

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

PART II OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006. This document relates to a transaction which, if implemented, will result in the cancellation of the admission of Nucleus Shares to trading on AIM. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell, have sold or otherwise transferred all of your Nucleus Shares, please send this document (but not any accompanying personalised documents) at once to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. These documents must not, however, be forwarded, distributed or transmitted in or into any jurisdiction where to do so would violate the laws of that jurisdiction. If you have sold or otherwise transferred part of your holding of Nucleus Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected.

The release, publication or distribution of this document and any accompanying document (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions and applicable requirements. Any failure to comply with those restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Acquisition or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or prospectus equivalent document. The accompanying Forms of Proxy are personalised. If you have recently purchased or otherwise acquired Nucleus Shares, you should contact Nucleus' Registrars, Equiniti Limited, on the telephone number set out on page 3 of this document, to obtain replacements for the accompanying Forms of Proxy.

Recommended cash offer

for

Nucleus Financial Group plc

(incorporated in England and Wales with registered number 05522098)

by

James Hay Holdings Limited

(incorporated in England and Wales with registered number 02506374)

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

**to be effected by means of a Scheme of Arrangement of
Nucleus Financial Group plc under
Part 26 of the Companies Act 2006**

You should carefully read the whole of this document (including any documents incorporated into it by reference) and the accompanying Forms of Proxy. Your attention is drawn, in particular, to the letter from the Chairman of Nucleus in Part I of this document which contains the recommendation of the Nucleus Directors that you vote in favour of the Scheme at the Nucleus Court Meeting and the Resolution at the Nucleus General Meeting. A letter from Shore Capital and Craven Street Capital explaining the Scheme in greater detail and the action to be taken by you appears in Part II of this document.

Notices of the Nucleus Court Meeting and the Nucleus General Meeting, which will be closed to physical attendance and held online, on 30 March 2021, are set out in Parts IX and X of this document respectively. The Nucleus Court Meeting will start at 10 a.m. and the Nucleus General Meeting at 10.15 a.m. (or as soon thereafter as the Nucleus Court Meeting has concluded or been adjourned).

In light of current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus Meetings if the guidance remains in place at the date of the Nucleus Meetings, and the general uncertainty on what additional and/or alternative measures may be put in place by the UK government should the current guidance be amended by the date of the Nucleus Meetings, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the Nucleus Meetings in person irrespective of whether the restrictions on social gatherings remain in place at the date of the Nucleus Meetings. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the Nucleus Meetings electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the resolutions being put to the Nucleus Meetings by appointing the Chairman of the relevant Nucleus Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Forms of Proxy by post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the Nucleus Meetings electronically via the Virtual Meeting Platform. If any person other than the Chairman of the relevant Nucleus Meeting is appointed as a proxy or corporate representative, they will not be permitted to attend the relevant Nucleus Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Nucleus Meeting remotely via the Virtual Meeting Platform.

Instructions for accessing the Virtual Meeting Platform

Nucleus Shareholders will each be given the opportunity to attend remotely, submit written questions and vote at the Nucleus Meetings via a virtual meeting platform provided by Lumi (the “**Virtual Meeting Platform**”). Nucleus Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v.10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To attend remotely, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>. Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 110-967-131. You will then be prompted to enter your unique Shareholder Reference Number (“**SRN**”) and PIN (which is the first two and last two digits of your SRN). These can be found printed on the Forms of Proxy. Access to the Meetings via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, as further detailed below. If you are unable to access your SRN and PIN, please call Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except UK public holidays) via their helpline on 0371 384 2050 (from within the UK) or +44 371 384 2050 (from outside the UK). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice. Although access to the Nucleus Meetings via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, the voting functionality will not be enabled until the Chairman of the relevant Nucleus Meeting declares the poll open. Nucleus Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Nucleus Directors during the course of the relevant Nucleus Meeting. Nucleus Shareholders can use the same function to submit any written objections they may have to the Scheme at the Nucleus Court Meeting. The Chairman of the relevant Nucleus Meeting will ensure that all such questions and/or any objections (in the case of the Nucleus Court Meeting) relating to the formal business of the Nucleus Meeting are addressed during the Nucleus Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairman’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Nucleus Meeting.

The action to be taken in respect of the Nucleus Meetings is set out on pages 10 to 13 of this document. Nucleus Shareholders will find accompanying this document a BLUE Form of Proxy for use in connection with the Nucleus Court Meeting and a WHITE Form of Proxy for use in connection with the Nucleus General Meeting. Whether or not you intend to attend the Nucleus Meetings in person, please complete and sign both of the accompanying Forms of Proxy in accordance with the instructions printed on them and return them to Nucleus’ Registrars, Equiniti Limited, as soon as possible and, in any event, so as to be received not later than 48 hours before the time appointed for the relevant Nucleus Meeting or, in the case of any adjournment to another day, not later than 48 hours before the time fixed for the holding of the adjourned meeting.

It is very important that Nucleus Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views. Whether or not you intend to attend remotely and/or vote at the Nucleus Meetings, you are strongly encouraged to sign and return your Forms of Proxy by post or transmit a proxy appointment and voting instruction (electronically or through CREST) for the Nucleus Meetings as soon as possible. The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction electronically or through CREST or by any other procedure described in this document) will not prevent you from attending remotely, submitting written questions and/or any objections (in the case of the Nucleus Court Meeting) and voting at the Nucleus Court Meeting or the Nucleus General Meeting, in each case via the Virtual Meeting Platform as described above and in the Virtual Meeting Guide, if you are entitled to and wish to do so. The Nucleus Board will review the arrangements for the Nucleus Meetings and any additional and/or alternative measures in advance of the Nucleus Meetings and the Company will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary.

If the BLUE Form of Proxy for the Nucleus Court Meeting is not returned by the specified time, an electronic version may be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the Nucleus Court Meeting. However, in the case of the Nucleus General Meeting, unless the WHITE Form of Proxy is returned by the specified time, it will be invalid.

Nucleus Shareholders who have elected to receive electronic communications from Nucleus shall receive an email in relation to the publication of this document and the convening of the Nucleus Court Meeting and the Nucleus General Meeting, but all Nucleus Shareholders will be sent a hard copy of this document by post.

If you hold your Nucleus Shares in uncertificated form (i.e. in CREST) you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Nucleus General Meeting set out at the end of this document). Proxies submitted via CREST (under CREST participation ID RA19) must be received by Nucleus' Registrars, Equiniti Limited, not later than 48 hours before the time appointed for the relevant Nucleus Meeting or, in the case of any adjournment to another day, not later than 48 hours before the time fixed for the holding of the adjourned meeting.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies through CREST will not prevent you from attending online and voting electronically at either the Nucleus Court Meeting or the Nucleus General Meeting, or any adjournment thereof, if you so wish and are so entitled.

You should read the whole of this document and if you are in any doubt as to the action you should take you should consult an appropriately authorised independent financial adviser. If you have any further questions, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies via CREST, please call Nucleus' Registrars, Equiniti Limited, by telephone on the Shareholder Helpline on 0371 384 2050 (if calling from within the UK) or on +44 371 384 2050 (if calling from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (London time), Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give financial, tax, investment or legal advice.

Important Notices

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 document 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 document 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 any matter referred to herein.

Craven Street Capital Limited, an appointed representative of Resolution Compliance Limited, which is authorised and regulated by the FCA in the UK, is acting as joint financial adviser for Nucleus and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters set out in this document 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 any matter referred to herein.

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 document, 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 document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Shore Capital, Craven Street Capital and Fenchurch Advisory Partners by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder or under the regulatory regime of any jurisdiction where the exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, none of Shore Capital, Craven Street Capital, Fenchurch Advisory Partners or any person affiliated with any of them assumes any responsibility whatsoever and none of them makes any representation or warranty, express or implied, in relation to the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them or on their behalf and nothing contained in this document is, or shall be, relied upon as a promise or representation in this respect whether as to the past or the future, in connection with the Nucleus Group, the James Hay Group, the Scheme or the Acquisition. Each of Shore Capital, Craven Street Capital and Fenchurch Advisory Partners accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise which it might otherwise (save as referred to above) be found to have in respect of this document or any such statement.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by Nucleus, the Nucleus Directors, James Hay Holdings, the James Hay Directors or by Shore Capital, Craven Street Capital, Fenchurch Advisory Partners or any other person involved in the Acquisition. The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them. Neither the delivery of this document nor holding the Nucleus Court Meeting, the Nucleus General Meeting, the Nucleus Court Hearing or filing of the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Nucleus Group or the James Hay Group since the date of this document or that the information in this document is correct as at any time subsequent to its date.

This document has been prepared for the purpose of complying with English law, the AIM Rules, the rules of the London Stock Exchange and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own appropriately authorised legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

Notice to Overseas Shareholders

The laws of other relevant jurisdictions may affect the availability of the Scheme to persons who are not resident in the United Kingdom. Persons who are not resident in the United Kingdom, or 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. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and seek appropriate professional advice before taking any action. In particular the ability of persons who are not resident in the United Kingdom to vote their Nucleus Shares at the Nucleus Court Meeting or the Nucleus General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Nucleus Court Meeting or the Nucleus General 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 legal or regulatory requirements may constitute a violation of the laws and/or regulations 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.

The Scheme is not being made, directly or indirectly, in or into or by the use of mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Scheme is not capable of acceptance by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction. Accordingly, copies of the Announcement, this document and 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.

Further details in relation to Overseas Shareholders are contained in paragraph 17 of Part II of this document.

Additional Information for US Holders

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 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 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 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.

Forward-Looking Statements

This document (including information incorporated by reference into this document), oral statements regarding the Acquisition and other information published by James Hay Holdings and Nucleus contain certain forward-looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of James Hay Holdings 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 James Hay Holdings 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 document 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 James Hay Holdings 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 document 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 Financial Statements.

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

No profit forecasts or estimates

No statement in this document is intended as a profit forecast or estimate for any period. No accretion statements or statements as to the effect of the Acquisition should be construed as profit forecasts and are, therefore, not subject to the requirements of Rule 28 of the Code. No statement in this document should be interpreted to mean that earnings or earnings per share or dividend per share for Nucleus would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Nucleus.

Right to switch to an Offer

James Hay Holdings has reserved the right to elect, with the consent of the Takeover Panel, to implement the Acquisition by way of an Offer for the entire issued and to be issued ordinary share capital of Nucleus as an alternative to the Scheme. In such an event, the Offer will be implemented on the same terms or, if James Hay Holdings so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in paragraph C of Part IV of this document.

Publication and availability of this document

A copy of this document (and all information incorporated into this document by reference to another source), is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Nucleus' website at www.nucleusfinancial.com/investors and James Hay's website at www.jameshay.co.uk from the time this document is published. For the avoidance of doubt, the contents of the websites referred to in this document, or of any websites accessible from hyperlinks on such websites, are not incorporated into and do not form part of this document.

You may request a hard copy of this document (and any information incorporated by reference in this document), free of charge, by contacting Nucleus' Registrars, Equiniti Limited, by telephone on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls made from mobile telephones and calls may be monitored or recorded for security and training purposes. Alternatively you can submit a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. If you have received this document via Nucleus' website or if you have agreed to receive communications from Nucleus electronically, hard copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

COVID-19 update

The Company is closely monitoring the impact of the COVID-19 pandemic in the United Kingdom. In light of the current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus Meetings if the guidance remains in place at the date of the Nucleus Meetings, and the general uncertainty on what additional and/or alternative measures may be put

in place by the UK government should the current guidance be amended by the date of the Meetings, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the Nucleus Meetings in person irrespective of whether the restrictions on social gatherings remain in place at the date of the Nucleus Meetings. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the Nucleus Meetings electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the resolutions being put to the Nucleus Meetings by appointing the Chairman of the relevant Nucleus Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Forms of Proxy by post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the Nucleus Meetings electronically via the Virtual Meeting Platform.

If any person other than the Chairman of the relevant Nucleus Meeting is appointed as a proxy or corporate representative they will not be permitted to attend the relevant Nucleus Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Nucleus Meeting remotely via the Virtual Meeting Platform. Nucleus Shareholders can attend the Nucleus Meetings remotely, submit written questions and/or any objections (in the case of the Nucleus Court Meeting) and vote at the Nucleus Court Meeting or the Nucleus General Meeting in each case via the Virtual Meeting Platform, as described on page 2 of this document, the Virtual Meeting Guide and in the notices of the Nucleus Court Meeting and the Nucleus General Meeting (see Parts IX (Notice of Court Meeting) and X (Notice of General Meeting) of this document respectively).

The Nucleus Board will review the arrangements for the Nucleus Meetings and any additional and/or alternative measures in advance of the Nucleus Meetings and the Company will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary. Nucleus encourages Nucleus Shareholders to check its website www.nucleusfinancial.com/investors regularly for the latest information on its engagement with Nucleus Shareholders in connection with the Nucleus Meetings and the arrangements for the Nucleus Meetings.

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 Offer Period as required under Section 4 of Appendix 4 of the Code.

Rounding

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

Disclosure requirements of the Code

Under Rule 8.3(a) of the 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 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (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 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 3.30 p.m. (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, 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.

Date: 5 March 2021

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ACTION TO BE TAKEN

For the reasons set out in this document, the Nucleus Board unanimously recommends that Nucleus Shareholders vote in favour of the Scheme at the Nucleus Court Meeting and the Resolution to be proposed at the Nucleus General Meeting, as the Nucleus Directors have irrevocably undertaken to do in respect of their own beneficial holdings of Nucleus Shares, and that you take the action described below.

Voting at the Nucleus Meetings

The Scheme will require approval at the meeting of Scheme Shareholders convened by order of the Court to be formally held at the head office of Nucleus at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH but only to be attended by Nucleus Shareholders online. The Nucleus Court Meeting will start at 10 a.m. on 30 March 2021. Implementation of the Scheme also requires approval by Nucleus Shareholders of the Resolution to be proposed at the Nucleus General Meeting to be formally held at the same venue but again only to be attended online at 10.15 a.m. on 30 March 2021 (or as soon thereafter as the Nucleus Court Meeting has concluded or been adjourned). Notices of the Nucleus Meetings are set out in Parts IX and X of this document.

COVID update

The Company is closely monitoring the impact of the COVID-19 pandemic in the United Kingdom. In light of the current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus Meetings if the guidance remains in place at the date of the Nucleus Meetings, and the general uncertainty on what additional and/or alternative measures may be put in place by the UK government should the current guidance be amended by the date of the Meetings, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the Nucleus Meetings in person irrespective of whether the restrictions on social gatherings remain in place at the date of the Nucleus Meetings. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the Nucleus Meetings electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the resolutions being put to the Nucleus Meetings by appointing the Chairman of the relevant Nucleus Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Forms of Proxy by post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the Nucleus Meetings electronically via the Virtual Meeting Platform.

If any person other than the Chairman of the relevant Nucleus Meeting is appointed as a proxy or corporate representative they will not be permitted to attend the relevant Nucleus Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Nucleus Meeting remotely via the Virtual Meeting Platform. Nucleus Shareholders can attend the Nucleus Meetings remotely, submit written questions and/or any objections (in the case of the Nucleus Court Meeting) and vote at the Nucleus Court Meeting or the Nucleus General Meeting in each case via the Virtual Meeting Platform, as described on page 2 of this document, the Virtual Meeting Guide and in the notices of the Nucleus Court Meeting and the Nucleus General Meeting (see Parts IX (Notice of Court Meeting) and X (Notice of General Meeting) of this document respectively).

The Nucleus Board will review the arrangements for the Nucleus Meetings and any additional and/or alternative measures in advance of the Nucleus Meetings and Nucleus will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary. Nucleus encourages Nucleus Shareholders to check its website www.nucleusfinancial.com/investors regularly for the latest information on its engagement with Nucleus Shareholders in connection with the Nucleus Meetings.

However, given the restrictions on attendance at the Meetings, you are encouraged to appoint only the Chair of the meeting as your proxy, rather than appointing one or more named persons, as they will not be permitted to attend the meeting.

Please check that you have received the following with this document:

- a BLUE Form of Proxy for use in respect of the Nucleus Court Meeting on 30 March 2021; and
- a WHITE Form of Proxy for use in respect of the Nucleus General Meeting on 30 March 2021.

If you have not received both of these documents, please contact Nucleus' Registrars, Equiniti Limited, on the Shareholder Helpline referred to below.

It is important that, for the Nucleus Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of the opinion of Nucleus Shareholders. You are therefore strongly encouraged to complete, sign and return both your Forms of Proxy as soon as possible in accordance with the instructions thereon, or to appoint a proxy electronically through CREST. The proxy need not be a Nucleus Shareholder, however, please see the paragraphs under the heading "COVID-19 update" above in respect of restrictions on attendance at the Nucleus Meetings in person and the resulting request in relation to the appointment of proxies.

The Forms of Proxy must be received by Nucleus' Registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA United Kingdom by no later than the following times and dates:

- BLUE Forms of Proxy for the Nucleus Court Meeting by 10 a.m. on 28 March 2021;
- WHITE Forms of Proxy for the Nucleus General Meeting by 10.15 a.m. on 28 March 2021; and
- in the case of an adjournment of either Nucleus Meeting to another day, not later than 48 hours before the time and date set for the adjourned Nucleus Meeting.

This will enable your votes to be counted at the Nucleus Meetings in the event of your absence.

Alternatively, BLUE Forms of Proxy (but not WHITE Forms of Proxy) may be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the Nucleus Court Meeting on 30 March 2021 and will still be valid. In the case of the Nucleus General Meeting, unless the WHITE Form of Proxy is returned by the time and date mentioned above, it will be invalid.

The completion and return of a Form of Proxy will not prevent you from attending and voting online at the Nucleus Court Meeting, the Nucleus General Meeting or any adjournment thereof, if you so wish and are so entitled.

Please refer to paragraph 17 of Part II of this document if you are an Overseas Shareholder.

IT IS IMPORTANT THAT, FOR THE NUCLEUS COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF NUCLEUS SHAREHOLDER OPINION. AS DETAILED BELOW AND IN PARAGRAPH 18 OF PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT, IN LIGHT OF THE COVID-19 PANDEMIC IN THE UNITED KINGDOM, NUCLEUS SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETINGS IN PERSON. NUCLEUS SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE CHAIRMAN OF THE RELEVANT NUCLEUS MEETING AS THEIR PROXY BY COMPLETING, SIGNING AND RETURNING THEIR FORMS OF PROXY OR APPOINTING THE CHAIRMAN AS PROXY ELECTRONICALLY OR THROUGH CREST AS SOON AS POSSIBLE (AND IN ANY EVENT BEFORE THE RELEVANT DEADLINE). THE CHAIRMAN OF THE RELEVANT MEETING WILL VOTE IN ACCORDANCE WITH THE VOTING INSTRUCTIONS OF THE APPOINTING NUCLEUS SHAREHOLDER. THE COMPLETION AND RETURN OF THE FORMS OF PROXY BY POST (OR TRANSMISSION OF A PROXY APPOINTMENT OR VOTING INSTRUCTION ELECTRONICALLY OR THROUGH CREST OR BY ANY OTHER PROCEDURE DESCRIBED IN THIS DOCUMENT) WILL NOT PREVENT YOU FROM ATTENDING REMOTELY, SUBMITTING WRITTEN QUESTIONS AND/OR ANY OBJECTIONS (IN THE CASE OF THE NUCLEUS COURT MEETING) AND VOTING AT THE NUCLEUS COURT MEETING OR THE NUCLEUS GENERAL MEETING, IN EACH CASE VIA THE VIRTUAL MEETING PLATFORM AS DESCRIBED ON PAGE 2 OF THIS DOCUMENT AND IN THE VIRTUAL MEETING GUIDE, IF YOU ARE ENTITLED TO AND WISH TO DO SO.

The quorum for the Nucleus General Meeting is two or more Nucleus Shareholders present in person or by proxy and Nucleus' management will facilitate the presence of a quorum in person given the restrictions on attendance in person at the Nucleus General Meeting. As set out on page 2 of this document and in Part IX (Notice of Court Meeting) and Part X (Notice of General Meeting), Nucleus Shareholders and other attendees (other than the Chairman and certain members of Nucleus management) will not be permitted to attend the Nucleus Court Meeting and the Nucleus General Meeting in person, but can remotely attend, submit written questions and/or any objections (in the case of the Nucleus Court Meeting) and vote at the Nucleus Court Meeting or the Nucleus General Meeting via the Virtual Meeting Platform, as described on page 2 of this document and the Virtual Meeting Guide. If any person other than the Chairman of the relevant Nucleus Meeting is appointed as proxy, they will not be permitted to attend the relevant Nucleus Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Meeting remotely via the Virtual Meeting Platform.

Multiple proxy voting instructions

As a Nucleus Shareholder, you are entitled to appoint a proxy in respect of some or all of your Nucleus Shares. You are also entitled to appoint more than one proxy. A space has been included on the Forms of Proxy to allow you to specify the number of Nucleus Shares in respect of which that proxy is appointed.

If you wish to appoint more than one proxy in respect of your shareholding, photocopy the Forms of Proxy or contact Nucleus' Registrars, Equiniti Limited, by telephone on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK) for further Forms of Proxy. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be monitored or recorded for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice.

Online appointment of proxies

As an alternative to completing the hard-copy Proxy Form, you can appoint a proxy electronically by visiting www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed on your Proxy Form). Alternatively, if you have already registered with Company's Registrar's online portfolio service, Shareview, you can submit your Proxy Form at www.shareview.co.uk using your usual user ID and password. Full instructions are given on both websites. For an electronic proxy appointment to be valid, the appointment must be received by Nucleus' Registrars, Equiniti Limited not later than 48 hours before the Nucleus Court Meeting or Nucleus General Meeting, as applicable (or, in the case of an adjournment of either Nucleus Meeting to another day, not later than 48 hours before such Nucleus Meeting).

In the case of the Nucleus Court Meeting only, if you have not appointed a proxy electronically by such time you may complete and deliver the BLUE Form of Proxy by e-mail to proxyvotes@equiniti.com at any time before the start of that meeting.

Voting instructions for Nucleus Shareholders holding shares through CREST

Nucleus Shareholders who hold Nucleus Shares through CREST and who wish to appoint a proxy or proxies for the Nucleus Meetings or any adjournment(s) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, to be valid, be transmitted so as to be received by Nucleus' Registrars, Equiniti Limited, not later than 48 hours before the Nucleus Court Meeting or Nucleus General Meeting, as applicable (or, in the case of an adjournment of either Nucleus Meeting, not later than 48 hours before such Nucleus Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

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

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

Nucleus Share Plans

Letters will be sent separately to participants in the Nucleus Share Plans to inform them of the effect of the Scheme on their rights under the Nucleus Share Plans.

Shareholder Helpline

If you have not received all the relevant documents or have any questions relating to this document, either of the Nucleus Meetings, the completion and return of the Forms of Proxy or submitting your votes or proxies through CREST or via electronic means where applicable to you please call Nucleus' Registrars, Equiniti Limited, by telephone on the Shareholder Helpline on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK). Lines are open from 08.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the United Kingdom will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that Shareholder Helpline operators cannot provide advice on the merits of the Scheme nor give any financial, tax, investment or legal advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All times shown are UK times. All dates and times are based on Nucleus' and James Hay Holdings' current expectations and are subject to change (see below). If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Nucleus Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange, with such announcement being made available on Nucleus' and James Hay's websites at www.nucleusfinancial.com/investors and www.jameshay.co.uk respectively.

The global COVID-19 pandemic is restricting the ability of Governmental Entities around the world to conduct their normal operations. Nucleus and James Hay Holdings expect 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 Scheme are indicative, subject to change (by agreement between Nucleus and James Hay Holdings and, where required, the Court) and provided by way of guidance only.

Event	Time and/or date ⁽¹⁾
Publication of this document	5 March 2021
Voting Record Time	6.30 p.m. on 28 March 2021 ⁽²⁾
Latest time for lodging BLUE Forms of Proxy for the Nucleus Court Meeting	10 a.m. on 28 March 2021 ⁽³⁾
Latest time for lodging WHITE Forms of Proxy for the Nucleus General Meeting	10.15 a.m. on 28 March 2021 ⁽⁴⁾
Nucleus Court Meeting	10 a.m. on 30 March 2021
Nucleus General Meeting	10.15 a.m. on 30 March 2021⁽⁵⁾
<i>The following dates are subject to change (please see note (1) below)</i>	
Nucleus Court Hearing to sanction the Scheme (D)	D – being a date expected to be not less than 10 Business Days after the satisfaction of the Regulatory Condition, which is expected to be in the second quarter of 2021, subject to the satisfaction of the Regulatory Condition ⁽⁶⁾⁽⁷⁾
Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Nucleus Shares	D ⁽⁶⁾
Scheme Record Time	6.00 p.m. on D ⁽⁶⁾
Dealings in Nucleus Shares on AIM suspended	7.30 a.m. on D + 1 Business Day
Effective Date	D + 1 Business Day ⁽⁶⁾
Cancellation of admission of Nucleus Shares to trading on AIM	at 7.00 am on D + 2 Business Days ⁽⁶⁾
Latest date for despatch of cheques and crediting of CREST for Cash Consideration due under the Scheme	By D +14
Long Stop Date	9 November 2021 ⁽⁸⁾

Notes:

- (1) **The dates and times given are indicative only and are based on Nucleus' current expectations and may be subject to change** (including as a result of changes to the timetable for fulfilment of the regulatory and Acquisition clearance approvals and changes to the Court timetable). If any of the times or dates above change, the revised times and dates will be notified to Nucleus Shareholders by announcement through a Regulatory Information Service.
- (2) **Only those Nucleus Shareholders registered on the register of members of Nucleus as at 6.30 p.m. on 28 March 2021 will be entitled to vote at the Nucleus Meetings.** If either Nucleus Meeting is adjourned, the Voting Record Time for the adjourned Nucleus Meeting will be 48 hours before the date set for the adjourned Nucleus Meeting.

- (3) The BLUE Form of Proxy for the Nucleus Court Meeting may, alternatively, be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the Nucleus Court Meeting (or any adjournment thereof). However, if possible, Nucleus Shareholders are requested to lodge the BLUE Forms of Proxy (or the electronic equivalent) not later than 48 hours before the time appointed for the Nucleus Court Meeting.
- (4) The WHITE Form of Proxy for the Nucleus General Meeting (or the electronic equivalent) must be lodged with Nucleus' Registrars, Equiniti Limited, by no later than 10.15 a.m. on 28 March 2021 in order for it to be valid, or, if the Nucleus General Meeting is adjourned to another day, not later than 48 hours before the time fixed for the holding of the adjourned meeting. If the WHITE Form of Proxy is not returned by such time, it will be invalid.
- (5) To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Nucleus Court Meeting.
- (6) These times and dates are indicative only and will depend on, among other things, the dates upon which the Conditions are satisfied or (where permitted) waived.
- (7) The Nucleus Court Hearing to sanction the Scheme is to be held on such date as Nucleus and James Hay Holdings may agree and the Court may allow.
- (8) This is the latest date by which the Scheme may become Effective unless Nucleus and James Hay Holdings agree, and (if required) the Court and the Takeover Panel allow, a later date.

PART I

LETTER FROM THE CHAIRMAN OF NUCLEUS FINANCIAL GROUP PLC



(Incorporated in England and Wales with registered number 05522098)

Directors:

Angus Samuels, *Non-Executive Chairman*
Tracy Dunley-Owen, *Independent Non-Executive Director*
David Ferguson, *Chief Executive Officer*
Stuart Geard, *Chief Financial Officer*
Margaret Hassall, *Independent Non-Executive Director*
John Levin, *Senior Independent Non-Executive Director*
Jonathan Polin, *Non-Executive Director*
Alfio Tagliabue, *Non-Executive Director*

Registered Office:

Elder House
St Georges Business Park
207 Brooklands Road
Weybridge
Surrey
KT13 0TS

5 March 2021

To Nucleus Shareholders and, for information only, to participants in Nucleus Share Plans and persons with information rights in relation to Nucleus

Dear Shareholder,

RECOMMENDED CASH OFFER FOR NUCLEUS FINANCIAL GROUP PLC BY JAMES HAY HOLDINGS LIMITED

1 Introduction

On 9 February 2021, the Boards of Nucleus and James Hay Holdings announced that they had agreed 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 way of a Court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act.

I am writing to you on behalf of the Nucleus Board to explain the background to and terms of the Acquisition and to explain why the Nucleus Board considers the terms of the Acquisition to be fair and reasonable and why the Nucleus Directors are unanimously recommending that you vote in favour of the Scheme at the Nucleus Court Meeting and in favour of the Resolution to be proposed at the Nucleus General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer), as the Nucleus Directors who hold Nucleus Shares have irrevocably undertaken to do in respect of their beneficial holdings of such shares.

This letter also explains the actions you are now asked to take.

2 Summary of the terms of the Acquisition and the Scheme

It is proposed that the Acquisition be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act, which requires the approval of Scheme Shareholders at the Nucleus Court Meeting and Nucleus Shareholders at the Nucleus General Meeting and the sanction of the Court.

Under the terms of the Scheme, which is subject to the Conditions and further terms set out in Part IV of this document, if the Scheme becomes Effective, Nucleus Shareholders will receive:

188 pence in cash for each Nucleus Share

The price offered by James Hay Holdings for the Acquisition of 188 pence per Nucleus Share equates to total consideration for the Acquisition of approximately £144.621 million and represents a premium of approximately:

- 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 last Business Day before the publication date of the Announcement).

The Scheme requires the approval of a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent not less than 75 per cent, in nominal value of the Scheme Shares voted by such Scheme Shareholders at the Nucleus Court Meeting.

Implementation of the Scheme will also require the passing of the Resolution, which requires the approval of Nucleus Shareholders representing at least 75 per cent of the votes cast, either in person or by proxy, at the Nucleus General Meeting, which will be held immediately after the Nucleus Court Meeting.

You are strongly encouraged to vote at both of these Nucleus Meetings by attending online or by proxy.

The Acquisition is subject to the Conditions set out in Part IV of this document, including the sanction of the Scheme by the Court. The expected transaction timetable is set out on pages 14 and 15 of this document.

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 document and with a record date prior to the Effective Date, James Hay Holdings has reserved 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 to a Regulatory Information Service and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Acquisition.

Further details of the terms of the Acquisition are set out in Part II of this document.

Overseas Shareholders should refer to the details set out in paragraph 17 of Part II of this document.

3 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.

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 at paragraph 6 of Part I of this document, 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 recognises the opportunity for the Combined Group to harness the talent in both James Hay and Nucleus in order to compete successfully at scale and in so doing that the Combined Group will address issues of duplication of roles to maximise efficiency. While the Nucleus Board would naturally regret any job losses affecting Nucleus' existing employees resulting from the Acquisition, it notes that this would only result from a review of the overall requirements of the Combined Group and so encompass all employees of the Combined Group within its remit. The Nucleus Board is pleased to note the statements given by James Hay Holdings in paragraph 6 of Part I of this document that it intends to address these important points after the Effective Date with the full engagement and collaboration of Nucleus and, in particular, that 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) following the Effective Date. The Nucleus Board is also pleased to see that James Hay intends no change to existing locations or place of work for employees, including those whose employment may transfer to FNZ.

4 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 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).

5 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.

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 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) 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 are set out in paragraph 8 of Part VII of this document.

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).

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 the MSA with FNZ. 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.

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.

James Hay Holdings notes the opinion that has been provided by employee representatives of Nucleus, the "People Representative Group" or "PRG" pursuant to Rule 25.9 of the Code in relation to the effects of the offer on employment, a copy of which is annexed to this document on page 86.

James Hay Holdings was pleased to note that the PRG has identified certain statements made by James Hay Holdings in the Announcement (that are repeated in this document) concerning Employees, Management and Directors and Locations of Business. James Hay Holdings is also pleased to note that the PRG references the positive engagement of the James Hay executive team in relation to the formation of the opinion of the

PRG. Similarly, James Hay Holdings wishes to thank the PRG for their willingness to engage in what the James Hay executive team believe to be positive and constructive discussions to date.

James Hay Holdings notes that the opinion raises some concerns and seeks various confirmations in relation to the impact on employees arising from the proposed operation of the Combined Group. James Hay Holdings intends to address these important points after the Effective Date with the full engagement and collaboration of Nucleus. Indeed, James Hay Holdings shares the view of the PRG that a successful Acquisition can only be achieved if the impact on people across the Combined Group is fully and meaningfully considered.

In particular, as described in the Announcement and in this document, 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) following the Effective Date. James Hay Holdings will, with the management team of Nucleus, also perform a review of the Combined Group's central and headquarter functions.

James Hay Holdings notes the PRG's statement that Nucleus employees have a very positive relationship with the Nucleus executive team and are therefore pleased to have received the unanimous recommendation of the full Nucleus Board of Directors (which includes the Nucleus executive directors, comprising CEO David Ferguson and CFO Stuart Geard) in relation to the Scheme, which is given by the Nucleus Board for the reasons stated in paragraph 3 of this Part I above, and notes that those Nucleus Directors holding shares have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings.

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 discussions on proposals to enter into, any form of incentive arrangements with members of Nucleus' management. It is the intention to 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 11 of Part II of this document, 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 11 of Part II of this document, 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) external third-party debt financing and (ii) intra group financing ultimately drawn down from certain of the Epiris Funds.

External debt funding

Debt financing will be provided under certain term loan facilities made available under its existing Senior Facilities Agreement to SaintMichelCo (an indirect holding company of James Hay Holdings, as borrower) by various funds managed or advised by Ares Management Limited.

Intra-Group funding

Intra-group contributions will be provided to James Hay Holdings in the form of share subscriptions by IFG UK (being James Hay Holdings' direct parent holding company).

Further information on the financing of the Acquisition is set out at paragraph 13 of Part VII of this document. Fenchurch Advisory Partners 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.

8 Taxation

Your attention is drawn to Part VI of this document, which contains a summary of limited aspects of the UK tax consequences of the Scheme. **That summary relates only to the position of certain categories of Scheme Shareholders (as explained further in Part VI of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme. If you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional tax adviser immediately.**

9 Current trading and prospects of Nucleus

Financial information relating to Nucleus is set out in Part A of Part V of this document.

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. As a result of the higher-than-expected year-end AUA balance, the Nucleus Directors expect to report Adjusted EBITDA ahead of the Nucleus Board's prior expectations in Nucleus' 2020 full year results announcement on 23 March 2021.

The UK Government's approval of a vaccine in early December along with confirmation of a UK-EU Trade and Cooperation Agreement and resolution of the long-running US presidential election process looks to have had a positive impact on investor sentiment with net inflows of £229 million for the three month period to 3 March 2021, representing a 39.6 per cent. increase on the preceding three month period (4 September 2020 – 3 December 2020: £164 million). Net inflows in 2021 to 3 March were £158 million, broadly in line with the same period in 2020 (£164 million), prior to Covid-19 being declared a pandemic.

The higher AUA value of £17.4 billion at the start of 2021 was in excess of the Nucleus Board's expectations at the time of approving the Nucleus Group's plan for the year. AUA has since increased further to £17.7 billion as of 3 March 2021, an increase of 14.4 per cent. on the previous year (3 March 2020: £15.4 billion). By comparison, the FTSE All-Share Index increased by only 1.6 per cent. in the year to 3 March 2021.

Gross inflows of £506 million were achieved in the three month period to 3 March 2021, an 8.4 per cent. increase on the preceding three months (4 September 2020 – 3 December 2020: £467 million). Gross inflows in 2021 to 3 March were £358 million, slightly down on the same period in 2020 (£378 million). Outflows from the platform in the three months to 3 March 2021 fell by 8.6 per cent. compared to the preceding three month period in 2020 and by 6.5 per cent. in 2021 to 3 March against the same period in 2020.

The number of advisers actively using the platform was broadly flat in the year to 3 March 2021, while customer numbers increased by 3.0 per cent. to c.101,000 over the same period.

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).

Nucleus expects to announce its full year results for the year ended 31 December 2020 on 23 March 2021. The announcement of Nucleus' full year 2020 results will be available on Nucleus' website from that date: www.nucleusfinancial.com/investors.

10 Cancellation of admission of Nucleus Shares

Your attention is drawn to paragraph 11 of Part II of this document in relation to the intended cancellation of the admission of Nucleus Shares to trading on AIM as of or shortly following the Effective Date.

11 Overseas Shareholders

Overseas Shareholders should refer to paragraph 17 of Part II of this document, which contains important information relevant to them.

12 Nucleus Meetings and action to be taken by Nucleus Shareholders

The Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the Nucleus Court Meeting to be held on 30 March 2021. This resolution must be approved by a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent not less than 75 per cent, in nominal value of the Scheme Shares voted by such Scheme Shareholders at the Nucleus Court Meeting.

Implementation of the Scheme will also require the passing of the Resolution which requires the approval of Nucleus Shareholders representing at least 75 per cent, of the votes cast, either in person or by proxy, at the Nucleus General Meeting, which will be held immediately after the Nucleus Court Meeting.

Following the Nucleus Meetings, and subject to the satisfaction (or, where applicable, waiver) of the Conditions, the Scheme must be sanctioned by the Court at the Nucleus Court Hearing and will only become Effective upon delivery of the Court Order to the Registrar of Companies. 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 Court Meeting or the Nucleus General Meeting (and, if they attended and/or voted, whether or not they voted in favour of the Scheme and/or the Resolution).

Your attention is drawn to paragraph 9 of Part II of this document which contains further information with respect to the Nucleus Meetings.

It is important that, for the Nucleus Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of shareholder opinion. You are therefore strongly urged to complete, sign and return the Forms of Proxy, or to appoint a proxy through CREST, as soon as possible.

13 Nucleus Share Plans

Details of the arrangements proposed to be implemented in relation to the Nucleus Share Plans in connection with the Acquisition are set out in paragraph 7 of Part II (Explanatory Statement) of this document.

14 Further information

Please read this entire document carefully, including the information incorporated by reference into it, and including the Explanatory Statement contained in Part II. Please note that the information contained in the Explanatory Statement is in summary form only and reading the Explanatory Statement is not a substitute for reading the entire document and the information incorporated by reference into it.

A copy of this document (and all information incorporated into this document by reference to another source), is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Nucleus' website at www.nucleusfinancial.com/investors and James Hay's website at www.jameshay.co.uk.

15 Recommendation

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.

Accordingly, the Nucleus Directors unanimously recommend that Nucleus Shareholders vote in favour of the Scheme at the Nucleus Court Meeting and the resolutions relating to the Acquisition at the Nucleus General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of 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 use all reasonable endeavours to procure that) their nominees do, in respect of their own beneficial holdings of 1,011,371 Nucleus Shares in aggregate and representing approximately 1.32 per cent. of Nucleus' issued share capital as at the Latest Practicable Date.

16 Action to be taken

Notices convening the Nucleus Court Meeting and the Nucleus General Meeting are set out in Parts IX and X, respectively, of this document. You will find accompanying this document a BLUE Form of Proxy for use at the Nucleus Court Meeting and a WHITE Form of Proxy for use at the Nucleus General Meeting.

Whether or not you intend to be present at either Nucleus Meeting, you are requested to complete, sign and return both the accompanying Form of Proxy for the Nucleus Court Meeting (BLUE) and the accompanying Form of Proxy for the Nucleus General Meeting (WHITE) in accordance with the instructions printed on the respective forms.

If you hold your Nucleus Shares in uncertificated form, you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. Please also refer to the Notices of the Nucleus Court Meeting and the Nucleus General Meeting (and their notes) set out in Parts IX and X, respectively, of this document.

If you have any further questions about this document, the Nucleus Court Meeting, the Nucleus General Meeting or the Acquisition, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies through CREST, please call Nucleus' Registrars, Equiniti Limited, on the Shareholder Helpline on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK). Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice.

Your attention is drawn to pages 10 to 13 of this document which set out in detail the action you should take in relation to the Acquisition and the Scheme.

Yours faithfully

Angus Samuels

Chairman

Nucleus Financial Group plc

PART II

EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)

SHORE CAPITAL
CAPITAL MARKETS



5 March 2021

To all Nucleus Shareholders and, for information only, to participants in the Nucleus Share Plans and persons with information rights in relation to Nucleus.

Dear Nucleus Shareholder,

RECOMMENDED CASH OFFER FOR NUCLEUS FINANCIAL GROUP PLC BY JAMES HAY HOLDINGS

1 Introduction

On 9 February 2021, the Boards of Nucleus and James Hay Holdings announced that they had agreed 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 way of a Court-sanctioned scheme of arrangement between Nucleus and the Nucleus Shareholders under Part 26 of the Companies Act.

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

Your attention is drawn to the letter from the Chairman of Nucleus set out in Part I of this document, which forms part of this explanatory statement ("Explanatory Statement").

That letter explains, among other things, the background to and reasons for the Acquisition and contains the unanimous recommendation by the Nucleus Directors to Nucleus Shareholders to vote in favour of the resolutions to approve and implement the Acquisition.

The Nucleus Directors have been advised by Shore Capital and Craven Street Capital as to the financial terms of the Acquisition. Shore Capital and Craven Street Capital have been authorised by the Nucleus Directors to write to you to set out the terms of the Acquisition and to provide you with other relevant information. This Explanatory Statement contains a summary of the terms of the Acquisition, which is to be implemented by way of the Scheme. The terms of the Scheme are set out in full in Part III of this document. Your attention is also drawn to each of the other parts of this document, which are deemed to form part of this Explanatory Statement, including the Conditions and certain further terms set out in Part IV of this document and the additional information set out in Part VII of this document. Your attention is also drawn to the opinion of the Nucleus' employee representatives in the Annex to this document, but please note that the opinion is not deemed to form part of this Explanatory Statement or otherwise form part of this document.

Statements made or referred to in this letter regarding the background to and reasons for the recommendations of the Nucleus Directors and information concerning the business of the Nucleus Group reflect the views of the Nucleus Directors. Statements made or referred to in this letter regarding James Hay Holdings' reasons for the Acquisition, information concerning the business of the James Hay Group, the financial effects of the Acquisition on James Hay Holdings and intentions or expectations of or concerning the James Hay Group reflect the views of the James Hay Holdings Board.

If you wish to vote in respect of the Scheme and the Resolution, please take the actions described on pages 10 to 13 of this document within the time frames stipulated.

2 Summary of the terms of the Acquisition and the Scheme

It is proposed that the Acquisition be implemented by means of a Court-sanctioned scheme of arrangement between Nucleus and the Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition and the Scheme, which are subject to the Conditions and further terms set out in Part IV of this document, if the Scheme becomes Effective, Scheme Shareholders will be entitled to receive:

188 pence in cash for each Nucleus Share

The price offered by James Hay Holdings for the Acquisition of 188 pence per Nucleus Share equates to total consideration for the Acquisition of approximately £144.621 million and represents a premium of approximately:

- 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 last Business Day before the publication date of the Announcement).

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 document and with a record date prior to the Effective Date, James Hay Holdings has reserved 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 to a Regulatory Information Service 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 an Offer, 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.

Approval by Nucleus Court Meeting and Nucleus General Meeting

In order to become Effective, the Scheme requires the:

- (a) satisfaction (or, where applicable, waiver) of the Conditions;
- (b) approval of a majority in number of the Scheme Shareholders who vote, representing not less than 75 per cent, in nominal value of the Scheme Shares voted, either in person or by proxy, at the Nucleus Court Meeting; and
- (c) approval of the Resolution by the requisite majority at the Nucleus General Meeting, being Nucleus Shareholders representing at least 75 per cent, in value of the Nucleus Shares voted either in person or by proxy at the Nucleus General Meeting.

Application to Court to sanction the Scheme

Once the necessary approvals have been obtained at the Nucleus Court Meeting and the Nucleus General Meeting, and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court at the Nucleus Court Hearing.

Any Scheme Shareholder or other person who considers that he or she has an interest in the Scheme and who is concerned that the Scheme may adversely affect him or her is entitled to be heard by the Court, as explained at paragraph 9.3 of this Part II.

The Scheme will become Effective in accordance with its terms on delivery of the Court Order to the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Nucleus Court Meeting or Nucleus General Meeting, or whether they voted in favour of or against the Scheme.

Scheme timetable

An indicative timetable is set out on pages 14 and 15 of this document. If the Scheme is completed then it is expected that Cash Consideration will be paid in accordance with paragraph 12 of this Part II.

The Scheme, which is described in further detail in paragraph 9 of this Part II, is subject to the satisfaction (or, where applicable, waiver) of the Conditions in Part IV of this document.

Right to switch to an Offer

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 ordinary 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 paragraph C of Part IV of this document.

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 the admission of Nucleus Shares to trading on AIM; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Nucleus Shares in respect of which the Offer has not been accepted.

3 Background to and reasons for the recommendation

Information relating to the background and reasons for the Nucleus Directors' recommendation of the Scheme is set out in paragraph 3 of Part I of this document.

4 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.

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 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) 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 are set out in paragraph 8 of Part VII of this document.

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 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. Further details are set out in Part VII of this document.

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 (further details of which are set out at paragraph 2 of Part VII) together with select members of the James Hay Group management.

James Hay maintained growth in 2020 in spite of the Covid-19 pandemic. AUA increased from £27.6 billion as at 31 December 2019 to £27.9 billion as at 31 December 2020. This was driven by gross inflows of £1.5 billion and net inflows of £0.3 billion (both amounts as estimated by the James Hay Directors) together with a robust recovery on asset levels since the fall in investment markets during the first half of the year.

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.

7 Nucleus Share Plans

Participants in the Nucleus Share Plans will be contacted regarding the effect of the Scheme on their rights and Awards under these plans and provided with further details concerning the proposals which will be made to them in respect of their rights and Awards 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 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 be exercisable in connection with the Acquisition (of which 540,000 Nucleus Shares will be sourced from the existing holding of the Nucleus Employee Benefit Trust).

Awards under the LTIP carry a contractual entitlement to "dividend equivalent" rights meaning that, on any exercise, participants are entitled to receive a cash amount from Nucleus which is calculated by reference to the amount of the dividends that would have been payable on the Nucleus Shares thereby acquired had they held them since the date of grant.

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.

8 The Nucleus Directors and the effect of the Scheme on their interests

The Nucleus Shares held by the Nucleus Directors will be subject to the Scheme. Information on the Nucleus Shares held by the Nucleus Directors and awards and options over Nucleus Shares granted to the Nucleus Directors is set out in paragraph 5 of Part VII of this document. Details of irrevocable undertakings provided by Nucleus Directors in connection with the Acquisition are set out in paragraph 8 of Part VII of this document.

The effect of the Scheme on Awards and other entitlements held by Nucleus Directors under the Nucleus Share Plans in common with those held by other participants in those arrangements is described in paragraph 7 of this Part II. The effect of the Scheme on the interests of the Nucleus Directors does not differ from the effect of the Scheme on the interests of any other Nucleus Shareholder.

Particulars of the service contracts and letters of appointment of the Nucleus Directors are set out in paragraph 7 of Part VII of this document.

9 Description of the Scheme and the Nucleus Meetings

9.1 The Scheme

The Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement between Nucleus and the Scheme Shareholders under Part 26 of the Companies Act. The terms of the Scheme are set out in full in Part III of this document.

The purpose of the Scheme is to provide for James Hay Holdings to become the owner of the entire issued and to be issued ordinary share capital of Nucleus. This is to be achieved by the transfer of the Scheme Shares to James Hay Holdings, in consideration for which the Scheme Shareholders will receive Cash Consideration on the basis set out in paragraph 2 of this Part II of this document.

After the Scheme Record Time but before the Scheme becomes Effective, entitlements to Nucleus Shares held within the CREST system will be cancelled. On the Effective Date, share certificates in respect of Nucleus Shares will cease to be valid.

Any Nucleus Shares issued on or before the Scheme Record Time will be subject to the terms of the Scheme. Scheme Shareholders whose names appear on the register of Nucleus at the Scheme Record Time, that is 6:00 p.m. on the date of the Nucleus Court Hearing, will be provided with 188 pence per Nucleus Share for each Scheme Share held by them.

In order for the Scheme to become Effective:

- (i) the Scheme must be approved at the Nucleus Court Meeting by a majority in number of those Scheme Shareholders who are present (including by electronic means) and vote, either electronically or by proxy, and who represent not less than 75 per cent, in nominal value of the Scheme Shares voted by such Scheme Shareholders who are present and voting, either in person (including by electronic means) or by proxy;
- (ii) the Resolution must be approved at the Nucleus General Meeting by Nucleus Shareholders representing at least 75 per cent, of the votes cast (either in person (including by electronic means) or by proxy). The Nucleus General Meeting will be held on the same day as the Nucleus Court Meeting;
- (iii) the Court must sanction the Scheme at the Nucleus Court Hearing and issue the Court Order; and
- (iv) a copy of the Court Order must be delivered to the Registrar of Companies.

The Scheme can only become Effective in accordance with its terms if all the Conditions to the Acquisition have been satisfied or, where relevant, waived before the Long Stop Date. The Scheme will become Effective on delivery of a copy of the Court Order to the Registrar of Companies.

Any Scheme Shareholder or other person who considers that they have an interest in the Scheme and who is concerned that the Scheme may adversely affect them is entitled to be heard by the Court, as explained at paragraph 9.3 of this Part II.

Once the Scheme becomes Effective, it will be binding on Nucleus and all Nucleus Shareholders, including those who did not attend the Nucleus Meetings or vote to approve the Scheme, or who voted against the Scheme and/or the Resolution at the Nucleus Meetings.

9.2 The Nucleus Meetings

Before the Court is asked to sanction the Scheme, the Scheme will require the approval of Scheme Shareholders at the Nucleus Court Meeting and the passing of the Resolution by Nucleus Shareholders at the Nucleus General Meeting.

Notices of the Nucleus Court Meeting and the Nucleus General Meeting are set out in Parts IX and X of this document respectively.

The Nucleus Court Meeting and the Nucleus General Meeting will be held at the head office of Nucleus at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH. Attendance in person will not, however, be permitted.

9.2.1 *Nucleus Court Meeting*

The Nucleus Court Meeting, which has been convened for 10 a.m. on 30 March 2021, is being held at the direction of the Court to seek the approval of Scheme Shareholders for the Scheme.

At the Nucleus Court Meeting, voting will be by way of poll and each Scheme Shareholder present (in person (including by electronic means) or by proxy) will be entitled to one vote for each Scheme Share held. In order for the resolution to be passed, it must be approved by a majority in number of those Scheme Shareholders who are present and vote, either in person (including by electronic means) or by proxy, and who represent 75 per cent, or more in nominal value of all the Scheme Shares voted by such Scheme Shareholders.

IT IS IMPORTANT THAT, FOR THE NUCLEUS COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF NUCLEUS SHAREHOLDER OPINION. AS DETAILED BELOW, IN LIGHT OF THE COVID-19 PANDEMIC IN THE UNITED KINGDOM, NUCLEUS SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE NUCLEUS MEETINGS IN PERSON. NUCLEUS SHAREHOLDERS ARE STRONGLY ENCOURAGED TO APPOINT THE CHAIRMAN OF THE RELEVANT NUCLEUS MEETING AS THEIR PROXY BY COMPLETING, SIGNING AND RETURNING THEIR FORMS OF PROXY OR APPOINTING THE CHAIRMAN AS PROXY ELECTRONICALLY OR THROUGH CREST AS SOON AS POSSIBLE (AND IN ANY EVENT BEFORE THE RELEVANT DEADLINE). THE CHAIRMAN OF THE RELEVANT MEETING WILL VOTE IN ACCORDANCE WITH THE VOTING INSTRUCTIONS OF THE APPOINTING NUCLEUS SHAREHOLDER. THE COMPLETION AND RETURN OF THE FORMS OF PROXY BY POST (OR TRANSMISSION OF A PROXY APPOINTMENT OR VOTING INSTRUCTION ELECTRONICALLY OR THROUGH CREST OR BY ANY OTHER PROCEDURE DESCRIBED IN THIS DOCUMENT) WILL NOT PREVENT YOU FROM ATTENDING REMOTELY, SUBMITTING WRITTEN QUESTIONS AND/OR ANY OBJECTIONS (IN THE CASE OF THE NUCLEUS COURT MEETING) AND VOTING AT THE NUCLEUS COURT MEETING OR THE NUCLEUS GENERAL MEETING, IN EACH CASE VIA THE VIRTUAL MEETING PLATFORM AS DESCRIBED ON PAGE 2 OF THIS DOCUMENT AND IN THE VIRTUAL MEETING GUIDE, IF YOU ARE ENTITLED TO AND WISH TO DO SO.

You will find the Notice of the Nucleus Court Meeting in Part IX of this document.

9.2.2 *The Nucleus General Meeting*

The Nucleus General Meeting has been convened for 10.15 a.m. on 30 March 2021, or as soon thereafter as the Nucleus Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass the Resolution (which requires votes in favour representing at least 75 per cent. of the votes cast either in person or by proxy) to:

- (a) authorise the Nucleus Directors to effect the Scheme; and
- (b) approve certain amendments to the Nucleus Articles (as described below).

The vote of the Nucleus Shareholders at the Nucleus General Meeting will be held by way of a poll.

9.2.3 *Amendments to the Nucleus Articles*

It is proposed that the Nucleus Articles be amended to:

- (a) ensure that any Nucleus Shares which are issued after the Articles are amended and before the Scheme Record Time (other than to James Hay Holdings and/or its nominees) will be issued subject to the terms of the Scheme and the holders of such shares will be bound by the terms of the Scheme; and
- (b) ensure that, subject to the Scheme becoming Effective, any Nucleus Shares issued on or after the Scheme Record Time (other than to James Hay Holdings and/or its nominees)

will be compulsorily acquired by James Hay Holdings, for consideration equal to the consideration per Nucleus Share to which such person would have been entitled had such Nucleus Shares been Scheme Shares.

The proposed amendments to the Nucleus Articles referred to above are set out in the Notice of the Nucleus General Meeting in Part X of this document.

9.2.4 *Entitlement to vote at the Nucleus Meetings*

Each Nucleus Shareholder who is entered in Nucleus' register of members at the Voting Record Time will be entitled to attend (including by electronic means) and vote at the Nucleus Court Meeting and the Nucleus General Meeting. If either Nucleus Meeting is adjourned, only those Nucleus Shareholders on the register of members no later than 48 hours before the date set for the adjourned Nucleus Meeting(s) will be entitled to attend and vote.

Each Nucleus Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Nucleus Shareholder. A BLUE Form of Proxy for the Nucleus Court Meeting and a WHITE Form of Proxy for the Nucleus General Meeting accompany this document. To be valid, those Forms of Proxy must be duly completed and signed and must be received by Nucleus' Registrars, Equiniti Limited, by 10 a.m. on 28 March 2021 (for the Nucleus Court Meeting) and 10.15 a.m. on 28 March 2021 (for the Nucleus General Meeting) (or, in the case of an adjournment of either Nucleus Meeting, not later than 48 hours before the time and date set for the adjourned Nucleus Meeting).

In the case of the Nucleus Court Meeting only, the BLUE Form of Proxy can also be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the meeting.

Nucleus Shareholders who return completed Forms of Proxy may still attend the Nucleus Meetings online and vote in person if they wish. Where a Nucleus Shareholder so votes in person, his/her proxy votes previously lodged with Nucleus will be excluded for the purposes of the poll.

Nucleus Shareholders are entitled to appoint one or more proxies in respect of some or all of their Nucleus Shares. Nucleus Shareholders are also entitled to appoint more than one proxy. A space has been included in the Forms of Proxy to allow Nucleus Shareholders to specify the number of Nucleus Shares in respect of which that proxy is appointed.

Nucleus Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed a proxy in respect of all of their Nucleus Shares.

Nucleus Shareholders who wish to appoint more than one proxy in respect of their shareholding should photocopy the Forms of Proxy or contact Nucleus' Registrars, Equiniti Limited, on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK) between 8.30 a.m. and 5.30 p.m. (London time) for further Forms of Proxy.

If you hold your Nucleus Shares in uncertificated form (i.e. in CREST), you may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the Nucleus General Meeting set out in Part X of this document). Proxies submitted via CREST (under CREST participant ID RA19) must be received by Nucleus' Registrars, Equiniti Limited not later than 10 a.m. on 28 March 2021 (in the case of the Nucleus Court Meeting) and by 10.15 a.m. on 28 March 2021 (in the case of the Nucleus General Meeting) or, in the case of an adjournment of either Nucleus Meeting, not later than 48 hours before the time and date set for the adjourned Nucleus Meeting.

Nucleus Shareholders entitled to attend and vote at the Nucleus Meetings may appoint a proxy electronically by logging on to www.sharevote.co.uk and entering the voting ID, task ID and shareholder reference number shown on their Forms of Proxy. Full details of the procedure to be followed to appoint a proxy electronically are given on the website. Further information is also included in the instructions contained on the Forms of Proxy.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies through CREST or by electronic means shall not prevent a Nucleus Shareholder from attending online and voting in person at either Nucleus Meeting or any adjournment thereof, if a Nucleus Shareholder so wishes and is so entitled.

Further information on the action to be taken is set out on pages 10 to 13 of this document.

9.3 Sanction of the Scheme by the Court

The Scheme also requires the sanction of the Court. Nucleus will give adequate notice of the date and time of the Nucleus Court Hearing, once known, by issuing an announcement through a Regulatory Information Service. The Nucleus Court Hearing is to be held on a date to be agreed between Nucleus, James Hay Holdings and the Court. All Nucleus Shareholders are entitled to attend the Nucleus Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme by the Court.

The Scheme will become Effective on delivery of a copy of the Court Order to the Registrar of Companies. If the Scheme becomes Effective, it will be binding on all Nucleus Shareholders irrespective of whether or not they attended the Nucleus Meetings or voted in favour of the Scheme at the Nucleus Court Meeting or in favour of the Resolution at the Nucleus General Meeting. If the Scheme is not implemented by the Long Stop Date, the Scheme will not be implemented and the Acquisition will not proceed.

9.4 Modifications to the Scheme

The Scheme contains a provision for Nucleus and James Hay Holdings to consent jointly on behalf of all persons concerned, to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or addition to, or impose a condition to, the Scheme which might be material to the interests of Nucleus Shareholders unless Nucleus Shareholders were informed of such modification, addition or condition and given the opportunity to vote on that basis. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Nucleus Shareholders should be held in these circumstances.

10 Conditions to the Acquisition

The Conditions to the Acquisition are set out in full in Part IV of this document. In particular, the Acquisition will be conditional, amongst other things, on (i) receipt of regulatory consent from the FCA, (ii) the Nucleus Meetings scheduled to take place on 30 March 2021 being, in the event of any adjournment(s), held no later than the 22nd day after the expected date of the Nucleus Meetings (or such later date (if any) as may be agreed between James Hay Holdings and Nucleus and allowed by the Court), (iii) approval by the requisite majorities of Nucleus Shareholders at the Nucleus Meetings, (iv) the Scheme being sanctioned by the Court no later than the 22nd day after the expected date (which will be notified by Nucleus via a Regulatory Information Service as soon as reasonably practicable after the satisfaction of the Condition described at (i) in this paragraph) of the Nucleus Court Hearing (or such later date as may be agreed between James Hay Holdings and Nucleus and allowed by the Court) and (v) the Scheme becoming Effective by the Long Stop Date.

11 Cancellation of admission of Nucleus Shares

Prior to the Scheme becoming Effective and subject to any applicable requirements of the AIM Rules, an application will be made to the London Stock Exchange for the cancellation of the admission of Nucleus Shares to trading on AIM, with effect as of or shortly following the Effective Date.

On the basis of the indicative timetable set out on pages 14 and 15 of this document, the last day of dealings in, and registrations of transfers of, Nucleus Shares is expected to be the day of the Nucleus Court Hearing, following which dealings in the Nucleus Shares will be suspended from trading on AIM. No transfers of Nucleus Shares will be registered after this date. On the Effective Date, Nucleus will become a subsidiary undertaking (as defined in section 1162 of the Companies Act) of James Hay Holdings and share certificates in respect of Nucleus Shares will cease to be valid and should be destroyed. In addition, after the Scheme Record Time, but before the Scheme becomes Effective, entitlements to Nucleus Shares held within the CREST system will be cancelled.

12 Settlement

Subject to the scheme becoming Effective, settlement of the Cash Consideration to which any Nucleus Shareholder is entitled under the Scheme will be effected in the following manner:

12.1 Nucleus Shares in uncertificated form (that is, in CREST)

Where, at the Scheme Record Time, a Scheme Shareholder holds Nucleus Shares in uncertificated form, the Cash Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by James Hay Holdings procuring that Nucleus' Registrars create through Euroclear an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Nucleus Shares in respect of the Cash Consideration due to him, her or it.

The CREST payment obligations will be created within 14 days after the Effective Date. As from the Scheme Record Time, each holding of Nucleus Shares credited to any stock account in CREST will be disabled and all Nucleus Shares will be removed from CREST in due course.

James Hay Holdings reserves the right to pay all, or any part of, the Cash Consideration referred to above to all or any Scheme Shareholder(s) who hold Nucleus Shares in uncertificated form in the manner referred to in sub-paragraph 12.2 below if, for any reason, it wishes to do so.

12.2 Nucleus Shares in certificated form

Where, at the Scheme Record Time, a Scheme Shareholder holds Nucleus Shares in certificated form, settlement of the Cash Consideration due under the Scheme in respect of the Scheme Shares will be despatched:

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

All such cash payments will be made in pounds Sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned except that, in the case of joint holders, James Hay Holdings reserves the right to make cheques payable to the holder whose name stands first in the register of members of Nucleus in respect of the joint holding concerned at the Scheme Record Time. Cheques will be despatched not later than the 14th day following the Effective Date to the person(s) entitled to them at the addresses as appearing in the register of members of Nucleus at the Scheme Record Time. None of Nucleus, James Hay Holdings, the Wider James Hay Group, any nominee(s) of James Hay Holdings or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way and such cheques shall be sent at the risk of the persons entitled to them. The encashment of any such cheque as is referred to in this paragraph shall be a complete discharge for the moneys represented by it.

In the case of any Scheme Shares which, as at the Scheme Record Time are in certificated form, James Hay Holdings shall procure the despatch to the persons entitled thereto of cheques for the sums payable to them respectively, provided that if the amount payable to any Scheme Shareholder exceeds £1 million James Hay Holdings reserves the right in its sole discretion to make arrangements with such Scheme Shareholder to facilitate electronic payment of such amount in lieu of a cheque.

13 General

All documents and remittances sent to Nucleus Shareholders will be sent at their own risk.

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

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

All documents and remittances sent by post will be sent at the risk of the person(s) entitled thereto.

14 Acquisition-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 is undertaken on a confidential basis and that certain commercially and competitively sensitive information is ring-fenced.

15 Further information

The full text of the Scheme is set out in Part III of this document. Your attention is also drawn to further information contained in this document as a whole, all of which forms part of the Explanatory Statement, and, in particular to the Conditions to the Acquisition set out in Part A of Part IV of this document, and the additional information set out in Part VII of this document.

16 Taxation

Nucleus Shareholders should read Part V of this document which contains a summary of certain limited aspects of the UK tax consequences of the Scheme. Nucleus Shareholders who are in any doubt as to their tax position should contact an appropriately authorised professional adviser immediately.

Nucleus Shareholders who are or may be subject to tax outside the UK should consult an appropriately qualified professional adviser as to the tax consequences of the Scheme.

17 Overseas Shareholders

General

The availability of the Scheme and the Acquisition to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should inform themselves about and should observe any applicable legal or regulatory requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Nucleus Shares with respect to the Scheme at the Nucleus Court Meeting or the Nucleus General Meeting, or to appoint another person as proxy 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 Restricted 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 or any other failure to satisfy any applicable laws, regulations or requirements. This document and any accompanying documents have been prepared for the purpose of complying with English law, the AIM Rules, and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of the United Kingdom.

Unless otherwise determined by James Hay Holdings or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction and no person may vote in favour of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.

Accordingly, copies of this document will not be and must not be, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

18 Action to be taken

The Scheme is subject to the satisfaction, or waiver (where relevant), of the Conditions referred to in paragraph 10 above and set out in full in Part IV of this document. In order to become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders who are present (including online) and vote either in person or by proxy at the Nucleus Court Meeting and who represent 75 per cent, or more in nominal value of all Scheme Shares voted by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the Resolution at the Nucleus General Meeting by Nucleus Shareholders representing at least 75 per cent, in nominal value of the Nucleus Shares voted either in person (including online) or by proxy at the meeting.

The Nucleus Court Meeting and the Nucleus General Meeting will both be held at the head office of Nucleus at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH. The Nucleus Court Meeting will be held at 10 a.m. on 30 March 2021 and the Nucleus General Meeting will be held at 10.15 a.m. on the same date at (or, if later, as soon thereafter as the Nucleus Court Meeting has been concluded or adjourned). Under the Companies Act, the Scheme is also subject to the sanction of the Court. James Hay Holdings, which currently does not hold any Nucleus Shares, will not exercise its voting rights at the Nucleus Court Meeting or the Nucleus General Meeting if it becomes a holder of any such shares before the Voting Record Time. If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who did not vote or who voted against it at either one or both of the Nucleus Meetings.

COVID-19 update

Nucleus is closely monitoring the impact of the COVID-19 pandemic in the United Kingdom. In light of the current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus Meetings if the guidance remains in place at the date of the Nucleus Meetings, and the general uncertainty on what additional and/or alternative measures may be put in place by the UK government should the current guidance be amended by the date of the Nucleus Meetings, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the Nucleus Meetings in person irrespective of whether the restrictions on social gatherings remain in place at the date of the Meetings. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the Nucleus Meetings electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the resolutions being put to the Nucleus Meetings by appointing the Chairman of the relevant Nucleus Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Forms of Proxy by post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the Nucleus Meetings electronically via the Virtual Meeting Platform. If any person other than the Chairman of the relevant Nucleus Meeting is appointed as a proxy or corporate representative they will not be permitted to attend the relevant Nucleus Meeting in person, but will be able to attend, submit written questions and/or any objections and vote at the relevant Nucleus Meeting remotely via the Virtual Meeting Platform.

Nucleus Shareholders can attend the Nucleus Meetings remotely, submit written questions and/or any objections (in the case of the Nucleus Court Meeting) and vote at the Nucleus Court Meeting or the Nucleus General Meeting in each case via the Virtual Meeting Platform, as described on page 2 of this document, the Virtual Meeting Guide and in the notices of the Nucleus Court Meeting and the Nucleus General Meeting (see Parts IX (Notice of Court Meeting) and X (Notice of General Meeting) of this document respectively).

Although access to the Meetings via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, the voting functionality will not be enabled until the Chairman of the relevant Nucleus Meeting declares the poll open. Nucleus Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Nucleus Directors during the course of the relevant Nucleus Meeting. Nucleus Shareholders can use the same function to submit any written objections they may have to the Scheme at the Nucleus Court Meeting. The Chairman of the relevant Nucleus Meeting will ensure that all such questions and/or any objections (in the case of the Nucleus Court Meeting) relating to the formal business of the Nucleus Meeting are addressed during the Nucleus Meeting, unless no response is required to be provided

under the Companies Act or unless the provision of a response would, at the Chairman's discretion, otherwise be undesirable in the interests of Nucleus for the good order of the Nucleus Meeting.

The Nucleus Board will review the arrangements for the Nucleus Meetings and any additional and/or alternative measures in advance of the Nucleus Meetings and Nucleus will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary. Nucleus encourages Nucleus Shareholders to check its website at www.nucleusfinancial.com/investors regularly for the latest information on its engagement with Nucleus Shareholders in connection with the Nucleus Meetings and the arrangements for the Nucleus Meetings.

You will find accompanying this document:

- (a) a BLUE Form of Proxy for use in respect of the Nucleus Court Meeting; and
- (b) a WHITE Form of Proxy for use in respect of the Nucleus General Meeting.

Forms of Proxy

Whether or not you plan to attend both or either of the Nucleus Meetings online please complete and sign the accompanying Forms of Proxy and return them in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by Nucleus' Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom not later than 48 hours before the time of the relevant meeting. Forms of Proxy have a pre-paid address for your convenience for use in the UK only.

If the BLUE Form of Proxy for use at the Nucleus Court Meeting is not lodged by the above time, it may be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the Nucleus Court Meeting and will still be valid. However, in the case of the Nucleus General Meeting, unless the WHITE Form of Proxy is lodged so as to be received by 10.15 a.m. on 28 March 2021 (or, if the Nucleus General Meeting is adjourned, 48 hours before the time fixed for the Nucleus General Meeting), it will be invalid. The WHITE Form of Proxy may NOT be handed to the Chairman of the Nucleus General Meeting. The completion and return of the Forms of Proxy will not prevent you from attending online and voting at either the Nucleus Court Meeting or the Nucleus General Meeting, or any adjournment thereof, in person should you wish to do so.

If you hold your Nucleus Shares in uncertificated form (that is, in CREST), you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Please also refer to the accompanying notes for the Notice of the Nucleus General Meeting set out at the end of this document.

Proxies submitted via CREST (under CREST ID RA19) must be received by Nucleus' Registrars, Equiniti Limited, not later than 10 a.m. on 28 March 2021 in the case of the Nucleus Court Meeting and 10.15 a.m. on 28 March 2021 in the case of the Nucleus General Meeting (or, in the case of an adjourned meeting, not later than 48 hours prior to the time and date set for the adjourned meeting).

It is important that, for the Nucleus Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Nucleus Shareholder opinion. You are therefore strongly urged to sign and return your Forms of Proxy, or appoint a proxy through CREST, as soon as possible.

Please refer to paragraph 17 of Part II of this document if you are an Overseas Shareholder.

If you have any further questions, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies via CREST, please call Nucleus' Registrars, Equiniti Limited, by telephone on the Shareholder Helpline on 0371 384 2050 (if calling from within the UK) or on +44 371 384 2050 (if calling from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give financial, tax, investment or legal advice.

Notices convening the Nucleus Court Meeting and the Nucleus General Meeting are set out in Part IX and Part X of this document.

Yours faithfully

Hugh Morgan

Director

For and on behalf of Shore Capital

Soondra Appavoo

Chief Executive Officer

For and on behalf of Craven Street Capital

PART III

SCHEME OF ARRANGEMENT (under Part 26 of the Companies Act 2006)

BETWEEN

NUCLEUS FINANCIAL GROUP PLC

AND

THE SCHEME SHAREHOLDERS
(as each is hereinafter defined)

PRELIMINARY

(A) In this Scheme the following words and expressions shall have the following meanings:

“£”	the lawful currency of the United Kingdom from time to time;
“Business Day”	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;
“Cash Consideration”	188 pence per Scheme Share;
“certificated form” or “in certificated form”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST);
“Code”	the UK Code on Takeovers and Mergers issued by the Takeover Panel;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Company”	Nucleus Financial Group plc, incorporated in England and Wales with registered number 05522098 and whose registered office is at Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS;
“Court”	the High Court of Justice, Business and Property Courts of England and Wales, Companies Court;
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form;
“Effective Date”	the date upon which this Scheme becomes effective;
“Equiniti”	Equiniti Limited, the Company’s registrars;
“Euroclear”	Euroclear UK & Ireland Limited;
“Excluded Shares”	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 other member of the James Hay Group; (iii) which Nucleus and James Hay Holdings agree in writing will not be subject to the Scheme; or (iv) which are held by the Company in treasury;
“holder”	includes any person entitled by transmission;

“IFG Group Limited”	IFG Group Limited, a company incorporated and existing under the laws of Ireland with company registration number 21010;
“James Hay Group”	IFG Group Limited and its subsidiaries and subsidiary undertakings from time to time;
“James Hay Holdings”	James Hay Holdings Limited, a private limited company incorporated in England and Wales with registered number 02506374 whose registered office is at Dunn’s House, St Pauls Road, Salisbury, Wiltshire SP2 7BF;
“Latest Practicable Date”	4 March 2021, being the latest practicable date prior to the date of publication of the Scheme Circular;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;
“Regulatory Information Service”	a service approved by the London Stock Exchange for the distribution to the public of announcements and included on the list maintained on the London Stock Exchange’s website;
“Scheme”	this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court;
“Scheme Circular”	the circular to Nucleus Shareholders dated 5 March 2021 and published by the Company in connection with this Scheme;
“Scheme Record Time”	6.00 p.m. on the Business Day falling on the date of the Nucleus Court Hearing;
“Scheme Shareholders”	holders of Scheme Shares;
“Scheme Shares”	all Nucleus Shares: <ul style="list-style-type: none"> (a) in issue as at the date of the Scheme Circular; (b) (if any) issued after the date of the Scheme Circular and prior to the Voting Record Time; and (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 bound by the Scheme, in each case other than the Excluded Shares;
“subsidiary”	has the meaning given in section 1159 of the Companies Act;
“subsidiary undertaking”	has the meaning given in section 1162 of the Companies Act;
“Takeover Panel”	the UK Panel on Takeovers and Mergers;
“Nucleus Court Hearing”	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;
“Nucleus Court Meeting”	the meeting of the Scheme Shareholders to be convened at the direction of the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof;

“Nucleus General Meeting”	the general meeting of Nucleus to consider and, if thought fit, pass, amongst other things, the special resolution in connection with the Scheme, including any adjournment thereof;
“Nucleus Shares”	ordinary shares of 0.1 pence each in the capital of the Company;
“Nucleus Shareholders”	holders of Nucleus Shares;
“uncertificated form” or “in uncertificated form”	in relation to a share or other security, a share or other security title to which is recorded on the relevant register as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
“Voting Record Time”	6.30 p.m. (London time) on the day which is two days before the date of the Nucleus Court Meeting or any adjournment thereof (as the case may be).

References to clauses are to clauses of this Scheme and references to time are to London time.

- (B) As at the Latest Practicable Date, the issued ordinary share capital of the Company was £76,473.36, divided into 76,473,360 ordinary shares of 0.1 pence each, all of which were credited as fully paid and none of which were held in treasury.
- (C) As at the Latest Practicable Date, no member of the James Hay Group beneficially owns any Nucleus Shares.
- (D) James Hay Holdings has agreed, subject to satisfaction or (where applicable) waiver of the conditions set out in the document of which this Scheme forms part, to appear by counsel at the Nucleus Court Hearing to sanction this Scheme and to undertake to the Court to be bound by this Scheme, and to execute and do, or procure to be executed and done, all such documents, acts or things as may be necessary or desirable to be executed or done by it or on its behalf for the purpose of giving effect to this Scheme.

1 Transfer of Scheme Shares

- 1.1 On the Effective Date, James Hay Holdings shall acquire all of the Scheme Shares, fully paid-up and free from all options, liens, charges, encumbrances and other interests.
- 1.2 For such purposes, the Scheme Shares shall be transferred to James Hay Holdings (or such of James Hay Holdings’ nominee(s) as are agreed between James Hay Holdings and the Company) and such transfer shall be effected by means of a form of transfer or other instrument or instruction of transfer, and to give effect to such transfer any person may be appointed by the Company as attorney and/or agent and/or otherwise and shall be authorised as such attorney and/or agent and/or otherwise to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) of such Scheme Shares and every form, instrument or instruction of transfer so executed shall be fully effective.
- 1.3 Pending the transfer of the Scheme Shares pursuant to clause 1.2 and until the register of members of the Company is updated to reflect that transfer, each Scheme Shareholder irrevocably appoints, with effect from (and including) the Effective Date, James Hay Holdings and/or James Hay Holdings’ nominee(s) as their attorney and/or agent and/or otherwise on their behalf (in place of and to the exclusion of the relevant Scheme Shareholder) to exercise any voting rights attached to the Scheme Shares and any or all rights and privileges attaching to the Scheme Shares, to sign any consent to short notice of a general or separate class meeting and to execute a form of proxy in respect of such shares appointing any person nominated by James Hay Holdings to attend general and separate class meetings of the Company and authorises the Company to send to James Hay Holdings any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of the Company, such that from (and including) the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.

2 Consideration for the transfer of the Scheme Shares

In consideration of the transfer of the Scheme Shares to James Hay Holdings, James Hay Holdings shall, subject to the remaining provisions of this Scheme, pay to each Scheme Shareholder (as appearing in the register of members of the Company at the Scheme Record Time), the Cash Consideration of 188 pence per Scheme Share held by the Scheme Shareholder at the Scheme Record Time.

3 Dividends and capital returns

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 the Scheme Circular and with a record date prior to the Effective Date, James Hay Holdings reserves the right to reduce the Cash 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 James Hay Holdings confirms that Scheme Shares are or will be acquired pursuant to the Scheme 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, Scheme Shareholders shall be entitled to receive and retain that dividend, return of capital or other distribution. Any reduction of the consideration payable under the Scheme pursuant to this right shall be the subject of an announcement to a Regulatory Information Service and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

4 Settlement

4.1 As soon as practicable after the Effective Date, and in any event no later than 14 days after the Effective Date (or such other period as may be approved by the Takeover Panel), James Hay Holdings shall, subject to clause 4.2:

4.1.1 in the case of Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure to be despatched, to the persons entitled to such shares (or as they may direct) in accordance with the provisions of sub-clauses 4.3 and 4.4, cheques for the sums payable to them respectively in accordance with clause 2; and

4.1.2 in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, ensure that Nucleus' Registrars create through Euroclear an assured payment obligation in favour of the appropriate CREST account(s) of the persons entitled thereto in accordance with the CREST assured payment arrangements (as set out in the CREST Manual) in respect of the sums payable to them respectively in accordance with clause 2, provided that James Hay Holdings reserves the right to make payment of the consideration by cheque as aforesaid in sub-clause 4.1.1 if, for any reason, it wishes to do so.

4.2 In the case of Nucleus Shares acquired following the sanction of the Scheme pursuant to the exercise of Awards granted under the Nucleus Share Plans, settlement of the consideration payable to participants in the Nucleus Share Plans under the Scheme or the Articles shall be made by cheque or through payroll (net of any income tax and social security contributions) in accordance with the proposals being made to the participants in the Nucleus Share Plans.

4.3 All deliveries of cheques required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or by international standard post, if overseas) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of Nucleus at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of Nucleus in respect of such joint holding) and none of Nucleus, James Hay Holdings, any member of the James Hay Group and their respective parent undertakings, or their respective agents or nominees or Nucleus' Registrars, shall be responsible for any loss or delay in the transmission of any cheques sent in accordance with this sub-clause 4.3 which shall be sent at the risk of the person or persons entitled to them.

4.4 All cheques shall be in pounds Sterling drawn on a UK clearing bank and shall be made payable to the person or persons to whom, in accordance with the foregoing provisions of this clause 4, the envelope containing the same is addressed (save that, in the case of joint holders, James Hay Holdings reserves the right to make the cheque payable to all joint holders), and the encashment of any such cheque shall be a complete discharge of James Hay Holdings' obligation under this Scheme to pay the

monies represented thereby. The creation of an appropriate assured payment obligation as set out in sub-clause 4.1.2 shall be a complete discharge of James Hay Holdings' obligation under this Scheme with reference to payments made through CREST.

- 4.5 As from the Effective Date, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.

The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5 Restricted Shareholders

The provisions of clauses 2, 3 and 4 shall be subject to any prohibition or condition imposed by law.

6 Certificates in respect of Scheme Shares

As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST on or prior to the Effective Date. With effect from the Effective Date:

- (a) all certificates representing Scheme Shares shall cease to be valid with respect to the shares represented thereby;
- (b) Euroclear shall be instructed to cancel the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form;
- (c) Equiniti shall be authorised to rematerialise entitlements to Scheme Shares in uncertificated form; and
- (d) the Company shall make, or procure to be made, the appropriate entries in its register of members to reflect the transfer of the Scheme Shares.

7 The Effective Date

- 7.1 This Scheme shall become effective as soon as a copy of the order of the Court under Part 26 of the Companies Act sanctioning the Scheme shall have been delivered to the Registrar of Companies.
- 7.2 Unless this Scheme becomes Effective on or before 9 November 2021 or such later date, if any, as the Company and James Hay Holdings may agree (with the Takeover Panel's consent) and the Court may allow, this Scheme shall not become effective.

8 Modification

The Company and James Hay Holdings may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

9 Governing law

This Scheme is governed by English law and is subject to the exclusive jurisdiction of the Court. The rules of the Code also apply to this Scheme.

Dated 5 March 2021

PART IV

CONDITIONS AND CERTAIN 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 on 30 March 2021 (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 Nucleus General Meeting on 30 March 2021 (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 which will be announced by Nucleus via a Regulatory Information Service as soon as reasonably practicable following the fulfilment of Conditions (A)(i) and (B)(i) (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:
 - (i) 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
 - (ii) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition 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 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 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 anti-corruption 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 anti-corruption 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 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 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) and the Long Stop Date are not subject to this provision of the Code.

Part C: Implementation by way of an 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 document. The Acquisition will comply with the applicable rules and regulations of the London Stock Exchange and the 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 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 document 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.

PART V

FINANCIAL AND RATINGS INFORMATION

PART A: FINANCIAL INFORMATION RELATING TO NUCLEUS

The following sets out financial information in respect of Nucleus as required by Rule 24.3 of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Code and are in each case available from Nucleus' website at www.nucleusfinancial.com/investors:

- the audited consolidated accounts of Nucleus for the financial year ended 31 December 2018 are set out on pages 56 to 94 (both inclusive) of Nucleus' annual report and financial statements for the financial year ended 31 December 2018;
- the audited consolidated accounts of Nucleus for the financial year ended 31 December 2019 are set out on pages 76 to 113 (both inclusive) of Nucleus' annual report and financial statements for the financial year ended 31 December 2019; and
- the interim results of Nucleus for the six months ended 30 June 2020.

PART B: NUCLEUS RATINGS INFORMATION

There are no current ratings or outlooks accorded to Nucleus by ratings agencies.

PART C: FINANCIAL INFORMATION RELATING TO JAMES HAY HOLDINGS

The following sets out the financial information in respect of James Hay Holdings required by Rule 24.3 of the Code. The documents referred to below are incorporated into this document by reference pursuant to Rule 24.15 of the Code and are in each case available from James Hay's website at www.jameshay.co.uk:

- the audited accounts of James Hay Holdings for the financial year ended 31 December 2018 are set out on pages 7 to 24 (both inclusive) of James Hay Holdings' annual report and financial statements for the financial year ended 31 December 2018;
- the audited accounts of James Hay Holdings for the financial year ended 31 December 2019 are set out on pages 8 to 26 (both inclusive) of James Hay Holdings' annual report and financial statements for the financial year ended 31 December 2019;
- the audited consolidated accounts of IFG Group Limited for the financial year ended 31 December 2018 are set out on pages 74 to 116 (both inclusive) of IFG Group Limited's annual report and accounts for the financial year ended 31 December 2018; and
- the audited consolidated accounts of IFG Group Limited for the financial year ended 31 December 2019 are set out on pages 16 to 51 (both inclusive) of IFG Group Limited's annual report and accounts for the financial year ended 31 December 2019.

PART D: JAMES HAY HOLDINGS RATINGS INFORMATION

There are no current ratings or outlooks accorded to James Hay Holdings by ratings agencies.

No incorporation of website information

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

Availability of documents

You may request a hard copy of this document (and any information incorporated by reference in this document), free of charge, by contacting Nucleus' Registrars, Equiniti Limited, by telephone on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK) for further Forms of Proxy. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding

England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be monitored or recorded for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice. You may also request that all future documents, announcements and information to be sent to you in relation to the Scheme should be in hard copy form. Unless you have previously elected to receive hard copies of any such documents, announcements or information, hard copies will not be sent unless specifically requested.

PART VI

TAXATION

UK TAXATION

The following is intended as a general summary of certain limited aspects of the UK tax treatment of Scheme Shareholders in respect of the Scheme only. It does not constitute tax advice and is based on current UK legislation as applied in the UK and HMRC's published practice as at the date of this document (both of which are subject to change at any time, possibly with retrospective effect). This summary is not a complete description of all tax considerations relating to the Scheme.

This general guide applies only to Scheme Shareholders who are resident and, in the case of individuals, domiciled for UK tax purposes in (and only in) the UK at all relevant times, and who hold their Scheme Shares as an investment (other than under a pension arrangement or in an individual savings account) and who are the absolute beneficial owners of the Scheme Shares. The tax position of certain categories of Scheme Shareholders who are subject to special rules (such as persons acquiring their Scheme Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

Scheme Shareholders who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction outside the UK, should consult their own professional advisers.

1 UK taxation on chargeable gains

A Scheme Shareholder's liability to UK capital gains tax or corporation tax on chargeable gains (as applicable) ("**CGT**") will depend on the individual circumstances of that Scheme Shareholder. Scheme Shareholders who have acquired or acquire their Scheme Shares under the Nucleus Share Plans may be subject to additional tax provisions with respect to their acquisition or disposal of Nucleus Shares, including provisions imposing a charge to income tax and social security contributions. Further details will be provided separately to participants in each of the Nucleus Share Plans.

Scheme Shareholders should be treated as making a disposal of their Scheme Shares upon receipt of Cash Consideration. Depending on the Scheme Shareholder's individual circumstances (including the availability of exemptions, reliefs or allowable losses), the disposal may give rise to a liability to UK tax on chargeable gains.

2 United Kingdom stamp duty and stamp duty reserve tax ("SDRT**")**

No UK stamp duty or SDRT should be payable by Scheme Shareholders on the transfer of their Scheme Shares pursuant to the Scheme.

PART VII

ADDITIONAL INFORMATION

1 Responsibility statements

- 1.1 The Nucleus Directors, whose names are set out in paragraph 2.1 of this Part VII, accept responsibility for the information contained in this document except for the information for which responsibility is taken by the James Hay Directors pursuant to paragraph 1.2 of this Part VII and the James Hay Group Directors pursuant to paragraph 1.3 of this Part VII. To the best of the knowledge and belief of the Nucleus Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The James Hay Directors, whose names are set out in paragraph 2.4 of this Part VII, accept responsibility for the information contained in this document relating to James Hay Holdings and the James Hay Directors and their respective immediate families, related trusts and persons connected with, the James Hay Directors, and persons deemed to be acting in concert with James Hay Holdings (as such term is defined in the Code). To the best of the knowledge and belief of the James Hay Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion or intention) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.3 The James Hay Group Directors, whose names are set out in paragraph 2.7 of this Part VII, accept responsibility for the information contained in this document relating to the James Hay Group, the Wider James Hay Group and the James Hay Group Directors and their respective immediate families, related trusts and persons connected with, the James Hay Group Directors, and persons deemed to be acting in concert with the James Hay Group (as such term is defined in the Code). To the best of the knowledge and belief of the James Hay Group Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion or intention) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors and registered offices

- 2.1 As at the date of this document, the Nucleus Directors and their respective positions are as follows:

Director:	Position:
Angus Samuels	<i>Non-Executive Chairman</i>
Tracy Dunley-Owen	<i>Independent Non-Executive Director</i>
David Ferguson	<i>Chief Executive Officer</i>
Stuart Geard	<i>Chief Financial Officer</i>
John Levin	<i>Senior Independent Non-Executive Director</i>
Margaret Hassall	<i>Independent Non-Executive Director</i>
Jonathan Polin	<i>Non-Executive Director</i>
Alfio Tagliabue	<i>Non-Executive Director</i>

- 2.2 The registered office of Nucleus, whose registered number is 05522098, and the business address of each of the Nucleus Directors is Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS.
- 2.3 The company secretary of Nucleus is Michelle Bruce.
- 2.4 As at the date of this document, the James Hay Directors and their respective positions are as follows:

Director:	Position:
Gavin Howard	<i>Chief Financial Officer</i>
Richard Rowney	<i>Chief Executive Officer</i>

- 2.5 The registered office of James Hay Holdings, whose registered number is 02506374, and the business address of each of the James Hay Directors is Dunn's House, St Pauls Road, Salisbury, Wiltshire SP2 7BF.

- 2.6 The company secretary of James Hay Holdings is Alice Dixie.
- 2.7 As at the date of this document, the James Hay Group Directors and their respective positions are as follows:

Director:	Position:
Arthur Dearsley	<i>Chairman</i>
Gavin Howard	<i>Chief Financial Officer</i>
David Paige	<i>Non-Executive Director</i>
Bill Priestley	<i>Non-Executive Director</i>
Kathryn Purves	<i>Non-Executive Director</i>
Richard Rowney	<i>Chief Executive Officer</i>
Owen Wilson	<i>Non-Executive Director</i>

- 2.8 Certain of the James Hay Group Directors, along with certain members of the James Hay management team, are interested in the equity of LaRousseCo, which is an indirect holding company of the James Hay Group. Richard Rowney, as a result of these arrangements, has a potential indirect interest of 5% or more in the capital of the James Hay Group (and as a result, following the Effective Date, the Combined Group).
- 2.9 The registered office of IFG Group Limited whose company registration number is 21010, and business address of each of the James Hay Group Directors is Block A, Riverside IV, 70 Sir John Rogerson's Quay, Dublin 2.
- 2.10 The company secretary of IFG Group Limited is Alice Dixie.

3 Persons acting in concert

- 3.1 Other than the Nucleus Directors (together with their close relatives and related trusts), members of the Nucleus Group, Shore Capital, Craven Street Capital, Sanlam and RBC cees Trustee Limited as trustee of the Nucleus Employee Benefit Trust, there are no persons who, for the purposes of the Code, are acting in concert with Nucleus in respect of the Acquisition.
- 3.2 In addition to the James Hay Directors (together with their close relatives and related trusts) and the James Hay Group Directors (together with their close relatives and related trusts) and members of the James Hay Group (and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with James Hay Holdings in respect of the Acquisition and which are required to be disclosed are:

Name	Registered office	Relationship with James Hay Holdings
IFG UK	Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF	Direct holding company
SaintMichelCo	Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH	Indirect holding company
LarvottoCo	Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH	Indirect holding company
LaRousseCo	Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH	Indirect holding company
MonteCarloCo	Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH	Ultimate indirect holding company
Epiris Funds	Aztec Group House 11-15 Seaton Place St Helier Jersey JE4 0QH	Shareholder of MonteCarloCo
Fenchurch Advisory Partners	110 Bishopsgate, London, England, EC2N 4AY	Financial adviser

4 Market quotations

Set out below are the Closing Prices of one Nucleus Share on:

- (a) the first Business Day of each of the six months immediately prior to the date of this document;
- (b) 1 December 2020 (being the last Business Day prior to the commencement of the Offer Period and the Announcement); and
- (c) the Latest Practicable Date.

Date	Nucleus Shares (Pence)
4 March 2021	188.5
8 February 2021	167.5
1 February 2021	167.5
4 January 2021	178.0
1 December 2020	132.5
2 November 2020	111.1
1 October 2020	132.5

Please note that past performance of securities is no guide to their future performance and the information provided in this paragraph 4 of this Part VII is historical and not forward looking.

5 Interests and dealings

5.1 For the purposes of this paragraph 5 and paragraph 6 below:

“acting in concert” with Nucleus or James Hay Holdings, as the case may be, means any person acting or deemed to be acting in concert with Nucleus or James Hay Holdings, as the case may be, for the purposes of the Code;

“arrangement” includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing;

“connected person” in relation to a director of Nucleus includes: (a) such director’s spouse or civil partner and children or step-children under the age of 18; (b) the trustee(s) of any trust for the benefit of such director and/or any person mentioned in (a); (c) any company in which such director and/or any person mentioned in (a) or (b) is entitled to exercise or control the exercise of one-third or more of the voting power, or which is accustomed to act in accordance with the directions of such director or any such person; and (d) any other person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

“control” means an interest, or interests, in shares carrying in aggregate 30 per cent, or more of the voting rights (as defined in the Code) of a company, irrespective of whether such interest(s) give(s) de facto control;

“dealing” or **“dealt”** has the meaning given in the Code;

“derivative” has the meaning given in the Code;

“disclosure period” means the period commencing on 2 December 2019 (being the date 12 months prior to the Offer Period) and ending on the Latest Practicable Date);

“financial collateral arrangements” are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;

“James Hay Holdings relevant securities” means relevant securities of James Hay Holdings (such term having the meaning given in the Code in relation to an offeror), including equity share capital of James Hay Holdings and securities of James Hay Holdings carrying conversion or subscription rights into equity capital of James Hay Holdings;

“Nucleus relevant securities” means relevant securities of Nucleus (such term having the meaning given in the Code in relation to an offeree), including Nucleus Shares and securities of Nucleus carrying conversion or subscription rights into Nucleus Shares;

“short position” means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative;

references to a person having an **“interest”** in Nucleus or James Hay Holdings relevant securities (as applicable) has the meaning given in the Code; and

references to Nucleus Directors or James Hay Directors having an interest in relevant securities are to be interpreted in accordance with Part 22 of the Companies Act.

5.2 Interests in Nucleus relevant securities

As at the close of business on the Latest Practicable Date none of:

- (a) James Hay Holdings;
- (b) the James Hay Directors nor the James Hay Group Directors (including members of their respective immediate families, close relatives and related trusts or companies); and
- (c) any person acting in concert with James Hay Holdings,

had an interest, a right to subscribe in respect of, or any short position in relation to Nucleus relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;

- 5.3 As at the close of business on the Latest Practicable Date the following Nucleus Directors (including members of their immediate families, close relatives and related trusts or companies and connected persons) had an interest in certain Nucleus relevant securities (apart from interests under the Nucleus Share Plans, which are described in paragraphs 5.4 and 5.5 of this Part VII below) as follows:

Name	Detail on Nucleus relevant securities	Number	Percentage of issued share capital of Nucleus (%)
Angus Samuels	Nucleus Shares	53,409	0.06
David Ferguson	Nucleus Shares	1,810,188	2.36
Stuart Geard	Nucleus Shares	954,625	1.15

and other than as set out in the table above, and disclosed in this paragraph 5.3 and paragraphs 5.4 and 5.5 of this Part VII, the Nucleus Directors (including members of their immediate families, close relatives, related trusts and connected persons) have no other interest in or a right to subscribe for Nucleus relevant securities;

- 5.4 **Interests of Nucleus Directors in the SIP.** As at the latest Practicable Date David Ferguson, being the sole Nucleus Director to participate in the SIP, had a beneficial interest in 5,228 Nucleus Shares held within the SIP. The SIP operates by making automatic monthly purchases of Nucleus Shares on behalf of participants using deductions from their salary: for each Nucleus Share purchased in this manner by a participant, he or she receives a further one matching Nucleus Share free of charge. Purchases and awards under the SIP will continue to be made on a monthly basis until such time as Nucleus shall specify (which will be in advance of the Scheme Record Time).

- 5.5 **Interests of Nucleus Directors in the LTIP.** As at the Latest Practicable Date, the following Nucleus Directors (including members of their immediate families, close relatives and related trusts and companies and connected persons) held unvested Awards under the LTIP as follows:

Nucleus Directors	Unvested LTIP Awards
David Ferguson	754,942
Stuart Geard	531,918

- 5.6 **Interests of other Nucleus concert party members.** Save as disclosed in paragraph 5.3 above as at the Latest Practicable Date, the interests of the persons who are acting in concert with Nucleus for

the purposes of the Code and as identified in paragraph 3.1 above (and who are not exempt principal traders or exempt principal fund managers for the purposes of the Code) are:

Nucleus concert party member	Number of Nucleus Shares
Shore Capital	Nil
Craven Street Capital	Nil
Sanlam	39,914,760
RBC cees Trustee Limited	540,000

6 Dealings in Nucleus relevant securities

6.1 During the disclosure period:

6.1.1 none of James Hay Holdings, the James Hay Directors nor the James Hay Group Directors (including members of their respective immediate families, close relatives and related trusts and companies) has dealt in Nucleus relevant securities; and

6.1.2 no person acting in concert with James Hay Holdings has dealt in Nucleus relevant securities.

6.2 Between the commencement of the Offer Period and the Latest Practicable Date:

6.2.1 Nucleus has not redeemed nor purchased any Nucleus relevant securities;

6.2.2 the Nucleus Directors (including members of their immediate families, close relatives and related trusts and companies) have not dealt in Nucleus relevant securities (save for the automatic monthly purchases made on behalf of David Ferguson (and other Nucleus employees) under the SIP as described at paragraph 5.4 above); and

6.2.3 no persons acting in concert with Nucleus (except those who are exempt principal traders or exempt principal fund managers for the purposes of the Code) have dealt in Nucleus relevant securities.

6.3 General

6.3.1 Save as disclosed in paragraphs 5 or 6, as at the Latest Practicable Date none of:

- (a) Nucleus;
- (b) the Nucleus Directors (including members of their respective immediate families, close relatives and related trusts or companies);
- (c) any person acting in concert with Nucleus;

had an interest in, a right to subscribe in respect of, or any short position in relation to James Hay Holdings relevant securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery,

6.3.2 neither Nucleus nor any person acting in concert with Nucleus has any arrangement with any other person, with the exception of the irrevocable undertakings described in paragraph 8 of this Part VII of this document;

6.3.3 neither James Hay Holdings nor any person acting in concert with James Hay Holdings has any arrangement with any other person, with the exception of the irrevocable undertakings described in paragraph 8 of this Part VII of this document;

6.3.4 no person with whom James Hay Holdings or any person acting in concert with James Hay Holdings has an arrangement had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Nucleus securities, nor had any such person dealt in any relevant Nucleus securities during the period between the start of the Offer Period and the Latest Practicable Date;

- 6.3.5 no person with whom Nucleus or any person acting in concert with Nucleus has an arrangement had an interest in or a right to subscribe for, or had any short position in relation to, any relevant Nucleus securities, nor had any such person dealt in any relevant Nucleus securities during the period between the start of the Offer Period and the Latest Practicable Date;
- 6.3.6 neither Nucleus nor any person acting in concert with Nucleus has borrowed or lent any Nucleus relevant securities (including for these purposes any financial collateral arrangements) during the period between the start of the Offer Period and the Latest Practicable Date, save for any borrowed shares which have been either on-lent or sold; and
- 6.3.7 neither James Hay Holdings nor any person acting in concert with James Hay Holdings has borrowed or lent any Nucleus relevant securities (including for these purposes any financial collateral arrangements) during the disclosure period, save for any borrowed shares which have been either on-lent or sold.
- 6.4 No agreement, arrangement or understanding (including any compensation arrangement) exists between James Hay Holdings or any person acting in concert with James Hay Holdings and any of the Nucleus Directors or the recent directors, shareholders or recent shareholders of Nucleus having any connection with or dependence upon or which is conditional upon the Acquisition.
- 6.5 There is no current agreement, arrangement or understanding whereby the beneficial ownership of any Nucleus Shares to be acquired by James Hay Holdings (through its indirect wholly owned subsidiary James Hay Holdings) pursuant to the Scheme will be transferred to any other person save that following completion of the Acquisition, the shares in Nucleus, may be transferred to another James Hay Group company or any nominee. In addition, James Hay Holdings may nominate any subsidiary of James Hay Holdings or a nominee to receive the Nucleus Shares under the Scheme.

7 Service contracts and letters of appointment of Nucleus Directors

7.1 Nucleus Executive Directors

7.1.1 David Ferguson

David Ferguson is employed by Nucleus as its Chief Executive Officer pursuant to the terms of a service agreement dated 19 July 2018 with a notice period of six months.

7.1.2 Stuart Geard

Stuart Geard is employed as Chief Financial Officer pursuant to the terms of a service agreement dated 19 July 2018 with a notice period of six months.

7.2 The Chairman and other Nucleus Non-Executive Directors

7.2.1 Angus Samuels

Angus Samuels was appointed as an independent non-executive director and Chairman pursuant to the terms of a letter of appointment dated 19 July 2018 for an initial three year term but which is terminable on one month's notice.

7.2.2 Tracy Dunley-Owen

Tracy Dunley-Owen was appointed as an independent non-executive director pursuant to the terms of a letter of appointment dated 19 July 2018 for an initial three year term but which is terminable on one month's notice.

7.2.3 Margaret Hassall

Margaret Hassall was appointed as an independent non-executive director pursuant to the terms of a letter of appointment dated 19 July 2018 for an initial three year term but which is terminable on one month's notice.

7.2.4 John Levin

John Levin was appointed as an independent non-executive director pursuant to the terms of a letter of appointment dated 19 July 2018 for an initial three year term but which is terminable on one month's notice.

7.2.5 Jonathan Polin

Jonathan Polin was appointed as a non-executive director pursuant to the terms of a letter of appointment dated 19 July 2018 for an initial three year term but which is terminable on one month's notice.

7.2.6 Alfio Tagliabue

Alfio Tagliabue was appointed as a non-executive director on 25 February 2020. The terms of Mr Tagliabue's appointment have been formally confirmed in a letter dated 23 February 2021 which records Mr Tagliabue's appointment as being for an initial three year term from 25 February 2020 but which is terminable on one month's notice.

7.3 Other service contracts

Save as disclosed above, there are no service contracts between any Nucleus Director or proposed director of Nucleus and any member of the Nucleus Group and no such contract has been entered into or amended within the six months preceding the date of this document.

8 Irrevocable undertakings

8.1 Nucleus irrevocable undertakings

Those Nucleus Directors who are also Nucleus Shareholders have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings of 1,011,371 Nucleus Shares, representing in aggregate approximately 1.32 per cent, of Nucleus' issued share capital as at the Latest Practicable Date, comprised as follows:

Name of Nucleus Director	Number of Nucleus Shares	Percentage of Nucleus issued ordinary share capital (%)
David Ferguson	905,112	1.18
Stuart Geard	79,555	0.1
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 (which in the case of the interests of David Ferguson in the SIP are restricted to an undertaking to give directions to the SIP trustee to vote in favour of the Scheme).

8.2 In addition, certain other Nucleus Shareholders, being the spouses of the Nucleus Directors named above, have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings of 1,806,851 Nucleus Shares, representing in aggregate approximately 2.35 per cent. of Nucleus' issued share capital as at the Latest Practicable Date, comprised as follows:

Name of Nucleus Shareholder	Number of Nucleus Shares	Percentage of Nucleus issued ordinary share capital (%)
Monique Ferguson	905,076	1.18
Hariklia Geard	875,070	1.14
Katy Samuels	26,705	0.03

The irrevocable undertakings described at paragraph 8.1 and 8.2 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).

- 8.3 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:

Name of Nucleus Shareholder	Number of Nucleus Shares in respect of which the undertaking is given	Percentage of Nucleus issued share capital (per cent.)
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 this 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.

- 8.4 In total, therefore, 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) have given irrevocable undertakings to support the Scheme. In addition David Ferguson has given undertakings in respect of his beneficial holding of 5,228 Nucleus Shares in the SIP as stated in paragraph 8.1 above.

9 Material contracts

Material contracts of Nucleus

- 9.1 Save as set out in this paragraph 9.1, Nucleus and its subsidiaries have not entered into any material contracts, other than contracts entered into in the ordinary course of business, since 2 December 2018 (being the date that is two years before the commencement of the Offer Period).

By a business purchase agreement dated 1 November 2020 between Nucleus (1) and Genpact Wealth Management UK Limited (“**Genpact**” trading as OpenWealth) Nucleus agreed to acquire the UK business and assets of Genpact as they pertain to Nucleus for £1.5 million. The acquisition completed on 10 December 2020.

Material contracts of James Hay

- 9.2 Save as set out in this paragraph 9.2 and paragraph 13, the James Hay Group has not entered into any material contracts, other than contracts entered into in the ordinary course of business, since 2 December 2018 (being the date that is two years before the commencement of the Offer Period).

Master Services Agreement

- 9.2.1 On 27 January 2021 JHPML and various regulated entities within the James Hay Group entered into the MSA.

- 9.2.2 Under the terms of the MSA, JHPML has engaged FNZ to manage and operate its existing wealth management platform in respect of complex intermediated pensions, SSAS, tax wrapper solutions and third party products, and thereafter to migrate the relevant JHPML assets onto a newly configured version of FNZ's core platform.
- 9.2.3 The MSA has an initial term of 10 years and will automatically continue following the initial period unless and until terminated. JHPML has agreed to pay a fee calculated by reference to the assets of James Hay under management on the FNZ platform, in consideration for its receipt of the outsourced services.
- 9.2.4 The MSA includes customary terms for the provision of the outsourced services, which cover (amongst other things):
- 9.2.4.1 provisions for the addition of service recipients and the inclusion of additional services;
 - 9.2.4.2 obligations regarding compliance with customer-client policies and standards;
 - 9.2.4.3 service levels in respect of the provision of the services, including service credits as a recourse for failure by FNZ to deliver to key service levels;
 - 9.2.4.4 audit and monitoring rights;
 - 9.2.4.5 provisions relating to the management of third-party contracts;
 - 9.2.4.6 provisions relating to subcontracting and third-party supply chain management;
 - 9.2.4.7 step-in rights;
 - 9.2.4.8 benchmarking rights with respect to the services;
 - 9.2.4.9 liability caps and exclusions;
 - 9.2.4.10 termination rights, including termination for material breach;
 - 9.2.4.11 detailed provisions addressing the transfer of employees pursuant to TUPE; and
 - 9.2.4.12 provisions relating to the process to be implemented upon exit of the agreement.
- 9.2.5 Following completion of the Acquisition, JHPML intends to undertake a detailed evaluation of Nucleus' existing platform management and it is envisaged under the MSA that FNZ may assist JHPML to migrate the assets of the Nucleus business onto the newly configured platform (as described at 9.2.2 above).

10 Offer-related Agreements

10.1 *Non-disclosure Agreement*

James Hay Holdings and Nucleus 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.

10.2 *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 is undertaken on a confidential basis and that certain commercially and competitively sensitive information is ring-fenced.

11 Significant change

- 11.1 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Nucleus Group since 30 June 2020, being the date to which the Nucleus' interim results for the six months to that date were prepared.

12 Sources and bases of information

12.1 In this document unless otherwise stated:

- (i) financial information relating to Nucleus has been extracted or derived (without any adjustment) from the Nucleus 2019 Annual Report and Financial Statements and the unaudited interim results of the Nucleus Group for the six months to 30 June 2020; and
- (ii) financial information relating to the James Hay Group has been extracted or derived (without any adjustment) from the audited annual report and accounts of the James Hay Group for the financial year ended 31 December 2019.

12.2 The value of the Acquisition is calculated:

- (i) by reference to the price of 188 pence per Nucleus Share, being the Closing Price on the Latest Practicable Date; and
- (ii) on the basis of the existing number of Nucleus Shares in issue referred to in paragraph 12.3 below.

12.3 As at the Latest Practicable Date, Nucleus had in issue 76,473,760 Nucleus Shares.

12.4 The fully diluted ordinary share capital of Nucleus (being 76,925,903 Nucleus Shares) is calculated on the basis of:

- (i) the number of issued Nucleus Shares referred to in paragraph 12.3 above; and
- (ii) up to a maximum 452,543 Nucleus Shares which may be issued on or after the date of this document to satisfy (when aggregated with 540,000 issued Nucleus Shares in the Nucleus Employee Benefit Trust) the exercise of Awards outstanding under the LTIP.

12.5 Unless otherwise stated, all prices and Closing Prices for Nucleus Shares are closing middle market quotations derived from the AIM Appendix to the Daily Official List.

12.6 Volume-weighted average prices have been derived from Refinitiv Eikon and have been rounded to the nearest two decimal places.

12.7 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) each as at 31 December 2020. The AUA has been reported from internally verified sources of the James Hay Group and the Nucleus Group (respectively).

13 Financing of the Acquisition

13.1 *External Debt Funding*

SaintMichelCo is a party to a Senior Facilities Agreement originally dated dated 24 March 2019 and made between, amongst others, SaintMichelCo as original borrower, LarvottoCo as parent, Ares Management Limited as mandated lead arranger, agent and security agent, and various funds controlled, managed or advised by Ares Management Limited as original lenders, as amended and restated on 28 August 2020 and as further amended and restated on 9 February 2021. The facilities made available under the Senior Facilities Agreement consist of a fully drawn term "Facility B1" in an aggregate amount of £75,000,000, a committed but undrawn term "Facility B2" in an aggregate amount of £110,625,000 and a committed but undrawn term "Acquisition Facility" in an aggregate amount of £9,375,000. Facility B2 and the Acquisition Facility are the Term Loans being made available to SaintMichelCo on a customary "certain funds" basis by funds controlled, managed or advised by Ares Management Limited and are intended to be available to be drawn in full to finance:

- (i) the Acquisition, whether effected: (A) by way of the Scheme, or (B) by way of an Offer;
- (ii) payment of amounts payable in relation to outstanding options and awards granted by Nucleus pursuant to share options schemes, share plans or awards in consideration for the acquisition and/or cancellation of such options or awards; and
- (iii). acquisition costs associated with the Acquisition.

Funding under the Term Loans is available on a customary "certain funds" basis from 9 February 2021 (being the effective date of the most recent amendment and restatement of the Senior Facilities Agreement) up to and including the last date of the "Certain Funds Period", defined as ending on the first to occur of the date falling nine calendar months after 9 February 2021 and the earliest of: (a) the date on which a Mandatory Scheme Cancellation Event (as defined in the Senior Facilities Agreement) occurs; and (b) close of business in London, United Kingdom on the date falling 15 days after the date on which the Court Order in respect of the Scheme is filed with the Registrar of Companies (provided that if an Offer Conversion Notice (as defined in the Senior Facilities Agreement) is served and an Offer Conversion (as defined in the Senior Facilities Agreement) subsequently occurs, the Certain Funds Period shall end on the earliest of: (c) the first to occur of the date falling nine calendar months after 9 February 2021 and the date falling 180 days after the date the Offer Document is published if, by that date, James Hay Holdings has not become entitled under the Squeeze Out Procedures (as defined in the Senior Facilities Agreement) to issue a Squeeze Out Notice (as defined in the Senior Facilities Agreement); (d) if James Hay Holdings has become entitled under the Squeeze Out Procedures to issue a Squeeze Out Notice prior to the date in paragraph (c) above, the later of: (i) the first Business Day after the expiry of eight weeks from the first date on which James Hay Holdings has become entitled to issue a Squeeze Out Notice; and (ii) if an application to court is made under section 986 of the Companies Act in relation to any Squeeze Out Notice, the third Business Day following the date on which that application is finally and conclusively disposed of; and (e) the date on which any Mandatory Offer Cancellation Event (as defined in the Senior Facilities Agreement) occurs).

During the Certain Funds Period, provided that no Major Default (as that term is defined in the Senior Facilities Agreement) is continuing or would result from the proposed Term Loans, none of the lenders or other finance parties may cancel any commitments or facility (including the Term Loans) under or rescind, repudiate, terminate or cancel the Senior Facilities Agreement, refuse to participate in making the Term Loans or exercise any right of set off or counterclaim or cancel, demand or accelerate or cause repayment or prepayment of any amounts owing under the Senior Facilities Agreement (or any other Finance Document, as defined therein), in each case to the extent to do so would prevent the making of the Term Loans. At the end of the Certain Funds Period, the commitments under the "Facility B2" term loan, and the "certain funds" nature of the commitment under the "Acquisition Facility" term loan, will automatically terminate.

The Term Loans (as well as all amounts outstanding under "Facility B1") are required to be repaid in a single bullet repayment on 9 September 2025 and bear interest at a rate per annum equal to the aggregate of LIBOR plus a margin of 7.00 per cent, subject to a ratchet mechanism whereby the applicable margin may increase or decrease within the range of 6.25 per cent. to 7.50 per cent. per annum according to certain leverage thresholds. LarvottoCo (as parent under the Senior Facilities Agreement) is also able to elect for an amount of either 1.00 per cent per annum or 2.00 per cent per annum to be capitalised as payment in kind interest rather than interest paid in cash, and in such case the payment-in-kind element will attract an interest rate of 1.25 per cent. or 2.50 per cent. per annum, respectively.

The Term Loans and other facilities made available under the Senior Facilities Agreement are supported by a collateral package consisting of customary guarantees from and Jersey security interest agreements relating to all present and after-acquired tangible moveable property of each of SaintMichelCo and LarvottoCo, and an Irish security deed of assignment and charge relating to intercompany loans made, and shares in its direct subsidiary owned, by SaintMichelCo.

The Senior Facilities Agreement contains a customary suite of representations, undertakings and events of default. In addition, the Group (as defined in the Senior Facilities Agreement) is subject to certain customary financial covenants, as follows:

- (i) from March 2023, a cashflow cover covenant;
- (ii) from September 2021, a gross leverage covenant;
- (iii) prior to February 2023, an agreed minimum cash liquidity covenant; and
- (iv) (of relevance only if a revolving credit facility commitment is established and currently not applicable) a minimum EBITDA covenant.

There is no requirement under the Senior Facilities Agreement to refinance the Term Loans following completion of the Acquisition or refinance existing debt or working capital facilities of Nucleus.

13.2 *Intra-Group Funding*

In connection with the equity financing of James Hay Holdings, pursuant to the Equity Financing Agreement, certain of the Epiris Funds have agreed to either: (a) subscribe for shares in the capital of LaRousseCo; or (b) advance loans to LaRousseCo, for an amount equal to the Equity Funding Amount. Following the date of this document, Epiris may seek to amend the Equity Financing Agreement so as to enable additional Epiris funds (all of whom are advised by Epiris) to contribute towards the Equity Funding Amount.

In accordance with the terms of the Equity Financing Agreement:

1. LaRousseCo has agreed to contribute the Equity Funding Amount to LarvottoCo in the form of share subscriptions;
2. LarvottoCo has agreed to contribute the Equity Funding Amount to SaintMichelCo in the form of share subscriptions;
3. SaintMichelCo has agreed to contribute to IFG Group Limited (in the form of share subscriptions) the aggregate of: (i) the Equity Funding Amount; and (ii) the net (whole pound) amount actually received by SaintMichelCo in respect of the draw down of the Term Loans by it under the Senior Facilities Agreement (such amount expected to be the Debt Funding Amount);
4. IFG Group Limited has agreed to contribute the Funding Amount to IFG UK in the form of share subscriptions; and
5. IFG UK has agreed to contribute to the Funding Amount to James Hay Holdings in the form of share subscriptions.

14 General

- 14.1 Shore Capital and Craven Street Capital have given and not withdrawn their written consent to the issue of this document with the inclusion of the references to their names in the form and context in which they appear.
- 14.2 Fenchurch Advisory Partners has given and not withdrawn their written consent to the issue of this document with the inclusion of the references to their names in the form and context in which they appear.
- 14.3 There are no agreements of the kind referred to in Note 11 to the definition of "acting in concert" in the Code which exist between James Hay Holdings, or any person acting in concert with James Hay Holdings, and any other person.
- 14.4 There are no agreements of the kind referred to in Note 11 to the definition of "acting in concert" in the Code which exist between Nucleus, or any person acting in concert with Nucleus, and any other person.
- 14.5 Save as disclosed in this document, no proposal exists in connection with the Scheme that any payment or other benefit shall be made or given by James Hay Holdings to any Nucleus Director as compensation for loss of office or as consideration for, or in connection with, his or her retirement from office.
- 14.6 Except with the consent of the Takeover Panel, settlement of the consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which James Hay Holdings may otherwise be or claim to be, entitled against any such Scheme Shareholder.
- 14.7 Save as disclosed in this document, the emoluments of the Nucleus Directors and the James Hay Directors will not be affected by the Acquisition or any other associated transaction.

- 14.8 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.
- 14.9 With effect from the Effective Date, the earnings, assets and liabilities of the Combined Group will include the consolidated earnings, assets and liabilities of Nucleus on the Effective Date.

15 Other information

- 15.1 Save as disclosed in this document, the Nucleus Directors are not aware of any material change in relation to any material information previously published by or on behalf of Nucleus during the Offer Period.
- 15.2 Save as disclosed in this document, the James Hay Directors are not aware of any material change in relation to any material information previously published by or on behalf of James Hay Holdings during the Offer Period.

16 Fees and expenses

- 16.1 The aggregate fees and expenses which are expected to be incurred by Nucleus in connection with the Acquisition are estimated to amount to £2,816,392 but excluding applicable VAT and other taxes. This aggregate number consists of the following categories:

Category	Amount (£)
Financial and corporate broking advice	2,386,242 ⁽¹⁾
Legal advice	370,000 ⁽²⁾
Accounting Advice	Nil
Public relations advice	15,000
Other professional services	Nil
Other costs and expenses	45,150
TOTAL	2,816,392

(1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

(2) This total is based on estimates and does not include disbursements.

- 16.2 The aggregate fees and expenses which are expected to be incurred by James Hay Holdings in connection with the Acquisition are estimated to amount to approximately £11,825,000 excluding applicable VAT and other taxes. This aggregate number consists of the following categories:

Category	Amount (£)
Financing arrangements	7,700,000
Financial and corporate broking advice	2,000,000 ⁽¹⁾
Legal advice	1,100,000 ⁽²⁾
Accounting and tax advice	800,000
Public relations advice	20,000
Other professional services	130,000
Other costs and expenses	75,000
TOTAL	11,825,000

(1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.

(2) These services include services charged by reference to hourly rates. The amounts included here reflect the services up to the Latest Practicable Date and an estimate of the residual amount of time required up to the time that the Scheme becomes Effective.

17 Documents available for inspection

Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier) copies of the following documents will be available on Nucleus' website at: www.nucleusfinancial.com/investors and on James Hay's website at www.jameshay.co.uk:

- (i) the memorandum and articles of association of Nucleus;

- (ii) a draft of the articles of association of Nucleus as proposed to be amended at the Nucleus General Meeting;
- (iii) the memorandum and articles of association of James Hay Holdings;
- (iv) the audited consolidated financial statements of the Nucleus Group for the two years ended 31 December 2018 and 2019 the interim results of the Nucleus Group for the six months to 30 June 2020;
- (v) the audited consolidated financial statements of IFG Group Limited for the two years ended 31 December 2018 and 2019;
- (vi) the audited financial statements of James Hay Holdings for the two years ended 31 December 2018 and 2019;
- (vii) copies of documents relating to James Hay Holdings' financing of the offer referred to in paragraph 13 above of this Part VII;
- (viii) copies of the irrevocable undertakings referred to at paragraph 8 of this Part VII;
- (ix) a copy of the offer-related agreements referred to at paragraph 10 of this Part VII;
- (x) a copy of the written consent from each of Shore Capital and Craven Street Capital referred to at paragraph 14.1 of this Part VII;
- (xi) a copy of the written consent from Fenchurch Advisory Partners referred to at paragraph 14.2 of this Part VII; and
- (xii) this document (including any other documents incorporated by reference herein (including the Virtual Meeting Guide)), and the Forms of Proxy.

18 Information incorporated by reference

- 18.1 Parts of other documents are incorporated by reference into, and form part of, this document.
- 18.2 Part V of this document sets out which sections of certain documents are incorporated by reference into, and form part of, this document.
- 18.3 A person who has received this document may request a copy of such documents incorporated by reference in hard copy form. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from Nucleus' Registrars, Equiniti Limited, in writing, at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or by calling the Shareholder Helpline on 0371 384 2050 (if calling from within the UK) or +44 371 384 2050 (if calling from outside the UK). Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding England and Wales public holidays). Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be monitored or recorded. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Scheme, nor give any financial, tax, investment or legal advice.

PART VIII

DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated:

£ or Sterling or pounds Sterling or pence or GBP	the lawful currency of the United Kingdom;
Acquisition	the proposed acquisition of the entire issued and to be issued ordinary share capital of Nucleus by James Hay Holdings, to be effected by the Scheme as described in this document (or by the Offer under certain circumstances described in this document);
Adjusted EBITDA	earnings before interest, tax, depreciation and amortisation, excluding non-operating income, transaction-related costs and share-based payments, and including right of use (ROU) asset depreciation and ROU liability interest;
AIM	the market of that name operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time;
Announcement	the announcement of the Acquisition made on 9 February 2021 in accordance with Rule 2.7 of the Code;
Articles or Nucleus Articles	the articles of association of Nucleus;
AUA	assets under administration;
Award	an award or option outstanding under the LTIP;
BLUE Form of Proxy	the BLUE Form of Proxy for use by Nucleus Shareholders in relation to the Nucleus Court Meeting;
Bravura	Bravura Solutions (UK) Limited, a private limited company incorporated in England and Wales with registered number 05470232
Business Day	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;
Cash Consideration	188 pence in cash for each Nucleus Share;
certificated form	not in uncertificated form (that is, not in CREST);
Clean Teams Agreements	the clean teams agreement letters entered into by Epiris LLP and Nucleus on 29 December 2020 (including Exhibits A and B, signed by PricewaterhouseCoopers LLP), 21 January 2021 (including Exhibits A and B, signed by Macfarlanes LLP) and 25 January 2021 (including Exhibits A and B, signed by AJ Gallagher), as described in paragraph 10 of Part VIII of this document;
Closing Price	the closing middle market quotation of a share derived from the AIM Appendix to the Daily Official List of the FCA on that day;
Code	the UK Code on Takeovers and Mergers;

Combined Group	the enlarged group following the Scheme becoming Effective comprising the James Hay Group and the Nucleus Group;
Companies Act or the Act	the United Kingdom Companies Act 2006, as amended from time to time;
Company	Nucleus Financial Group plc, incorporated in England and Wales with registered number 05522098 and whose registered office is at Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey KT13 0TS;
Conditions	the conditions to the implementation of the Scheme as set out in Part IV of this document;
Confidentiality Agreement	the mutual confidentiality agreement entered into by Epiris and Nucleus on 25 November 2020, as disclosed in paragraph 10 of Part VIII of this document;
Court	the High Court of Justice Business and Property Courts of England and Wales, Companies Court;
Court Order	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
Craven Street Capital	Craven Street Capital Limited, joint financial and Rule 3 adviser to Nucleus;
CREST	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations);
CREST Manual	The CREST Manual published by Euroclear, as amended from time to time;
CREST Proxy Instruction	has the meaning given to it on page 12 of this document;
Dealing Disclosure	has the same meaning as in Rule 8 of the Code;
Debt Funding Amount	£107,151,609;
Disclosed	the information fairly disclosed by, or on behalf of Nucleus: (i) in the data room established on behalf of Nucleus for the purposes of the Acquisition, on or before 6.30 p.m. on 5 February 2021; (ii) in the Nucleus 2019 Annual Report and Financial Statements; (iii) in the Announcement; (iv) in any other public announcement made by Nucleus in accordance with the Market Abuse Regulation, the AIM Rules, or the Disclosure Guidance and Transparency Rules prior to the Announcement; or (v) in writing prior to the date of the Announcement to James Hay Holdings (or its respective officers, employees, agents or advisers in their capacity as such);
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time;
Disclosure Table	the disclosure table on the Takeover Panel's website at www.thetakeoverpanel.org.uk ;
Effective	in the context of the Acquisition:

- (a) 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 and become unconditional in all respects in accordance with the requirements of the Code;

Effective Date	the date upon which: (a) the Scheme becomes Effective; or (b) if James Hay Holdings elects and the Takeover Panel consents to implement the Acquisition by way of an Offer, the Offer becomes or is declared unconditional in all respects;
Epiris	Epiris LLP, a limited liability partnership, incorporated in England and Wales with registered number OC412384;
Epiris Co-Invest GP	Epiris Co-Invest GP Limited, a limited liability company incorporated in Jersey with registered number 127553, having its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey JE4 0QH;
Epiris Funds	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, and Epiris Fund II Co-Investment (C) L.P. and Epiris Fund II Co-Investment (C) 2 L.P. each acting by Epiris Co-Invest GP in its capacity as general partner of each such fund, along with such other funds as are advised by Epiris and are a member of the Epiris Group;
Epiris GP	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;
Epiris Group	(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;
Epiris Nominee	Epiris Nominee Limited, a company registered in Jersey under number 125965;
Equity Financing Agreement	the equity financing agreement dated 9 February 2021 between: (i) James Hay Holdings; (ii) certain of the Epiris Funds; (iii) the Holding Companies; (iv) IFG Group Limited; and (vi) Epiris Nominee (as may be amended in accordance with its terms);
Equity Funding Amount	the amount equal to £63,000,000;
ETF	exchange traded fund;
Euroclear	Euroclear UK & Ireland Limited;

European Union	an economic and political union of 27 member states which are located primarily in Europe;
Excluded Shares	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) which Nucleus and James Hay Holdings agree in writing will not be subject to the Scheme; or (iv) held by the Company in treasury;
Explanatory Statement	means the statement set out in Part II of this document;
FCA	the UK Financial Conduct Authority or its successor from time to time;
Fenchurch Advisory Partners	Fenchurch Advisory Partners LLP, financial adviser to James Hay Holdings;
FNZ	FNZ (UK) Ltd, a private limited company incorporated in England and Wales with registered number 05435760;
Forms of Proxy	the BLUE Form of Proxy and the WHITE Form of Proxy for the Nucleus Court Meeting and the Nucleus General Meeting respectively, which accompany this document;
FSMA	the Financial Services and Markets Act 2000 (as amended, modified, re-enacted or replaced from time to time);
Funding Amount	the Debt Funding Amount and the Equity Funding Amount;
GIA	General Investment Account;
Governmental Entities	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;
Holding Companies	each of MonteCarloCo, LaRousseCo, LarvottoCo and SaintMichelCo;
HMRC	HM Revenue & Customs or its successors from time to time;
IFG Group Limited	IFG Group Limited, a company incorporated and existing under the laws of Ireland with company registration number 21010;
IFG UK	IFG UK Holdings Limited, a private limited company incorporated in England and Wales with registered number 06033126;
ISA	Individual Savings Account;
James Hay	the business undertaken by the James Hay Group;
James Hay Directors	the directors of James Hay Holdings from time to time and James Hay Holdings Director means any one of them;

James Hay Group	IFG Group Limited and its subsidiaries and subsidiary undertakings;
James Hay Group Directors	the directors of IFG Group Limited from time to time and James Hay Group Director means any one of them;
James Hay Holdings	James Hay Holdings Limited, a private limited company incorporated in England and Wales with registered number 02506374;
James Hay Holdings Board	the board of directors of James Hay Holdings;
JHPML	James Hay Partnership Management Limited, a private limited company incorporated in England and Wales with registered number 02538532;
LaRousseCo	LaRousseCo Limited, a company registered in Jersey under number 128750;
LarvottoCo	LarvottoCo Limited, a company registered in Jersey under number 128569;
Latest Practicable Date	4 March 2021, being the latest practicable date prior to the publication of this document;
London Stock Exchange	London Stock Exchange PLC;
Long Stop Date	9 November 2021 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;
LTIP	the Nucleus Financial Group plc Long Term Incentive Plan as amended from time to time;
LTIP Agreed Maximum	452,543 Nucleus Shares, being the maximum number of Nucleus Shares required to be issued after the date of this document to satisfy the exercise of Awards under the LTIP;
Market Abuse Regulation or MAR	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;
MonteCarloCo	MonteCarloCo Limited, a company registered in Jersey under number 128568;
MSA	the master services agreement entered into between certain companies within the James Hay Group and FNZ and dated 27 January 2021;
Notice of Court Meeting	the notice of the Nucleus Court Meeting set out in Part IX of this document;
Notice of General Meeting	the notice of Nucleus General Meeting set out in Part X of this document;
Nucleus or Company	Nucleus Financial Group plc, a public limited company incorporated in England and Wales with registered number 05522098;
Nucleus 2019 Annual Report and Financial Statements	the full year results of the Nucleus Group for year ended 31 December 2019;

Nucleus Board or Board	the board of directors of Nucleus;
Nucleus Court Hearing	the hearing by the Court to sanction the Scheme and, if such hearing is adjourned, references to the commencement of any such hearing shall mean the commencement of the final adjournment thereof;
Nucleus Court Meeting or Court Meeting	the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders (or the relevant class or classes thereof) convened by order of the Court pursuant to section 896 of the Companies Act, notice of which is set out in Part IX of this document, to consider and, if thought fit, approve the Scheme (with or without modification);
Nucleus Directors	the directors of Nucleus from time to time and Nucleus Director means any one of them;
Nucleus Employee Benefit Trust	the NFG Limited Employee Benefit Trust 2010, being a discretionary employee benefit trust that, amongst other things, is intended to facilitate the operation of the LTIP;
Nucleus Executive Directors	David Ferguson and Stuart Geard;
Nucleus General Meeting or General Meeting	the general meeting (or any adjournment, postponement or reconvention thereof) of Nucleus Shareholders to be convened in connection with the Scheme;
Nucleus Group	Nucleus and its subsidiaries and subsidiary undertakings from time to time;
Nucleus Meetings	the Nucleus Court Meeting and the Nucleus General Meeting;
Nucleus Non-Executive Directors	Angus Samuels, Tracy Dunley-Owen, John Levin, Margaret Hassall, Jonathon Polin and Alfio Tagliabue;
Nucleus Share Plans	the SIP and the LTIP;
Nucleus Shareholders	the registered holders of Nucleus Shares from time to time;
Nucleus Shares	ordinary shares of 0.1 pence each in the capital of Nucleus;
OEIC	open-ended investment company;
Offer	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;
Offer Period	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);
Opening Position Disclosure	has the same meaning as in Rule 8 of the Code;

Overseas Shareholders	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
Portfolio Company	a direct or indirect portfolio company of investment funds managed or advised by Epiris (from time to time);
Registrar of Companies	the Registrar of Companies in England and Wales;
Registrars or Equiniti	Equiniti Limited, the registrars of Nucleus;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
Regulatory Condition	Condition (D);
Regulatory Information Service or RIS	a service approved by the London Stock Exchange for the distribution to the public of announcements and included on the list maintained on the London Stock Exchange's website;
Resolution	the special resolution to be proposed by Nucleus at the Nucleus General Meeting in connection with, among other things, the approval of the Scheme, the alteration of the Nucleus Articles and such other matters as may be necessary to implement the Scheme;
Restricted Jurisdiction	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;
Restricted Shareholders	Nucleus Shareholders, with registered addresses in, or who are resident and/or located in, one or more Restricted Jurisdictions;
SaintMichelCo	SaintMichelCo Limited, a private limited company incorporated in Jersey with registered number 128540;
Sanlam	Sanlam UK Limited, a private limited company incorporated in England and Wales with registered number 06575962;
Scheme	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 this 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;
Scheme Record Time	the time and date specified in the Scheme expected to be 6:00 p.m. on the Business Day falling on the date of the Nucleus Court Hearing;
Scheme Shareholders	holders of Scheme Shares;
Scheme Shares	the Nucleus Shares: <ul style="list-style-type: none"> (a) in issue as at the date of this document; (b) (if any) issued after the date of this document and prior to the Voting Record Time; and

(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 bound by the Scheme,

in each case, other than the Excluded Shares;

Senior Facilities Agreement

the senior facilities agreement originally dated 24 March 2019 and made between, amongst others, SaintMichelCo as original borrower, LarvottoCo as parent, Ares Management Limited as mandated lead arranger, agent and security agent, and various funds controlled by Ares as original lenders (as the same has been amended and restated from time to time);

Share Incentive Plan or SIP

the Nucleus Financial Group plc Share Incentive Plan as amended from time to time;

Shore Capital

Shore Capital and Corporate Limited and/or Shore Capital Stockbrokers Limited, as the context admits;

Shore Capital and Corporate Limited

nominated adviser and joint financial and Rule 3 adviser to Nucleus;

Shore Capital Stockbrokers Limited

corporate broker to Nucleus;

SIPP

self-invested personal pension;

SSAS

small self-administered pension schemes;

Substantial Interest

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;

Takeover Panel or Panel

the UK Panel on Takeovers and Mergers;

Term Loans

the £110,625,000 "Facility B2" term loan and a £9,375,000 "Acquisition Facility" term loan, both made available under the Senior Facilities Agreement;

Third Party

has the meaning set out in condition (f);

Treasury Shares

any Nucleus Shares which are for the time being held by Nucleus as Treasury Shares (within the meaning of the Companies Act);

TUPE

Transfer of Undertakings (Protection of Employment) Regulations 2006;

uncertificated or uncertificated form

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;

United Kingdom or UK

the United Kingdom of Great Britain and Northern Ireland;

United States or US

the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;

US Exchange Act

the US Securities Exchange Act of 1934, and the rules and regulations promulgated thereunder;

US Holder	holders of Nucleus Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Nucleus Shares for persons in the US or with a registered address in the US;
Virtual Meeting Guide	the guide prepared by Lumi explaining how Scheme Shareholders can remotely access and participate in the Nucleus Meetings via the Virtual Meeting Platform and which accompanies this document;
Virtual Meeting Platform	the Lumi Virtual Meeting Platform;
Voting Record Time	6:30 p.m. on the day which is two 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 days before the date set for the adjourned Nucleus Court Meeting;
WHITE Form of Proxy	the WHITE Form of Proxy for use by Nucleus Shareholders in relation to the Nucleus General Meeting;
Wider James Hay Group	IFG Group Limited and its subsidiaries, 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 James Hay Holdings and all such undertakings (aggregating their interests) have a Substantial Interest or the equivalent or which have a Substantial Interest in James Hay Holdings or any other member of the Wider James Hay Group; and
Wider Nucleus Group	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.

PART IX

NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS
OF ENGLAND AND WALES
COMPANIES COURT

No. CR-2021-000195

IN THE MATTER OF NUCLEUS FINANCIAL GROUP PLC

– and –

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 2 March 2021 (the “**Order**”) made in the above matters, the Court has directed that Nucleus Financial Group plc (the “**Company**”) be permitted to convene a meeting (the “**Nucleus Court Meeting**”) of the Scheme Shareholders (as defined in the Scheme of Arrangement referred to below), for the purposes of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the “**Scheme of Arrangement**”) pursuant to Part 26 of the Companies Act 2006, as amended from time to time (the “**Companies Act**”) proposed to be made between the Company and the Scheme Shareholders.

The Nucleus Court Meeting will be held at the head office of the Company at Greenside, 12 Blenheim Place, Edinburgh EH7 5JH on 30 March 2021 at 10 a.m., at which place and time all Scheme Shareholders entitled to vote are requested to attend either in person or by proxy.

In light of current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus Court Meeting if the guidance remains in place at the date of the Nucleus Court Meeting, and the general uncertainty on what additional and/or alternative measures may be put in place by the UK government should the current guidance be amended by the date of the Nucleus Court Meeting, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the Nucleus Court Meeting in person irrespective of whether the restrictions on social gatherings remain in place at the date of the Nucleus Court Meeting. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the Court Meeting electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the resolution being put to the Nucleus Court Meeting by appointing the Chairman of the Court Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Form of Proxy via post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the Nucleus Court Meeting electronically via the Virtual Meeting Platform.

If any person other than the Chairman of the Nucleus Court Meeting is appointed as a proxy or corporate representative, they will not be permitted to attend the Nucleus Court Meeting in person, but will be able to attend, submit written questions and vote at the Court Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the “Virtual Meeting Platform”). The Nucleus Board will review the arrangements for the Nucleus Court Meeting and any additional and/or alternative measures in advance of the Nucleus Court Meeting and Nucleus will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary. Nucleus encourages the Nucleus Shareholders to check its website (www.nucleusfinancial.com/investors) regularly for the latest information on its engagement with Nucleus Shareholders in connection with the Nucleus Court Meeting and the arrangements for the Nucleus Court Meeting.

Instructions for accessing the Virtual Meeting Platform

Scheme Shareholders will be given the opportunity to remotely attend, submit written questions and/or objections and vote at the Nucleus Court Meeting via the Virtual Meeting Platform. Scheme Shareholders can access the Virtual Meeting Platform via a mobile web client, which is compatible with the latest browser versions of Chrome, Firefox, Internet Explorer 11 (Internet Explorer v. 10 and below are not supported), Edge and Safari and can be accessed using any web browser, on a PC or smartphone device. To attend remotely, submit written questions and/or vote using this method, please go to <https://web.lumiagm.com>. Once you have accessed <https://web.lumiagm.com> from your web browser, you will be asked to enter the Lumi Meeting ID which is 110-967-131. You will then be prompted to enter your unique Shareholder Reference Number (“**SRN**”) and PIN (which is the first two and last two digits of your SRN). These can be found printed on the Forms of Proxy. Access to the Nucleus Court Meeting via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, as further detailed below. If you are unable to access your SRN and PIN, please call Equiniti between 8.30 a.m. and 5.30 p.m. Monday to Friday (except England and Wales public holidays) via their helpline on 0371 384 2050 (from within the UK) or +44 371 384 2050 (from outside the UK). Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Equiniti cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Although access to the Nucleus Court Meeting via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, the voting functionality will not be enabled until the Chairman of the Nucleus Court Meeting declares the poll open. Scheme Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Nucleus Directors during the course of the Nucleus Court Meeting and can use the same function to submit any written objections they may have to the Scheme. The Chairman of the Nucleus Court Meeting will ensure that all such questions and/or any objections relating to the formal business of the Nucleus Court Meeting are addressed during the Nucleus Court Meeting, unless no response is required to be provided under the Companies Act or the provision of a response would, at the Chairman’s discretion, otherwise be undesirable in the interests of the Company or the good order of the Court Meeting.

During the Nucleus Court Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and/or any objections and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the Nucleus Court Meeting via your wireless or other internet connection. The Virtual Meeting Guide contains further information on remotely accessing and participating in the Nucleus Court Meeting via the Virtual Meeting Platform and is available on Nucleus’s website at www.nucleusfinancial.com/investors

Voting on the resolution will be by poll which may be conducted as the Chairman of the Nucleus Court Meeting shall determine. For the Nucleus Court Meeting (or any adjournment thereof) to be properly convened, a quorum of two persons entitled to vote on the business to be transacted, each being a Scheme Shareholder, the proxy of a Scheme Shareholder or (where the Scheme Shareholder is a corporation) a duly authorised representative must be present.

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

Completion and return of the BLUE Form of Proxy, or the appointment of a proxy through CREST, shall not prevent a Scheme Shareholder from attending and voting in person at the Nucleus Court Meeting or any adjournment thereof.

Scheme Shareholders are entitled to appoint a proxy in relation to the Nucleus Court Meeting in respect of some or all of their Scheme Shares. Scheme Shareholders are also entitled to appoint more than one proxy in relation to the Nucleus Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different Scheme Share or Scheme Shares held by such Scheme Shareholder. A space has been included in the BLUE Form of Proxy to allow Scheme Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders who return the BLUE Form of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares.

Scheme Shareholders who wish to appoint more than one proxy in respect of their shareholding should contact the Company’s registrars, Equiniti Limited, on 0371 384 2050 (from within the UK) or on +44 371 384 2050 (from outside the UK) for further BLUE Forms of Proxy or photocopy the BLUE Form of Proxy as required. Such Scheme Shareholders should also read the information regarding the appointment

of multiple proxies set out on page 12 of the document of which this Notice forms part and on the BLUE Form of Proxy.

It is requested that BLUE Forms of Proxy, and any power of attorney or other authority under which they are executed (or a duly certified copy of any such power or authority), be lodged with the Company's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, or be submitted electronically or via CREST, by no later than 10.00 a.m. on 28 March 2021 (or not less than 48 hours before the time appointed for any adjourned meeting), but if forms are not so lodged or submitted they may be delivered by e-mail to proxyvotes@equiniti.com at any time before the start of the Nucleus Court Meeting on behalf of Angus Samuels as Chairman of the Nucleus Court Meeting, whom failing David Ferguson, whom failing Stuart Geard.

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

Forms of Proxy may alternatively be submitted electronically by logging on to the following website: www.sharevote.co.uk. You will need your Voting ID, Task ID and Shareholder Reference Number (this is the series of numbers printed on your Proxy Form). Alternatively, if you have already registered with the Company's Registrar's online portfolio service, Shareview, you can submit your Proxy Form at www.shareview.co.uk, using your usual user ID and password. Full instructions are given on both websites. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti Limited no later than 10 a.m. on 28 March 2021.

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share. Only one corporate representative is to be counted in determining whether under section 899(1) of the Companies Act whether a majority in number of the Scheme Shareholders approved the Scheme. The Chairman of the Nucleus Court Meeting may require a corporate representative to produce to the Company's Registrars his written authority to attend and vote at the Nucleus Court Meeting at any time before the start of the Nucleus Court Meeting. The representative shall not be entitled to exercise the powers conferred on them by the Scheme Shareholder until any such demand has been satisfied.

Entitlement to attend and vote at the Nucleus Court Meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6:30 p.m. on the day which is two days before the date of the Nucleus Court Meeting (or, if the Nucleus Court Meeting is adjourned, at that adjourned meeting). In each case, changes to the register of members of the Company after such time shall be disregarded.

By the Order, the Court has appointed Angus Samuels, whom failing David Ferguson, whom failing Stuart Geard to act as Chairman of the Nucleus Court Meeting and has directed the Chairman to report the result thereof to the Court.

The Scheme of Arrangement shall be subject to the subsequent sanction of the Court.

Dated 5 March 2021

Burges Salmon LLP

One Glass Wharf

Bristol

BS2 0ZX

Solicitors for Nucleus Financial Group plc

PART X

NOTICE OF GENERAL MEETING

NUCLEUS FINANCIAL GROUP PLC

(Incorporated in England and Wales with registered number 05522098)

NOTICE IS HEREBY GIVEN that a general meeting of Nucleus Financial Group plc (the “**Company**”) will be held at the head office of the Company at Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH on 30 March 2021 at 10.15 a.m. (UK time) (or as soon thereafter as the Nucleus Court Meeting (as defined in the document of which this notice forms part) shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution which shall be proposed as a special resolution:

SPECIAL RESOLUTION

“THAT:

- (a) for the purpose of giving effect to the scheme of arrangement dated 5 March 2021 (the “**Scheme**”) between the Company and the Scheme Shareholders (as defined in the Scheme), a print of which has been produced to this meeting and, for the purpose of identification, signed by the Chairman hereof, in its original form or with, or subject to, any modification, addition or condition approved or imposed by the Court (as defined in the Scheme) and jointly consented to by the Company and James Hay Holdings, the directors of the Company be authorised to take all such actions as they may consider necessary or appropriate for carrying the Scheme into effect; and
- (b) with effect from the passing of this resolution, the articles of association of the Company be and are hereby amended by the adoption and inclusion of the following new article 147:

“147. Scheme of Arrangement

- 147.1 In this Article, references to the “**Scheme**” mean the scheme of arrangement dated 5 March 2021 between the Company and the Scheme Shareholders (as defined in the Scheme) under Part 26 of the Companies Act 2006 in its original form or with, or subject to, any modification, addition or condition approved or imposed by the Court (as defined in the Scheme) and jointly consented to by the Company and James Hay Holdings Limited (“**James Hay Holdings**”) and (save as defined in this Article) expressions defined in the Scheme shall have the same meanings in this Article.
- 147.2 Notwithstanding any other provision of these Articles, if the Company issues any shares other than to James Hay Holdings or its nominee(s) on or after the adoption of these Articles and prior to the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or any subsequent holder or holders of such shares shall be bound by the Scheme accordingly.
- 147.3 Notwithstanding any other provisions of these Articles, subject to the Scheme becoming effective, any shares issued or transferred to any person (other than under the Scheme or to James Hay Holdings or its nominee(s)) (a “**New Member**”) after the Scheme Record Time (each a “**Post-Scheme Share**”), shall be issued or transferred on terms that they shall on the Effective Date or, if later, on issue or transfer be immediately transferred to James Hay Holdings (or as James Hay Holdings may otherwise direct) in consideration of the payment to the New Member of an amount in cash for each Post-Scheme Share which such New Member would have been entitled to had each Post-Scheme Share been a Scheme Share;
- 147.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation), the value of the consideration per share to be paid under paragraph 147.3 of this Article shall be adjusted by the Board in such manner as the auditors of the Company may determine to be fair and reasonable to the New Member to reflect such reorganisation or alteration. References in this Article to shares shall, following such adjustment, be construed accordingly.

- 147.5 In order to give effect to any transfer required by this Article 147, the Company may appoint any person as attorney for the New Member to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of James Hay Holdings (or as James Hay Holdings may otherwise direct) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in James Hay Holdings (or as James Hay Holdings may otherwise direct) and pending such vesting to exercise all such rights to the Post-Scheme Shares as James Hay Holdings may direct. If an attorney is so appointed, the New Member shall not thereafter (except to the extent that the attorney fails to act in accordance with the directions of James Hay Holdings) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by James Hay Holdings. The Company may give good receipt for the purchase price of the Post-Scheme Shares and may register James Hay Holdings as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for any Post-Scheme Shares.
- 147.6 If the Scheme shall not have become effective by the Long Stop Date as defined in the Scheme, (or such later date, if any, as James Hay Holdings and the Company may agree and the Court may allow) this Article shall be of no effect.
- 147.7 Notwithstanding any other provision of these Articles, both the Company and the Directors may refuse to register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”

By order of the Board

Michelle Bruce
Company Secretary

5 March 2021

Elder House, St Georges Business Park,
207 Brooklands Road, Weybridge,
Surrey, England, KT13 0TS

Notes:

COVID

- 1 **In light of current guidance issued by the UK government restricting social gatherings, which would prohibit Nucleus Shareholders attending the Nucleus General Meeting if the guidance remains in place at the date of the General Meeting, and the general uncertainty on what additional and/or alternative measures may be put in place by the UK government should the current guidance be amended by the date of the General Meeting, the Nucleus Board, with regret, requests that Nucleus Shareholders do not attend the General Meeting in person irrespective of whether the restrictions on social gatherings remain in place at the date of the General Meeting. As an alternative, the Nucleus Board has put in place measures to allow Nucleus Shareholders to attend, submit written questions and vote at the General Meeting electronically via the Virtual Meeting Platform, further details of which are set out below and in the Virtual Meeting Guide. The Nucleus Board also encourages Nucleus Shareholders to vote on the Resolution by appointing the Chairman of the General Meeting as a proxy and giving voting instructions in advance, either by submitting the accompanying Form of Proxy via post or by appointing a proxy electronically or through CREST irrespective of whether the Nucleus Shareholder intends to attend the General Meeting electronically via the Virtual Meeting Platform.**
- 2 If any person other than the Chairman of the Nucleus General Meeting is appointed as a proxy or corporate representative, they will not be permitted to attend the General Meeting in person, but will be able to attend, submit written questions and vote at the General Meeting remotely via a virtual meeting platform provided by Lumi AGM UK Limited (the “**Virtual Meeting Platform**”). The Nucleus Board will review the arrangements for the General Meeting and any additional and/or alternative measures in advance of the General Meeting and Nucleus will update Nucleus Shareholders of any changes to these arrangements via a Regulatory Information Service as necessary. Nucleus encourages the Nucleus Shareholders to check its website (www.nucleusfinancial.com/investors) regularly for the latest information on its engagement with Nucleus Shareholders in connection with the General Meeting and the arrangements for the General Meeting.
- 3 **Although access to the Nucleus General Meeting via the Virtual Meeting Platform will be available from 9.00 a.m. on 30 March 2021, the voting functionality will not be enabled until the Chairman of the General Meeting declares the poll open. Nucleus Shareholders will be permitted to submit written questions (via the Virtual Meeting Platform) to the Nucleus Directors during the course of the General Meeting. The Chairman of the General Meeting will ensure that all such questions and/or any objections relating to the formal business of the General Meeting are addressed during the General Meeting, unless the provision of a response would, at the Chairman’s discretion, otherwise be undesirable in the interests of the Company or the good order of the General Meeting.**
- 4 During the Nucleus General Meeting, you must ensure you are connected to the internet at all times in order to submit written questions and/or any objections and vote when the Chairman commences polling. Therefore, it is your responsibility to ensure connectivity for the duration of the General Meeting via your wireless or other internet connection. The Virtual Meeting Guide contains further information on remotely accessing and participating in the General Meeting via the Virtual Meeting Platform and is available on Nucleus’ website at www.nucleusfinancial.com/investors

Right to vote

- 5 Only those holders of ordinary shares on the register of members of the Company at 6.30 p.m. (UK time) on 28 March 2021 or, if the Nucleus General Meeting is adjourned, 6.30 p.m. (UK time) on the date which is two days before the time fixed for the adjourned Nucleus General Meeting, or their duly appointed proxies, shall be entitled to attend or vote at the Nucleus General Meeting in respect of the number of ordinary shares registered in their name on that date and time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend or vote.

Appointing a proxy

- 3 Nucleus Shareholders are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote on their behalf at the Nucleus General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Nucleus Shareholder. A proxy need not be a Nucleus Shareholder.
- 4 If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, you should contact the Company’s registrar, Equiniti Limited.
- 5 To be valid, you must register your proxy appointment and voting instructions by one of the following three methods:
 - (a) return the hard copy Form of Proxy by post (no envelope or stamp required if posting from the UK) or (during normal business hours only) by hand to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA; or

- (b) online at www.sharevote.co.uk by following the on-screen instruction and citing the investor code provided on your Form of Proxy; or
 - (c) in the case of CREST members, by utilising the CREST Electronic Proxy Appointment service in accordance with the procedures set out below.
- 6 If a Form of Proxy is signed by an unregistered agent, the power of attorney or other authority relied on to sign it, or a copy that has been duly certified, must be delivered with the Form of Proxy. In each case, the appointment must be received by Equiniti Limited no later than 10.15 a.m. (UK time) on 28 March 2021 (or, if the Nucleus General Meeting is adjourned, 48 hours before the time fixed for the adjourned Nucleus General Meeting).

Electronic Proxy Appointment through CREST

- 7 CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment service may do so by using the procedures described in the CREST Manual (available at www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
- 8 In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear’s specifications, and must contain the information required for such instruction, as described in the CREST Manual.
- 9 The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti Limited (ID RA19) by 10.15 a.m. (UK time) on 28 March 2021 (or if the Nucleus General Meeting is adjourned, 48 hours before the time fixed for the adjourned Nucleus General Meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Equiniti Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 10 CREST members and, where applicable, their CREST sponsors or voting service provider, should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s), are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 11 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 12 The return of a completed Form of Proxy, any other such instrument, or any CREST Proxy Instruction, does not preclude a Nucleus Shareholder from attending the Nucleus General Meeting and speaking and voting in person if they wish to do so.

Appointing a corporate representative

- 13 A Nucleus Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the Nucleus General Meeting. In accordance with the provisions of the Companies Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same Nucleus Shares. It is therefore no longer necessary to nominate a designated corporate representative.

Nominated persons

- 14 Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by Nucleus Shareholders. However, Nominated Persons may, under agreement with the Nucleus Shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the Nucleus General Meeting.

Total voting rights

- 15 As at 4 March 2021 (being the latest practicable date prior to publication of this Notice), the Company’s issued share ordinary capital consisted of 76,473,360 ordinary shares, carrying one vote each. There are no Treasury Shares. Consequently, the total voting rights in the Company are 76,473,360 ordinary shares.

Availability of documents and other information

- 16 The following information is available on the Company's website www.nucleusfinancial.com/investors:
- (a) this Notice of General Meeting;
 - (b) the total voting rights and number and class of shares in respect of which Nucleus Shareholders are entitled to exercise voting rights at the Nucleus General Meeting;
 - (c) Nucleus Shareholders' rights to include business to be dealt with at the Nucleus General Meeting; and
 - (d) Nucleus Shareholders' statements, resolutions and matters of business received by the Company after the first date on which Notice of the Nucleus General Meeting was given.
- 17 The contents of this Notice, details of the total number of shares in respect of which members are entitled to exercise voting rights at the Nucleus General Meeting and, if applicable, members' statements, members' resolution or members' matters of business received by the Company after the date of this Notice will be available on the Company's website at www.nucleusfinancial.com/investors.
- 18 You may not use any electronic address provided either in this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- 19 Any electronic communication, including the lodgement of an electronic Form of Proxy received by the Company, or its agents which is found to contain any virus will not be accepted.

Voting

- 20 Voting on the Resolution set out in the notice of the Nucleus General Meeting will be by poll. The Chairman will invite each Nucleus Shareholder, corporate representative and proxy present at the Nucleus General Meeting to complete a poll card indicating how they wish to cast their votes in respect of the Resolution. In addition, the Chairman will cast the votes for which he has been appointed as proxy. Once the results have been verified by the Company's registrar, Equiniti Limited, they will be announced through a Regulatory Information Service and will be available to view on the Company's website.

Nucleus Shareholders' right to ask questions

- 21 All Nucleus Shareholders attending the Nucleus General Meeting (in person or by proxy) have the right to ask questions. The Company will endeavour at the Nucleus General Meeting to answer any question relating to the business being conducted. However, the Directors may choose not to answer any questions: (i) which would interfere unduly with the General Meeting; (ii) which would involve the disclosure of confidential information; (iii) if the answer has already been given on a website in the form of an answer to a question; or (iv) if it is undesirable in the interest of the Company or the good order of the Nucleus General Meeting that the question be answered.

ANNEX

OPINION OF NUCLEUS' EMPLOYEE REPRESENTATIVES

Important note: the opinion below is annexed to this document as permitted by the Code, but shall not be deemed to form part of it. In particular the Nucleus Directors accept no responsibility for the information contained in the opinion below and the provisions of the responsibility statement at paragraph 1.1 of Part VII do not apply to it.

CONFIDENTIAL

NUCLEUS PRG OPINION

RULE 25.9 OF THE UK TAKEOVER CODE

1. Introduction

- 1.1. The following has been provided pursuant to Rule 25.9 of the City Code on Takeovers and Mergers (the "Code").
- 1.2. This sets out the opinion of Nucleus Financial Group plc's ("Nucleus") employee representatives, the People Representative Group (the "PRG"), on the 9 February 2021 announcement (the "Announcement") of the recommended all cash acquisition by James Hay Holdings Limited ("James Hay") of the entire issued and to be issued share capital of Nucleus (the "Acquisition"), to be effected by way of a court-sanctioned scheme of arrangement between Nucleus and the Nucleus shareholders under Part 26 of the Companies Act 2006 (the "Offer").

2. Background

- 2.1. The PRG is set up in accordance with the Information and Consultation of Employees Regulations 2004 and the PRG are an appropriate representative body in accordance with Rule 25.9 of the Code.
- 2.2. The purpose of this document is to communicate the opinion of the PRG to the Nucleus shareholders on the potential effect of the Acquisition on the employment of Nucleus employees. The PRG have consulted with Nucleus staff (total headcount of 392) and sought employee views via a staff survey (128 responses) and a series of facilitated workshops (220 attendees).
- 2.3. The PRG's opinion is based on the information provided in the Announcement, discussions with the Nucleus and the James Hay executive teams, the extensive consultation workshops with staff and the results of the staff survey. The PRG were pleased by the willingness of the Nucleus executive team and Richard Rowney, CEO of James Hay, to meet with them.

3. Executive summary

The proposed acquisition

- 3.1. The PRG had, in principle, been supportive of the initial interest from James Hay and could see the benefit of a combined group utilising Nucleus' technology for the benefit of both companies' advisers, clients and employees. However, following consideration of the Announcement, the PRG are now opposed to the Acquisition. This is on the basis of its concerns regarding the impact the proposed strategy of moving the underlying technology and operations of Nucleus from Bravura to FNZ will have on the business and its employees.
- 3.2. The PRG wishes to emphasise the benefits, on the performance and success of the business and the retention of staff, of the extremely positive and constructive relationship and engagement that currently exists between the employees and the management of Nucleus.
- 3.3. It is the view of the PRG that a successful Acquisition can only be achieved if the impact on people (in both companies) is fully and meaningfully considered. In particular, the following points are noted:

The Announcement

- 3.4. The PRG were pleased to note that the Announcement stated:
- 3.4.1. "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."
 - 3.4.2. It also stated that James Hay "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."
 - 3.4.3. The Announcement also commits James Hay to ensuring that "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."
 - 3.4.4. In addition, the PRG were pleased to note James Hay's commitment to the fact that "the headquarter functions will continue to operate from James Hay's and Nucleus' existing locations".
- 3.5. The PRG were, however concerned by the following sections of the Announcement:
- 3.5.1. "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."
 - 3.5.2. "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 are 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."

4. Opinion

- 4.1. The PRG acknowledges that the Acquisition presents an opportunity to achieve a degree of scalability which will enable greater investment in technology, products and service for the benefit of advisers and their clients, at a pace which could not be achieved without significant long-term investment. The Acquisition also removes the uncertainty presented by Nucleus being up for sale.
- 4.2. Due to the very positive relationship between the Nucleus employees and the Nucleus executive team, the PRG seek confirmation that the Nucleus executive team will be fully engaged in all discussions regarding the future business plan and operating model of Nucleus.
- 4.3. We note that there has been no detail provided within the 2.7 Announcement regarding the benefits of the proposed transfer of the platform to FNZ. The PRG would welcome early sight of the proposed benefits and cost savings of moving the platform to FNZ to help determine the extent of the likely impact on the employees.

Value of relationship with technology providers

- 4.4. Nucleus staff have worked with Bravura since inception and have developed a series of front-end tools that rely on deep integration with Bravura. The PRG are concerned that a move to FNZ risks affecting many members of staff and damaging key parts of the Nucleus proposition that are deeply embedded in advisers' businesses. The PRG wishes to know how James Hay intends to avoid the problems faced by many other organisations who have re-platformed.

Technology team impact

- 4.5. The technology staff work closely with Bravura and in particular work on Nucleus front-end technology that operates alongside and is embedded within Bravura technology. Staff in the Technology team have raised concerns that the proposed move to FNZ may lead to a significant loss of technical expertise from within the business prior to any such move taking place. They explained that this was because of the uncertainty that a potential move to FNZ would bring to their longer-term employment prospects. The PRG requests that James Hay engage and consult with staff and the PRG regarding any changes at the earliest opportunity.

Outsourcing model

- 4.6. The PRG would like James Hay to provide certainty that, during the three-month evaluation process, full consideration will be given to the benefits of retaining the Bravura software and operating model for the Nucleus assets and that they will take into account employee input regarding the benefits of the recent insourcing of the technology and administration support from Openwealth.
- 4.7. The PRG notes that the former Openwealth staff have only recently transferred to Nucleus and the feedback from employees was that the uncertainty of a possible further transfer to FNZ in the medium-term may lead to staff departures.

Employee engagement

- 4.8. Nucleus employees have a very positive relationship with the Nucleus executive team and have access to an employee representative on the Nucleus board. Openness, transparency and engagement are core tenets of the Nucleus culture and are vital to the effectiveness of the Nucleus business. The business places great value in the experience of its people and recognises the choice employees have in working for Nucleus and the outcomes that that level of experience and engagement provides to its customers. Employee engagement prior to the acquisition was at an all-time high and the PRG consider there to be a clear link between employee satisfaction and adviser/client satisfaction.
- 4.9. The PRG request that James Hay make a commitment to maintain and build on the people experience of Nucleus employees as part of the combined group and be open, transparent and engaging in their dealings with Nucleus staff. In the interest of openness and transparency the PRG would request that there be full and timely disclosure of information prior to and about all stages of the Acquisition and longer-term migration plans to employees as well as the Nucleus management team. This should include disclosure of proposals which may impact on the existing staff of Nucleus.

Impact of the proposed change to the operating model

- 4.10. The PRG would request that, as a matter of priority, James Hay provide confirmation that:
- 4.10.1. Should the evaluation process conclude a move to FNZ is the desired course of action, James Hay will not undertake two re-platforming exercises concurrently and that any migration of technology or operations staff from Nucleus will only take place once the full migration of all James Hay assets onto the FNZ platform is complete and the full impact on advisers and clients is understood.
- 4.10.2. James Hay will engage early and openly with the PRG in relation to the evaluation of the possible move from Bravura to FNZ.
- 4.11. In accepting the above point, the PRG would welcome a minimum period being defined for 'medium-term' in respect of the migration of people and functions.
- 4.12. Further, there has been no detail supplied in terms of the process, or planned methodology, for determining the review of the central and HQ functions. The PRG seeks confirmation from James Hay that they will engage openly with the PRG in relation to this review from its outset. In addition, the PRG also requests that clarity is provided in terms of:
- 4.12.1. Which Nucleus Teams are considered to form part of "central and HQ functions"?
- 4.12.2. When it is envisaged that the review element of the '12-month review and integration' process will complete?

4.12.3. The current James Hay organisational structure?

4.12.4. What James Hay consider a 'moderate' reduction in headcount to be and how do they intend to achieve this moderate reduction?

- 4.13. The PRG note feedback from the staff working groups and the survey suggests there is significant anxiety within the staff body regarding both the move to FNZ and the review of the central and HQ functions and that full and early engagement with the PRG and employees will be important in relation to staff retention.

Terms and conditions

- 4.14. While noting and welcoming that James Hay have committed to safeguarding the existing contractual terms of Nucleus employees, the PRG wishes to highlight that the former OpenWealth employees, who TUPE transferred to Nucleus in December 2020, are on different terms and conditions to legacy Nucleus staff. As part of the TUPE consultation process with the former OpenWealth employees, Nucleus confirmed that their contractual terms would be reviewed annually with the aspiration to harmonise with legacy Nucleus staff by 2023. The PRG asks James Hay to confirm that this process will continue and be finalised prior to any further transfer of staff to FNZ.
- 4.15. In addition, the PRG request that James Hay commit to the continuation of the Nucleus approach to flexible working arrangements.
- 4.16. The PRG further request that James Hay acknowledges the importance of protecting the integrity of employment in local communities and so makes a commitment to ensure a presence in all existing Nucleus locations, inclusive of any migration of staff to FNZ.

Share plans & bonus scheme

- 4.17. The PRG seek clarity on whether James Hay intends to honour the 2021 Nucleus bonus scheme currently in operation through to the end of 2021. Similarly, with the SIP and LTIP ending on completion of the Acquisition, the PRG seek confirmation of what new incentive schemes are to replace them.
5. The PRG notes and acknowledges the positive engagement of both the Nucleus and James Hay executive teams in the production of this opinion. The PRG hopes and expects this level of engagement with employees and the PRG to continue once Nucleus is part of the James Hay group.

Nucleus PRG

26 February 2021

