus Shares issued after the Scheme Record Time will automatically be acquired by James Hay Holdings on the same terms as under the Scheme, which requires the approval of Nucleus Shareholders representing at least 75 per cent. of the votes cast at the Nucleus General Meeting (either in person\* or by proxy). The Nucleus General Meeting will be held immediately after the Nucleus Court Meeting.

*(\*Nucleus Shareholders should please note that during the ongoing COVID-19 pandemic it is probable that the Nucleus Court Meeting and Nucleus General Meeting will be "closed" meetings so that physical attendance will not be possible. Accordingly, Nucleus intends to make arrangements for appropriate online participation at the meetings, further details of which will be contained in the Scheme Document).*

The Scheme is conditional on the passing of the resolutions referred to above at the Nucleus Meetings and such meetings must be held no later than the 22nd day after the expected date of the Nucleus Meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between Nucleus and James Hay Holdings).

The Scheme is also conditional on the Scheme being sanctioned by the Court no later than the 22nd day after the expected date of the Nucleus Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Nucleus and James Hay Holdings).

The Scheme will only become effective once a copy of the Court Order is delivered to the Registrar of Companies. The Acquisition is conditional on the Scheme becoming effective by no later than the Long Stop Date.

Upon the Scheme becoming effective, it will be binding on all Nucleus Shareholders, irrespective of whether or not they attended or voted at the Nucleus Meetings.

The Scheme Document will include full details of the Scheme, together with notices of the Nucleus Court Meeting and the Nucleus General Meeting and the expected timetable and will specify the action to be taken by Scheme Shareholders.

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

## **14 INDICATIVE TIMING**

The timing of implementation of the Scheme will be dependent upon a number of factors including availability of the Court and receipt of regulatory approvals. However, subject to these factors, and subject as stated in the paragraph below, it is expected that the posting of the Scheme

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Document will occur on or about 5 March 2021 and that the Scheme will become effective in the second quarter of 2021.

**The global COVID-19 pandemic is restricting the ability of Governmental Entities around the world to conduct their normal operations. James Hay Holdings expects that Governmental Entities will not be operating according to their normal schedules during the upcoming period and it may, therefore, take longer for the Conditions to be satisfied. Accordingly, any dates in respect of the expected timetable for the Acquisition set out in this Announcement are indicative, subject to change (by agreement between James Hay Holdings and Nucleus and, where required, the Court) and provided by way of guidance only. James Hay Holdings shall keep the Nucleus Shareholders notified of any updates or changes to the expected timetable as additional guidance is released. Further details regarding the expected timetable will be contained in the Scheme Document.**

## **15 CANCELLATION OF TRADING OF NUCLEUS SHARES ON AIM**

It is intended that dealings in Nucleus Shares should be suspended shortly prior to the Effective Date, at a time to be set out in the Scheme Document. It is further intended that an application will be made to AIM for the cancellation of the trading of the Nucleus Shares on AIM and the London Stock Exchange will be requested to cancel the listing of Nucleus Shares on AIM to take effect on or shortly after the Effective Date.

Share certificates in respect of the Nucleus Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date.

In addition, entitlements held within the CREST system to the Nucleus Shares will be cancelled on the first Business Day following the Effective Date.

As soon as practicable after the Effective Date, it is intended that Nucleus will be re-registered as a private limited company under the relevant provisions of the Companies Act.

## **16 SHARE PLANS**

Participants in the Nucleus Share Plans will be contacted regarding the effect of the Scheme on their rights under these plans and provided with further details concerning the proposals which will be made to them in due course.

A summary of the effect of the Scheme on the Nucleus Share Plans is set out below. It is intended that the Scheme will apply to any Nucleus Shares which are unconditionally allotted, issued or transferred to satisfy rights under, or the exercise of Awards under, the Nucleus Share Plans before the Scheme Record Time. Any Nucleus Shares allotted, issued or transferred to satisfy rights under, or the exercise of Awards under, the Nucleus Share Plans after the Scheme Record Time will, subject to the Scheme becoming Effective and the proposed amendments to the Nucleus Articles being approved at the Nucleus General Meeting, be transferred to James Hay

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Holdings in exchange for the same consideration as Scheme Shareholders will be entitled to receive under the Scheme.

### ***LTIP***

Outstanding unvested Awards granted under the LTIP will vest and become exercisable in connection with the Acquisition to the extent determined by the Nucleus Remuneration Committee. This determination will be based on a number of factors, including the extent to which the applicable performance conditions have been satisfied (as well as other performance metrics that are considered relevant) and the period of time that has elapsed since the date of grant. The Nucleus Remuneration Committee has, however, already decided that a maximum of 992,543 Nucleus Shares subject to Awards under the LTIP will vest in connection with the Acquisition (of which Awards in respect of 540,000 Nucleus Shares shall be satisfied from the Employee Benefit Trust).

### ***SIP***

All Nucleus Shares held under the SIP will be subject to the Scheme and become Scheme Shares in the same way as the Nucleus Shares held by other Scheme Shareholders. Participants in the SIP will be entitled to 188 pence in cash for every Nucleus Share held on their behalf under the SIP and which they continue to hold as at the Scheme Record Time. There is no requirement for Nucleus to issue any additional Nucleus Shares during the remainder of the Offer Period for the purposes of the operation of the SIP.

## **17 DISCLOSURE OF INTERESTS**

As at the close of business on 8 February 2021, being the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 12 above, neither James Hay Holdings, nor any of the James Hay Holdings Directors, nor, so far as James Hay Holdings is aware, any person acting in concert (within the meaning of the City Code) with James Hay Holdings has:

- any interest in, or right to subscribe for, any Nucleus Shares nor does any such person have any short position in Nucleus Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Nucleus Shares; or
- borrowed or lent any Nucleus Shares or entered into any financial collateral arrangements relating to Nucleus Shares.

## **18 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will, by no later than 12 noon on 10 February 2021, be published on James Hay's website at [www.jameshay.co.uk](http://www.jameshay.co.uk) and on Nucleus' website at [www.nucleusfinancial.com/investors](http://www.nucleusfinancial.com/investors):

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- (a) this Announcement;
  - (b) the various financing documentation entered into in connection with the financing of the Acquisition as referred to in paragraph 7 above;
  - (c) irrevocable undertakings listed in Appendix 3 to this Announcement;
  - (d) the Confidentiality Agreement; and
  - (e) the Clean Teams Agreements.

The contents of Nucleus' website and James Hay's website are not incorporated into, and do not form part of, this Announcement.

## **19 GENERAL**

James Hay Holdings reserves the right, subject to the prior consent of the Panel, to elect to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Nucleus not already held by James Hay Holdings as an alternative to the Scheme. In such an event an Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

If the Acquisition is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, James Hay Holdings intends to: (i) request the London Stock Exchange to cancel trading in Nucleus Shares on AIM; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Nucleus Shares in respect of which the Offer has not been accepted.

Investors should be aware that James Hay Holdings may purchase Nucleus Shares otherwise than under any Takeover Offer or scheme of arrangement relating to the Acquisition, such as in open market or privately negotiated purchases.

Shore Capital, Craven Street Capital, and Fenchurch Advisory Partners have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

### ***Further Information***

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Nucleus pursuant to the Acquisition in any

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jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Scheme, including details of how to vote in respect of the Scheme. Any decision in respect of, or other response to, the Scheme should be made on the basis of the information contained in the Scheme Document.

Nucleus and James Hay Holdings urge Nucleus Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Scheme. Any vote in respect of resolutions to be proposed at the Nucleus Meetings to approve the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document.

This Announcement does not constitute a prospectus or prospectus equivalent document.

### ***Information Relating to Nucleus Shareholders***

Please be aware that addresses, electronic addresses and certain other information provided by Nucleus Shareholders, persons with information rights and other relevant persons for the receipt of communications from Nucleus may be provided to James Hay Holdings during the Scheme Period as required under Section 4 of Appendix 4 of the City Code.

### ***Overseas Jurisdictions***

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom to vote their Nucleus Shares with respect to the Scheme at the Nucleus Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Nucleus Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by James Hay Holdings or required by the City Code, and permitted by applicable law and regulation, no person may vote in favour of the Scheme by any such use, means or instrumentality from 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

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Announcement and any formal documentation relating to the Scheme are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Scheme. If the Scheme is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

Further details in relation to Nucleus Shareholders in overseas jurisdictions will be contained in the Scheme Document.

***Additional Information for US Investors***

The Scheme relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, James Hay Holdings exercises the right to implement the Scheme by way of an Offer and determines to extend the Offer into the United States, the Offer will be made in compliance with applicable United States laws and regulations. Financial information included in this Announcement and the Scheme Document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Nucleus Shares to enforce their rights and any claim arising out of the US federal laws, since Nucleus and James Hay Holdings are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Nucleus Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

***Important Notices Relating to Financial Advisers***

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*Fenchurch Advisory Partners LLP, which is authorised and regulated by the FCA in the UK, is acting as financial adviser exclusively for the James Hay Group and James Hay Holdings and no one else in connection with the matters set out in this Announcement and will not be responsible to anyone other than the James Hay Group and James Hay Holdings for providing the protections afforded to clients of Fenchurch Advisory Partners or for providing advice in relation to the Acquisition or any other matters referred to in this Announcement.*

*Shore Capital & Corporate Limited and Shore Capital Stockbrokers Limited (either individually or collectively "Shore Capital") which are authorised and regulated by the Financial Conduct Authority in the United Kingdom, are acting exclusively for Nucleus and for no-one else in connection with the subject matter of this Announcement and will not be responsible to anyone other than Nucleus for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to the subject matter of this Announcement or any other matter referred to herein. Neither Shore Capital & Corporate Limited nor Shore Capital Stockbrokers Limited, nor any of their subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Shore Capital in connection with this Announcement, any statement contained herein or otherwise.*

*Craven Street Capital, an appointed representative of Resolution Compliance Limited which is authorised and regulated by the FCA in the UK, is acting as joint financial adviser exclusively for Nucleus and no one else in connection with the matters set out in this Announcement and will not be responsible to anyone other than Nucleus for providing the protections afforded to clients of Craven Street Capital or its affiliates, or for providing advice in relation to the Scheme or any other matters referred to in this Announcement*

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

*This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Acquisition and other information published by the James Hay Group or James Hay Holdings and Nucleus contain certain forward-looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of the James Hay Group and Nucleus and their respective groups and certain plans and objectives with respect to the Combined Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of the James Hay Group and Nucleus about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on the James Hay Group and Nucleus, the expected timing and scope of the Acquisition and other statements other than historical facts. Forward-looking statements*

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often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by the James Hay Group and/or Nucleus in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Nucleus Group, refer to the Nucleus 2019 Annual Report and Accounts.

Each forward-looking statement speaks only as at the date of this Announcement. Neither the James Hay Group nor Nucleus, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

### **Rounding**

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

### **No Profit Forecasts or Estimates**

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



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### ***Dealing and Opening Position Disclosure Requirements***

Under Rule 8.3(a) of the City Code, any person who is interested in one 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 3.30pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one 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(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures 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). 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 contact the Panel's Market Surveillance Unit on +44 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 on website and availability of hard copies***

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A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on James Hay's website [www.jameshay.co.uk](http://www.jameshay.co.uk) and on Nucleus' website [www.nucleusfinancial.com/investors](http://www.nucleusfinancial.com/investors) by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Nucleus Shareholders may request a hard copy of this Announcement by: (i) contacting Nucleus during business hours on +44 (0) 131 226 9800 or (ii) by submitting a request in writing to Nucleus at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH.

### **MAR**

The information contained within this Announcement is deemed by Nucleus to constitute inside information as stipulated under the Market Abuse Regulation (as amended in the United Kingdom from 1 January 2021).

Upon the publication of this Announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

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

## APPENDIX 1

### CONDITIONS TO AND FURTHER TERMS OF THE ACQUISITION

#### Part A: Conditions to the Acquisition

The Acquisition will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the City Code, by no later than the Long Stop Date.

#### Scheme approval

The Scheme will be conditional upon:

- (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Nucleus Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and
- (ii) the Nucleus Court Meeting, or any adjournment of any such meeting, being held on or before the 22nd day after the expected date of the Nucleus Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between James Hay Holdings and Nucleus (and, if required, that the Court may approve));
- (B) (i) all the resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the Nucleus General Meeting or at any adjournment of that meeting; and
- (ii) the Nucleus General Meeting, or any adjournment of any such meeting, being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between James Hay Holdings and Nucleus (and, if required, that the Court may approve));
- (C) (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to James Hay Holdings and Nucleus) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Nucleus Court Hearing being held on or before the 22nd day after the expected date of the Nucleus Court Hearing (or such later date as may be agreed between James Hay Holdings and Nucleus (and, if required, that the Court may approve)).

In addition, James Hay Holdings and Nucleus have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary actions to make the Acquisition

effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

### **Approval under FSMA**

(D) in respect of James Hay Holdings, the appropriate regulator (as defined in section 178(2A) of FSMA) of each UK authorised person (as defined in section 191G of FSMA) within the Wider Nucleus Group in respect of which James Hay Holdings intends to become a controller:

- (1) having given notice for the purposes of section 189(4)(a) of FSMA that it has determined to approve the acquisition or increase in control on terms satisfactory to James Hay Holdings; or
- (2) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control,

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemptions) Order 2009;

### **Other regulatory approvals**

(E) no government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, association, institution or professional body having responsibility for the regulation or supervision of banking, consumer credit or financial services having:

- (i) withdrawn or refused to renew, or threatened to withdraw or to refuse to renew, any licence or permission; or
- (ii) instituted, implemented, taken or omitted, or threatened to take or to omit, any other action,

the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider Nucleus Group (save as Disclosed), and upon no such licences or permissions terminating or otherwise becoming invalid as a result of the Acquisition or its implementation the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider Nucleus Group;

### **General Third Party clearances and regulatory**

(F) other than in respect of Condition (D) above, no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having decided to take, institute, implement or

threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Nucleus Group of all or any portion of its business, assets or property or impose any limitation on the ability of it to conduct its respective businesses or to own any of its assets or properties or any part thereof which, in any such case, is material in the context of the Wider Nucleus Group, in each case taken as a whole;
- (ii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider James Hay Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Nucleus Group or to exercise management control over any such member;
- (iii) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Nucleus Group to an extent which is material in the context of the Wider Nucleus Group, in each case taken as a whole;
- (iv) make the Acquisition or its implementation or the acquisition or proposed acquisition by James Hay Holdings or any member of the Wider James Hay Group of any shares or other securities in, or control of Nucleus void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith; or
- (v) result in any member of the Wider Nucleus Group or the Wider James Hay Group ceasing to be able to carry on business under any name under which it presently does so,

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

(G) other than in relation to the regulatory approvals referred to in Condition (D) above, all necessary filings or applications having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider James Hay Group of any shares or other securities in, or control of, Nucleus and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by James Hay Holdings or any member of the Wider James Hay Group for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Nucleus by any member of the Wider James Hay Group having been obtained in terms and in a form reasonably satisfactory to James Hay Holdings from all appropriate Third Parties or persons with whom any member of the Wider Nucleus Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Nucleus Group which is material in the context of the James Hay Group or the Nucleus Group as a whole remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

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

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

(i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
- (iv) the creation, save in the ordinary and usual course of trading, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
- (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
- (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation of any liability, actual or contingent, by any such member,

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

***Certain events occurring since 31 December 2019***

- (l) save as Disclosed, no member of the Wider Nucleus Group having, since 31 December 2019:
  - (i) save (i) as between Nucleus and wholly-owned subsidiaries of Nucleus; (ii) for Nucleus Shares issued pursuant to the exercise of Awards rights granted under the LTIP prior to the date of this Announcement; or (iii) for Nucleus Shares to be

issued to satisfy the exercise of Awards after the date of the Announcement under the LTIP (up to the LTIP Agreed Maximum), issued, authorised or proposed the issue of additional shares of any class;

- (ii) save (i) as between Nucleus and wholly-owned subsidiaries of Nucleus; (ii) for Nucleus Shares issued pursuant to the exercise of Awards granted under the LTIP prior to the date of this Announcement; or (iii) for Nucleus Shares to be issued to satisfy the exercise of Awards after the date of the Announcement under the LTIP (up to the LTIP Agreed Maximum), issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (iii) other than to another member of the Nucleus Group or as provided for in this Announcement, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-Nucleus Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) which is material in the context of the Wider Nucleus Group taken as a whole;
- (v) save for intra-Nucleus Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (vi) issued, authorised or proposed the issue of any debentures or (save for intra-Nucleus Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;



- (viii) other than pursuant to the Acquisition (and except for transactions between Nucleus and its wholly-owned subsidiaries or between wholly-owned subsidiaries of Nucleus which are not material in the context of the Wider Nucleus Group) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement;
- (ix) entered into or changed the terms of any contract with any director or senior executive;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Nucleus Group or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business and which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;
- (xi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it and not subsequently withdrawn for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (xii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Nucleus Group other than to a nature and extent which is normal in the context of the business concerned, and in each such case which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;
- (xiii) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;
- (xiv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

- (xv) having made or agreed or consented to any change to:
  - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Nucleus Group for its directors, employees or their dependents;
  - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (xvi) proposed, agreed to provide or modified the terms of the Nucleus Share Plans or any share option scheme, incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Nucleus Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Nucleus Group, save as agreed by the Panel or by James Hay Holdings; or
- (xvii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Nucleus Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code.

***No adverse change, litigation or regulatory enquiry***

- (J) save as Disclosed, since 31 December 2019:
  - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Nucleus Group which, in any such case, is material in the context of the Wider Nucleus Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
  - (ii) (other than as a result of or in connection with the Acquisition), no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Nucleus Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against

or in respect of any member of the Wider Nucleus Group having been instituted, announced or threatened by or against or remaining outstanding in respect of any member of the Wider Nucleus Group which in any such case, has had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Nucleus Group; and

- (iii) no contingent or other liability having arisen or become apparent to James Hay Holdings or Nucleus (other than in the ordinary course of business) which will or might be likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Nucleus Group to an extent which is material in the context of the Wider Nucleus Group taken as a whole;

***No withdrawal, cancellation, termination or modification of licence***

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

***No discovery of certain matters***

- (L) save as Disclosed, James Hay Holdings not having discovered:
  - (i) that any financial, business or other information concerning the Wider Nucleus Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Nucleus Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
  - (ii) that, any member of the Wider Nucleus Group is subject to any liability (contingent or otherwise),

in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;

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

- (M) save as Disclosed, James Hay Holdings not having discovered that:
  - (i) (a) any past or present member, director, officer or employee of the Wider Nucleus Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign

Corrupt Practices Act of 1977 or any other applicable anticorruption legislation; or (b) any person who performs or has performed services for or on behalf of the Wider Nucleus Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anticorruption legislation; or

- (ii) any material asset of any member of the Wider Nucleus Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, director, officer or employee of the Wider Nucleus Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, in each case to an extent which is material in the context of the Wider Nucleus Group taken as a whole; or
- (iv) no member of the Wider Nucleus Group being engaged in any transaction which would cause James Hay Holdings to be in breach of any law or regulation upon its acquisition of Nucleus, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

#### **Part B: Waiver and Invocation of the Conditions**

Subject to the requirements of the Panel in accordance with the City Code, James Hay Holdings reserves the right to waive, in whole or in part, all or any of the Conditions above, except for Conditions (A)(i), (B)(i) and (C)(i) which cannot be waived.

Conditions (D) to (M) (inclusive) must be fulfilled or (where permissible as stated above) waived by no later than the appointed time of the Nucleus Court Hearing, failing which the Scheme will lapse. James Hay Holdings shall not be under any obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there

are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

James Hay Holdings undertakes that it will immediately before the Nucleus Court Hearing provide notice in writing to Nucleus that either: (i) the Conditions (except Condition (C)) have each been satisfied or that James Hay Holdings has waived or treated as satisfied such Conditions; or (ii) it intends to invoke or treat as incapable of satisfaction each or any Condition, which will always be subject to the Panel's consent.

Under Rule 13.5 of the City Code, James Hay Holdings may not invoke a condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition are of material significance to James Hay Holdings in the context of the Acquisition. Conditions (A) to (C) (inclusive) are not subject to this provision of the City Code.

### **Part C: Implementation by way of Offer**

James Hay Holdings reserves the right, with the consent of the Panel, to implement the Acquisition by way of a takeover offer (as defined in Part 28 of the Companies Act 2006). In such event, such 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 (without limitation and subject to the consent of the Panel) an acceptance condition that is set at 90 per cent. (or such lesser percentage as James Hay Holdings may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent.) of the Nucleus Shares: (i) in nominal value of the shares to which such Offer relates; (ii) of the voting rights attached to those shares; and (iii) of the voting rights normally exercisable at a general meeting of Nucleus, including, for this purpose, any such voting rights attaching to Nucleus Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. The availability of the Offer 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.

### **Part D: Certain further terms of the Acquisition**

The Scheme will be governed by English law and be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Announcement and in the Scheme Document. The Acquisition will comply with the applicable rules and regulations of the London Stock Exchange and the City Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase Nucleus Shares or any other securities.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

If James Hay Holdings is required by the Panel to make an offer for Nucleus Shares under the provisions of Rule 9 of the City Code, James Hay Holdings may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

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

Nucleus Shares which will be acquired under the Scheme 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 voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid with a record date falling after the Effective Date.

If any dividend and/or other form of capital return or distribution is authorised, declared, made or paid by Nucleus in respect of Nucleus Shares on or after the date of this Announcement and with a record date prior to the Effective Date, James Hay Holdings reserves the right to reduce the consideration payable in respect of each Nucleus Share held by the amount of all or part of any such dividend and/or other form of capital return or distribution, except where Nucleus Shares are or will be acquired pursuant to the Acquisition on a basis which entitles James Hay Holdings to receive such dividend, other distribution or return of capital and retain it. If James Hay Holdings exercises this right and any such reduction takes place, Nucleus Shareholders shall be entitled to receive and retain that dividend, return of capital or other distribution. Any reduction of the consideration payable under the Acquisition pursuant to this right 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.

## APPENDIX 2

### SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this Announcement:

1. the value attributed to the fully diluted issued share capital of Nucleus of 76,925,903 Nucleus Shares is calculated by:
  - a. 76,473,360 Nucleus Shares in issue on 8 February 2021 (being the Latest Practicable Date); *plus*
  - b. up to a maximum of 452,543 Nucleus Shares which may be issued on or after the date of this Announcement to satisfy (when aggregated with 540,000 issued Nucleus Shares in the Nucleus Employee Benefit Trust) the exercise of Awards outstanding under the LTIP as at 8 February 2021 (being the Latest Practicable Date);
2. unless otherwise stated, all prices for Nucleus Shares have been derived from the Daily Official List and represent Closing Prices on the relevant date(s);
3. volume weighted average prices trading volume data have been derived from Bloomberg and, in the case of volume weighted average prices, have been rounded to the nearest single decimal place;
4. unless otherwise stated, the financial information relating to Nucleus is extracted (without material adjustment) from the 2019 Nucleus Annual Report and Accounts; and
5. any reference to c£45 billion of AUA represents the combination of the AUA of the James Hay Group (being £27.9 billion) and the Nucleus Group (being £17.4 billion) as at 31 December 2020. The AUA has been reported from internally verified sources of the James Hay Group and the Nucleus Group (respectively).

## APPENDIX 3

### DETAILS OF IRREVOCABLE UNDERTAKINGS

#### ***Nucleus Directors' Irrevocable Undertakings***

The following Nucleus Directors have given irrevocable undertakings to vote in favour of the Scheme at the Nucleus Court Meeting and the resolutions to be proposed at the Nucleus General Meeting:

<b>Name of Nucleus Director</b>	<b>Number of Nucleus Shares in respect of which the undertaking is given</b>	<b>Percentage of Nucleus issued share capital (per cent.)</b>
David Ferguson	905,112	1.18
Stuart Geard	79,555	0.01
James Anthony Angus Samuels	26,704	0.03

These irrevocable undertakings also extend to any shares acquired by the Nucleus Directors in accordance with the terms of the Nucleus Share Plans.

The irrevocable undertakings remain binding in the event a higher competing offer is made for Nucleus. It will also prevent such individual from: (i) exercising any right of withdrawal of any acceptance of the Acquisition where such a right is otherwise exercisable under the Code; or (ii) otherwise selling all or any part of their Nucleus Shares into the market. It will cease to be binding if the Scheme lapses (unless James Hay Holdings announces, with the consent of the Panel, a firm intention to switch to an Offer).

#### ***Sanlam UK Limited Irrevocable Undertaking***

Sanlam has given an irrevocable undertaking to vote in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting:

<b>Name of Nucleus Shareholder</b>	<b>Number of Nucleus Shares in respect of which the undertaking is given</b>	<b>Percentage of Nucleus issued share capital (per cent.)</b>
Sanlam UK Limited	39,914,760	52.19

The irrevocable undertaking from Sanlam will remain binding in the event a higher competing offer is made for Nucleus. It will also prevent Sanlam from: (i) exercising any right of withdrawal of any acceptance of the Acquisition where such a right is otherwise exercisable under the Code;



or (ii) otherwise selling all or any part of their Nucleus Shares into the market. It will cease to be binding if:

- upon service of notice in writing by Sanlam if the Scheme Document has not been posted on or before the date falling 28 days after the date of the irrevocable undertaking (or such later date as agreed between James Hay Holdings and Sanlam), unless on or before such date, James Hay Holdings announces its election to implement the Acquisition by way of an Offer;
- James Hay Holdings elects to implement the Acquisition by way of an Offer, the Offer Document has not been published within 28 days (or such later date as agreed between James Hay Holdings and Sanlam) of the issue of the announcement by James Hay Holdings confirming the switch from the Scheme to an Offer;
- immediately if James Hay Holdings announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition; or
- on and from the earlier of:
  - 11.59 p.m. (London time) on the date falling nine calendar months from the date of the irrevocable undertaking, or such later time and date (if any) as Sanlam and James Hay Holdings shall agree in writing; and
  - the time and date on which the Acquisition is withdrawn, lapses or otherwise terminates in accordance with its terms.

***Other Nucleus Shareholders’ Irrevocable Undertakings***

The following Nucleus Shareholders have given irrevocable undertakings to vote in favour of the Scheme at the Nucleus Court Meeting and the resolutions to be proposed at the Nucleus General Meeting:

<b>Name of Nucleus Shareholder</b>	<b>Number of Nucleus Shares in respect of which the undertaking is given</b>	<b>Percentage of Nucleus issued share capital (per cent.)</b>
Monique Ferguson	905,076	1.18
Hariklia Geard	875,070	1.14
Katy Samuels	26,705	0.03

The other irrevocable undertakings listed above remain binding in the event a higher competing offer is made for Nucleus. It will also prevent such individual from: (i) exercising any right of withdrawal of any acceptance of the Acquisition where such a right is otherwise exercisable under the Code; or (ii) otherwise selling all or any part of their Nucleus Shares into the market. It will cease to be binding if the Scheme lapses (unless James Hay Holdings announces, with the consent of the Panel, a firm intention to switch to an Offer).

*Notes:*

1. The Nucleus Shares referred to in this Appendix 3 above are either held by the Nucleus Shareholder directly or held via a nominee. In each case the Nucleus Shareholder has undertaken to vote itself, or to direct (and to procure) that the relevant nominee votes, in favour of the Scheme (or, if applicable, to accept the Offer).
2. The percentages given in this Appendix 3 have been rounded up to two decimal places and are based on the number of Nucleus Shares in issue on 8 February 2021 (being the Latest Practicable Date)

## APPENDIX 4

### DEFINITIONS

<b>£ or Sterling or pounds sterling or pence or GBP</b>	the lawful currency of the United Kingdom;
<b>Acquisition</b>	the proposed acquisition by James Hay Holdings of the entire issued and to be issued ordinary share capital of Nucleus, to be effected by the Scheme as described in this Announcement (or by a takeover offer under certain circumstances described in this Announcement), and, where the context permits, 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 AIM Rules for Companies published by the London Stock Exchange from time to time;
<b>Announcement</b>	this announcement made pursuant to Rule 2.7 of the Code;
<b>Articles or Nucleus Articles</b>	the articles of association of Nucleus;
<b>AUA</b>	assets under administration;
<b>Award</b>	any award or option outstanding under the LTIP;
<b>Bravura</b>	Bravura Solutions (UK) Limited, a private limited company incorporated in England and Wales with registered number 05470232;
<b>Business Day</b>	a day, other than a Saturday, Sunday, public holiday or bank holiday, on which banks are generally open for normal business in the City of London;
<b>Clean Teams Agreements</b>	the clean teams agreement letters entered into by James Hay Holdings and Nucleus on 29 December 2020 (including Exhibits A and B, signed by PricewaterhouseCoopers LLP), and 21 January 2021 (including Exhibits A and B, signed by Macfarlanes LLP), as described in paragraph 11 of this Announcement;
<b>Closing Price</b>	the closing middle market quotation of a share derived from the AIM Appendix to the Daily Official List of the FCA on that day;
<b>Code or City Code</b>	the City Code on Takeovers and Mergers;

<b>Combined Group</b>	the enlarged group following the Acquisition becoming Effective comprising the James Hay Group and the Nucleus Group;
<b>Companies Act or the Act</b>	the United Kingdom Companies Act 2006, as amended from time to time;
<b>Conditions</b>	the conditions to the implementation of the Acquisition as set out in Appendix I to this Announcement;
<b>Confidentiality Agreement</b>	the mutual confidentiality agreement entered into by James Hay Holdings and Nucleus on 25 November 2020, as described in paragraph 11 of this Announcement;
<b>Consideration</b>	188 pence in cash for each Nucleus Share;
<b>Court</b>	the High Court of Justice of England and Wales;
<b>Court Order</b>	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
<b>Craven Street Capital</b>	Craven Street Capital Limited, joint financial and Rule 3 adviser to Nucleus;
<b>CREST</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Disclosed</b>	the information disclosed by, or on behalf of Nucleus: (i) in the data room established on behalf of Nucleus for the purposes of the Scheme, on or before 6.30 p.m. on 5 February 2021; (ii) in the Nucleus 2019 Annual Report and Accounts; (iii) in this Announcement; (iv) in any other public announcement made by Nucleus; or (v) prior to the date of this Announcement to James Hay Holdings (or its respective officers, employees, agents or advisers in their capacity as such);
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance and transparency rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time;
<b>Disclosure Table</b>	the disclosure table on the Takeover Panel's website at <a href="http://www.thetakeoverpanel.org.uk">www.thetakeoverpanel.org.uk</a> ;
<b>Effective</b>	in the context of the Acquisition:  (a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective

	pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies; or
	(b) if the Acquisition is implemented by way of an Offer, such Offer having been declared or become unconditional in all respects in accordance with the requirements of the Code;
<b>Effective Date</b>	the date upon which the Scheme or the Offer (as applicable) becomes Effective;
<b>Epiris</b>	Epiris LLP, a limited liability partnership, incorporated in England and Wales with registered number OC412384;
<b>Epiris Funds</b>	Epiris Fund II L.P., Epiris Fund II (B) L.P., Epiris Fund II FFP L.P., and Epiris TC L.P., each acting by Epiris GP in its capacity as general partner of each such fund;
<b>Epiris GP</b>	Epiris GP Limited, a limited liability company incorporated in Jersey with registered number 122884, having its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH;
<b>Epiris Group</b>	(i) Epiris GP; (ii) any person or entity, other than any Portfolio Company, that is controlled by, controlling or under common control with Epiris GP; (iii) any partnership, unit trust or fund managed or advised by Epiris or any of its group companies (excluding any Portfolio Company); or (iv) any new company incorporated by Epiris GP or one of the foregoing entities (other than any Portfolio Company) for the purposes of the Acquisition;
<b>ETF</b>	exchange traded fund;
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>European Union</b>	an economic and political union of 27 member states which are located primarily in Europe;
<b>Excluded Shares</b>	any Nucleus Shares at the Scheme Record Time: (i) of which James Hay Holdings or any member of the James Hay Group is the registered holder; (ii) which are beneficially owned by James Hay Holdings or any member of the James Hay Group; (iii); or (iii) held by Nucleus in treasury;
<b>FCA</b>	the UK Financial Conduct Authority or its successor from time to time;

<b>Fenchurch Advisory Partners</b>	Fenchurch Advisory Partners LLP of 110 Bishopsgate, London, EC2N 4AY, financial adviser to the James Hay Group;
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended, modified, re-enacted or replaced from time to time);
<b>GIA</b>	General Investment Account;
<b>Governmental Entities</b>	any supranational, national, state, municipal, local or foreign government, any instrumentality, subdivision, court, arbitrator or arbitrator panel, regulatory or administrative agency or commission, or other authority thereof, or any regulatory or quasi-regulatory organisation or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority;
<b>IFG Group Limited</b>	IFG Group Limited, a company incorporated and existing under the laws of Ireland with company registration number 21010;
<b>ISA</b>	Individual Savings Account;
<b>James Hay</b>	the business undertaken by the James Hay Group;
<b>James Hay Directors</b>	the directors of James Hay Holdings from time to time and James Hay Director means any one of them;
<b>James Hay Group</b>	IFG Group Limited and its subsidiaries and subsidiary undertakings;
<b>James Hay Holdings</b>	James Hay Holdings Limited, a private limited company incorporated in England and Wales with registered number 02506374;
<b>James Hay Holdings Board</b>	the board of directors of James Hay Holdings;
<b>Latest Practicable Date</b>	8 February 2021, being the latest practicable date prior to the publication of this Announcement;
<b>London Stock Exchange</b>	London Stock Exchange PLC;
<b>Long Stop Date</b>	23:59 on the calendar day which is nine months from the date of this Announcement or such later date (if any) as James Hay Holdings and Nucleus may, with the consent of the Takeover Panel, agree and (if required) the Court may allow;
<b>LTIP</b>	the Nucleus Financial Group plc Long Term Incentive Plan as amended from time to time;

<b>LTIP Agreed Maximum</b>	a maximum of 452,543 Nucleus Shares, being the number of Nucleus Shares required to be issued after the date of this Announcement to satisfy the exercise of Awards outstanding under the LTIP;
<b>Market Abuse Regulation or MAR</b>	The Market Abuse Regulation (2014/596/EU) as amended in the United Kingdom from 1 January 2021 pursuant to the Market Abuse (Amendment) (EU Exit) Regulations 2019;
<b>Nucleus or Company</b>	Nucleus Financial Group plc, a public limited company incorporated in England and Wales with registered number 05522098;
<b>Nucleus 2019 Annual Report and Accounts</b>	the full year results of the Nucleus Group for year ended 31 December 2019;
<b>Nucleus Board</b>	the board of directors of Nucleus;
<b>Nucleus Court Hearing</b>	the hearing at which the Court Order is sought and, if such hearing is adjourned, references to the commencement of any such hearing shall mean the commencement of the final adjournment thereof;
<b>Nucleus Court Meeting</b>	the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification);
<b>Nucleus Directors</b>	the directors of Nucleus from time to time and Nucleus Director means any one of them;
<b>Nucleus Employee Benefit Trust</b>	the Nucleus Employee Benefit Trust 2010, being a discretionary employee benefit trust that, amongst other things, is intended to facilitate the operation of the LTIP;
<b>Nucleus General Meeting</b>	the general meeting (or any adjournment, postponement or reconvention thereof) of Nucleus Shareholders to be convened in connection with the Scheme;
<b>Nucleus Group</b>	Nucleus and its subsidiaries and subsidiary undertakings from time to time;
<b>Nucleus Meetings</b>	the Nucleus Court Meeting and the Nucleus General Meeting;
<b>Nucleus Share Plans</b>	the SIP and the LTIP;
<b>Nucleus Shareholders</b>	the registered holders of Nucleus Shares from time to time;

<b>Nucleus Shares</b>	ordinary shares of 0.1 pence each in the capital of Nucleus;
<b>OEIC</b>	open-ended investment company;
<b>Offer</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the recommended offer to be made by or on behalf of James Hay Holdings to acquire the entire issued and to be issued ordinary share capital of Nucleus and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>Offer Document</b>	should the Acquisition be implemented by means of the Offer, the document to be sent to Nucleus Shareholders which will contain, inter alia, the full terms and conditions of the Offer;
<b>Offer Period</b>	the period commencing on 2 December 2020 and ending on the earlier of: (a) the date on which the Acquisition becomes Effective; and (b) the date on which the Acquisition lapses or is withdrawn (or such other date as the Panel may decide);
<b>Opening Position Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Portfolio Company</b>	a direct or indirect portfolio company of investment funds managed or advised by Epiris (from time to time);
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales;
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>Resolution</b>	the special resolution to be proposed by Nucleus at the Nucleus General Meeting in connection with, the alteration of the Nucleus Articles to ensure that, if the Scheme is approved at the Nucleus Court Meeting, any Nucleus Shares issued after the Scheme Record Time will automatically be acquired by James Hay Holdings on the same terms as under the scheme;
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction;
<b>SaintMichelCo</b>	SaintMichelCo Limited, a private limited company incorporated in Jersey with registered number 128540,



having its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH;

<b>Sanlam</b>	Sanlam UK Limited, a private limited company incorporated in England and Wales with registered number 06575962;
<b>Scheme</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Nucleus and the Scheme Shareholders (the full terms of which are set out in the Scheme Document), with or subject to any modification, addition or condition which James Hay Holdings and Nucleus may agree, and if required, the Court may approve or impose;
<b>Scheme Document</b>	the document to be despatched to Nucleus Shareholders in connection with the Scheme including the particulars required by section 897 of the Companies Act;
<b>Scheme Record Time</b>	the time and date specified in the Scheme expected to be 6:00 p.m. on the Business Day following the date of the Nucleus Court Hearing;
<b>Scheme Shareholders</b>	the registered holders of Nucleus Shares from time to time;
<b>Scheme Shares</b>	the Nucleus Shares: <ul style="list-style-type: none"><li>(a) in issue as at the date of the Scheme Document;</li><li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li><li>(c) (if any) issued on or after the Voting Record Time and at or prior to the Scheme Record Time, in respect of which the original or any subsequent holders thereof will be, or shall have agreed in writing to be, bound by the Scheme;</li></ul>
<b>Share Incentive Plan or SIP</b>	the Nucleus Financial Group plc Share Incentive Plan as amended from time to time;
<b>Shore Capital</b>	Shore Capital and Corporate Limited and/or Shore Capital Stockbrokers Limited as the context admits;
<b>Shore Capital and Corporate Limited</b>	Nominated Adviser and joint financial and Rule 3 adviser to Nucleus;
<b>Shore Capital Stockbrokers Limited</b>	corporate broker to Nucleus;

<b>SIPP</b>	self-invested personal pension;
<b>Substantial Interest</b>	in relation to an undertaking, a direct or indirect interest in ten per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>Takeover Panel or Panel</b>	the UK Panel on Takeovers and Mergers;
<b>Third Party</b>	has the meaning set out in Condition F;
<b>uncertificated or uncertificated form</b>	registered 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>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>United States or US</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, and the rules and regulations promulgated thereunder;
<b>US Securities Act</b>	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
<b>Voting Record Time</b>	6:30 p.m. on the day which is two Business Days before the date of the Nucleus Court Meeting or, if the Nucleus Court Meeting is adjourned, 6:30 p.m. on the day which is two business days before the date set for the adjourned Nucleus Court Meeting;
<b>Wider James Hay Group</b>	James Hay Group, its subsidiary undertakings and associated undertakings, holding companies, and their respective subsidiaries, subsidiary undertakings and associated undertakings, holding companies and any other body corporate, partnership, joint venture or person in which the James Hay Group and all such undertakings (aggregating their interests) have a Substantial Interest or the equivalent or which have a Substantial Interest in the James Hay Group or any member of the Wider James Hay Group;
<b>Wider Nucleus Group</b>	Nucleus and its subsidiaries, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Nucleus and such undertakings (aggregating their interests) have a Substantial Interest or the equivalent.

In this document:

- (a) all times referred to are to London time unless otherwise stated;
- (b) references to the singular include the plural and vice versa, unless the context otherwise requires;
- (c) "subsidiary", "subsidiary undertaking" and "undertaking" have the meanings given by the Companies Act and "associated undertaking" has the meaning given to it by paragraph 19 of Schedule 6 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 1(b) thereof which shall be excluded for this purpose; and
- (d) all references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

**EXECUTION VERSION**

**IN WITNESS** of which this undertaking has been executed and delivered as a deed on the date first mentioned above.

**EXECUTED** and delivered as a )  
deed by **SANLAM UK LIMITED** )  
acting by its attorney Robert Roux )  
and its attorney Wikus Olivier )



SIGNATURE PAGE