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If you sell, have sold or otherwise transferred all your Nucleus Shares, please forward this document (but not any accompanying personal documents), together with any accompanying Form of Acceptance, 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. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell, have sold or transferred only part of your holding of Nucleus Shares, you should retain those documents and should contact the bank, stockbroker or other agent through whom the sale or transfer was effected.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 ACCEPT THE OFFER IN RESPECT OF CERTIFICATED NUCLEUS SHARES, THE FORM OF ACCEPTANCE SHOULD BE COMPLETED, SIGNED AND RETURNED AS SOON AS POSSIBLE AND, IN ANY EVENT, SO AS TO BE RECEIVED BY THE RECEIVING AGENT NOT LATER THAN 1.00 p.m. (LONDON TIME) ON 4 MAY 2021.

TO ACCEPT THE OFFER IN RESPECT OF UNCERTIFICATED NUCLEUS SHARES, ACCEPTANCES SHOULD BE MADE ELECTRONICALLY THROUGH CREST SO THAT THE TTE INSTRUCTION SETTLES NOT LATER THAN 1.00 p.m. (LONDON TIME) ON 4 MAY 2021. IF YOU ARE A CREST SPONSORED MEMBER YOU SHOULD REFER TO YOUR CREST SPONSOR AS ONLY YOUR CREST SPONSOR WILL BE ABLE TO SEND THE NECESSARY TTE INSTRUCTION TO EUROCLEAR.

THE PROCEDURE FOR ACCEPTANCE OF THE OFFER IS SET OUT IN PARAGRAPH 11 OF PART II OF THIS DOCUMENT, PARTS D AND E OF APPENDIX 1 AND, IN RESPECT OF CERTIFICATED NUCLEUS SHARES, IS FURTHER DESCRIBED IN THE FORM OF ACCEPTANCE.

Nucleus Shareholders should read carefully the whole of this document, any information incorporated by reference into this document and the accompanying Form of Acceptance. Your attention is drawn to the letter from the Chairman of Nucleus in Part I of this document which explains why the Nucleus Directors are recommending that Nucleus Shareholders should accept the Offer.

If you have any questions relating to this document or the completion and return of your Form of Acceptance, please contact the Shareholder Helpline, on 0371 384 2050 (or +44 371 384 2050 if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 8.30 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Offer nor give any financial, investment, legal or tax advice.

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 ("**FCA**") 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, 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, 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 Offer 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. The delivery of this document shall not, 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 is dated 13 April 2021.

IMPORTANT NOTICES

Notice to Overseas Shareholders

The laws of other relevant jurisdictions may affect the distribution of this document 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.

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.

Unless otherwise determined by Nucleus and James Hay Holdings or required by the Code, and permitted by applicable law and regulation, the Offer will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may accept the Offer by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document, the Form of Acceptance and all documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Offer (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

Further details in relation to Overseas Shareholders are contained in paragraph 9 of Part II of this document.

Additional Information for US Holders

The Offer is being made in reliance on, and compliance with, the applicable exemptions from the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"), including that afforded by Rule 14d-1 thereunder. The Offer is being made for securities of an English company and is subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US investors should be aware that this document has been prepared in accordance with a United Kingdom format and style, which differs from the United States format and style. In particular, the appendices to this document contain information concerning the Offer required by UK disclosure requirements which may be material and may not have been summarised elsewhere in the document. Furthermore, the payment and settlement procedure with respect to the Offer will comply with the relevant United Kingdom rules, which differ from United States payment and settlement procedures. The Offer is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act. The Offer will be made in the United States in accordance with the requirements of Regulation 14E under the US Exchange Act to the extent applicable. To the extent permitted by applicable law and in accordance with normal United Kingdom market practice, James Hay Holdings or any person acting on their behalf may from time to time make certain market or private purchases of, or arrangements to purchase, directly or indirectly, Nucleus Shares other than pursuant to the Offer. Any information about such purchases will be publicly announced as required by law or regulation in the United Kingdom and the United States.

The Nucleus 2020 Annual Report, and all 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.

The Offer has not been approved by the U.S. Securities and Exchange Commission (the "**SEC**") or by the securities regulatory authority of any state or of any other United States jurisdiction, nor has the SEC or any such securities regulatory authority passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence 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 2020 Annual Report.

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.

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.

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.

TO ACCEPT THE OFFER

The Acquisition will no longer be implemented by way of the previously announced scheme of arrangement.

If you wish to accept the Offer it is therefore important that you follow the instructions set out in paragraph 11 of Part II of this document, as any elections or forms of proxy submitted in connection with the Scheme will have no effect in relation to the offer made by way of this document.

If you hold Nucleus Shares in certificated form:

If you hold your Nucleus Shares, or any of them, in certificated form (that is, NOT in CREST), to accept the Offer in respect of those Nucleus Shares, you should complete, sign and return the enclosed Form of Acceptance along with your valid share certificate(s) and/or any other relevant documents of title as soon as possible and, in any event, so as to be received by post to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, **by no later than 1.00 p.m. (London time) on 4 May 2021**. Further details on the procedures for acceptance of the Offer if you hold any of your Nucleus Shares in certificated form are set out in paragraph 11(a) of Part II of this document, Part D of Appendix 1 to this document and in the accompanying Form of Acceptance. A reply-paid envelope for use within the UK only is enclosed for your convenience and may be used by holders of Nucleus Shares in certificated form in the UK for returning their Forms of Acceptance.

If you hold Nucleus Shares in uncertificated form:

If you hold your Nucleus Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of those Nucleus Shares, you should follow the procedure for Electronic Acceptance through CREST so that the TTE instruction settles **as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 4 May 2021**. Further details on the procedures for acceptance of the Offer if you hold any of your Nucleus Shares in uncertificated form are set out in paragraph 11(b) of Part II of this document and in Part E of Appendix 1 to this document. If you hold your Nucleus Shares as a CREST sponsored member, you should refer acceptance of the Offer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

**ACCEPTANCES OF THE OFFER MUST BE RECEIVED BY 1.00 P.M. (LONDON TIME)
ON 4 MAY 2021.**

You are advised to read the whole of this document carefully.

**THE FIRST CLOSING DATE OF THE OFFER IS 1.00 P.M. (LONDON TIME)
ON 4 MAY 2021.**

**If you require assistance relating to the completion and return of the Form of Acceptance,
please telephone Equiniti on:**

**0371 384 2050 (from within the UK)
+44 371 384 2050 (from outside the UK)**

Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except public holidays in England and Wales). 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 telephone and calls may be recorded and randomly monitored for security and training purposes. Please note the Shareholder Helpline cannot provide advice on the merits of the Offer nor give any financial, investment, legal or tax advice.

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PART I

LETTER OF RECOMMENDATION 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

13 April 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 was 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.

On 30 March 2021, the Board of James Hay Holdings announced that, with the consent of the Panel and Nucleus, the Acquisition would be implemented through a recommended takeover offer. The formal Offer is set out in the letter from James Hay Holdings in Part II. As a result, the Acquisition will no longer be implemented by way of the previously announced scheme of arrangement.

I am writing to you on behalf of the Nucleus Board to explain the background to and terms of the Offer and the reasons why the Nucleus Directors are unanimously recommending that you accept it.

If you wish to accept the Offer it is important that you follow the instructions contained in paragraph 11 of Part II of this document.

2 Summary of the terms of the Offer

Under the Offer, which is on the terms and subject to the Conditions set out in Appendix 1 of this document and in the Form of Acceptance, holders of Nucleus Shares are 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).

It is a Condition of the Offer that Nucleus does not declare, make or pay any dividends or distributions during the Offer Period.

The Nucleus Shares shall be acquired under the Offer 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 and 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 on or after the date of this document.

3 Background to and reasons for the Acquisition

Following the Acquisition, James Hay Holdings intends to merge the operations of Nucleus with the James Hay Group to create a leading financial planning and retirement-focused adviser platform. The Combined Group will have c£45 billion of AUA across its various platforms and other constituent parts, 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 and onshore and offshore bonds).

4 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.

The Nucleus Board believes that the people and culture of Nucleus have played a major part in the success of the business and that this has allowed it to build strong connections with adviser users for the ultimate of customers. 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£18 billion on behalf of more than 101,000 customers as at 31 March 2021.

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.

5 Current trading and prospects of Nucleus

Financial information relating to Nucleus is set out in Appendix 5 of this document.

Nucleus announced its final results for the year ended 31 December 2020 on 23 March 2021 and issued a first quarter trading update on 13 April 2021.

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.

The UK Government's successful rollout of multiple vaccines in Q1 2021 appears to have had a positive impact on investor sentiment with Nucleus experiencing one of its strongest ever quarters for new business activity. Gross inflows of £637m were achieved for the first three months of 2021, a 29.5 per cent. increase on the previous quarter (Q4 2020: £492m), and a 9.8 per cent. increase on the previous year, with March gross inflows being the highest ever recorded by the platform.

Net inflows of £301 million for the three months to 31 March 2021 represented a 44.7 per cent. increase on the preceding three month period (Q4 2020: £208 million) and a 12.3 per cent. increase on Q1 2020 (£268 million).

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 £18.0 billion as of 31 March 2021, an increase of 28.4 per cent. on the previous year (31 March 2020: £14.0 billion) and is £18.3 billion as at 9 April 2021. By comparison, the FTSE All-Share Index increased by 23.3 per cent. in the year to 31 March 2021. Profit for the year to date is ahead of the Nucleus Board's expectations as a result of higher AUA and lower costs.

The number of advisers actively using the platform increased by 1.9 per cent. year-on-year, while customer numbers increased by 3.1 per cent. to c101,000 over the same period.

The positive AUA and inflow picture was supported by Nucleus' highest ever people engagement in Q4 2020 which in turn has driven Nucleus to achieve its highest ever net promoter score (+41) in Q4 2020. User satisfaction has continued to improve in Q1 2021 following the successful acquisition and integration of OpenWealth. The Nucleus Directors believe the business is well-positioned to accelerate inflow momentum and to expand operating margin through the rest of 2021 and beyond.

6 Background to and reasons for the recommendation to the Nucleus Shareholders

Since the Nucleus Shares were admitted to AIM in July 2018, AUA have grown from £14.3 billion to £18.0 billion at 31 March 2021. A recovery in both inflows and markets helped AUA increase by 28.4 per cent. year-on-year despite the Covid-19 pandemic-induced slowdown in user activity over the spring and summer. Nucleus has increased its customer base from 90,000 customers at the time of its admission to AIM to more than 101,000 customers at 31 March 2021. 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 IMX, Nucleus' model portfolio service, which has immediately become the third highest discretionary managed portfolio service for net inflows on the platform (Q1 2021). The recovery in inflows and market levels together with the restructuring of the cost base 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, as demonstrated by a strong performance in Q1 2021 as described, they recognise the Acquisition represents an 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). 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:

- 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 accept the Offer; and
- 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.

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

7 Comments on James Hay Holdings' intentions

Taking the best elements of both businesses, a successfully integrated combination of the James Hay Group and Nucleus has the potential 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.

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 4 of Part II 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 doing so 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 4 of Part II 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.

8 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 accept the Offer 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 accept or procure acceptance of the 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 accept or procure acceptance of the 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 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 Appendix 3 of this document.

9 James Hay Holdings' intentions and plans

Your attention is drawn to the statement of James Hay Holdings' plans for Nucleus if the Offer becomes or is declared wholly unconditional, as set out in paragraph 5 of the letter from James Hay Holdings in Part II of this document.

10 Taxation

Your attention is drawn to Appendix 2 of this document, which contains a summary of limited aspects of the UK tax consequences of the Offer. **That summary relates only to the position of certain categories of Nucleus Shareholders (as explained further in Appendix 2 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 Offer. 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.

11 Compulsory acquisition, cancellation of admission to trading of Nucleus Shares on AIM and re-registration

Your attention is drawn to paragraph 13 of Part II of this document in relation to James Hay Holdings' intentions with regards to compulsory acquisition, cancellation of admission to trading of the Nucleus Shares on AIM and re-registration of Nucleus as a private limited company.

12 Overseas Shareholders

Overseas Shareholders should refer to paragraph 9 of Part II of this document, which contains important information relevant to them.

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 5 of Part II of this document.

14 Action to be taken

The procedure for acceptance of the Offer is set out in paragraph 11 of the letter from James Hay Holdings in Part II of this document and, if you hold your Nucleus Shares in certificated form, in the accompanying Form of Acceptance.

If you have any questions relating to the procedure for acceptance of the Offer, please contact the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA on 0371 384 2050 (or +44 371 384 2050, if telephoning from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m.– 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

Shareholders are advised to take independent financial and legal advice on their individual position.

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

15 Further information

Your attention is drawn to the letter from James Hay Holdings set out in Part II, the Conditions and further terms of the Offer set out in Appendix 1 to this document and the further information on Nucleus and James Hay Holdings contained in Appendices 2, 3 and 4.

16 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 accept the Offer, as the Nucleus Directors who hold Nucleus Shares have irrevocably undertaken to accept the Offer or have otherwise irrevocably undertaken to direct (and use all reasonable endeavours to procure that) their nominees accept the Offer, 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.

Yours faithfully

Angus Samuels
Chairman

Nucleus Financial Group plc

PART II

LETTER FROM JAMES HAY HOLDINGS LIMITED

13 April 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 was 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.

On 30 March 2021, the James Hay Holdings Board announced that, with the consent of the Panel and Nucleus, the Acquisition would be implemented through a recommended takeover offer in order to increase certainty of execution in the interests of all Nucleus Shareholders.

This letter, Appendix 1 to this document and, if you hold your Nucleus Shares in certificated form, the Form of Acceptance, contain the formal terms and Conditions of the Offer for your Nucleus Shares.

Your attention is drawn to the letter of recommendation from the Chairman of Nucleus set out in Part I of this document, which sets out the reasons why 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 Offer to be fair and reasonable and, accordingly, unanimously recommend that all Nucleus Shareholders accept the Offer, as the Nucleus Directors 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.

In providing advice to the Nucleus Board, Shore Capital and Craven Street Capital have taken into account the commercial assessments of the Nucleus Directors.

2 Summary of the terms of the Offer

James Hay Holdings offers to acquire (on the terms and subject to the Conditions set out in this document and in the Form of Acceptance) the entire issued and to be issued share capital of Nucleus for cash. Under the terms of the Offer, holders of Nucleus Shares shall 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 prior to the completion of the Offer, 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.

The Nucleus Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

3 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 Appendix 3 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 3 of Appendix 3) 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.

4 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 with effect from completion of the Offer.

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 set out in Appendix 6 to this document on page 80.

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 Offer becomes unconditional 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 Offer becoming unconditional. 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 Offer, which is given by the Nucleus Board for the reasons stated in paragraph 6 of Part I above, and notes that those Nucleus Directors holding shares have irrevocably undertaken to accept the Offer 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 Offer. 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 intends to establish customary incentivisation arrangements for the Nucleus management team and employees following completion of the Acquisition to ensure their interests are aligned with James Hay. Early stage, preliminary discussions have taken place with the Nucleus management team but no terms or specific structures have been agreed. To the extent any agreement is reached concerning incentivisation arrangements during the course of the Offer Period, it is envisaged these would only become effective after successful completion of the Acquisition and would be disclosed in compliance with the Code.

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 13 of Part II of this document, a request will be made to the London Stock Exchange to cancel trading in Nucleus Shares on AIM if the Offer becomes, or is declared, unconditional in all respects and if James Hay Holdings has, by virtue of acceptances of the Offer, acquired, or agreed to acquire, Nucleus Shares representing at least 75 per cent. of the voting rights attaching to Nucleus Shares. 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 4 are "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

5 Nucleus Share Plans

The Offer extends to any Nucleus Shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) pursuant to the operation of the SIP and the exercise of Awards under the LTIP while the Offer remains open for acceptance.

Participants in the Nucleus Share Plans will be contacted regarding the effect of the Offer 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 Offer on the Nucleus Share Plans is set out below.

LTIP

Outstanding unvested Awards granted under the LTIP will vest and become exercisable upon the Offer becoming or being declared wholly unconditional 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

The Offer extends to all Nucleus Shares held under the SIP by the SIP trustee. Participants in the SIP who accept the Offer will be entitled to 188 pence in cash for every Nucleus Share held on their behalf under the SIP. 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.

6 The Nucleus Directors and the effect of the Offer on their interests

The Nucleus Shares held by the Nucleus Directors will be subject to the Offer. 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 Appendix 3 of this document. Details of irrevocable undertakings provided by Nucleus Directors in connection with the Acquisition are set out in paragraph 8 of Appendix 3 of this document.

Each of the Nucleus Directors who holds Nucleus Shares has irrevocably undertaken to accept, or procure acceptance of, the Offer in respect of all the Nucleus Shares in which they are each beneficially interested. Further details of these irrevocable undertakings are set out in paragraph 8 of Appendix 3 of this document.

In accordance with the proposals being made to the participants under the Nucleus Share Plans, the Nucleus Directors will be entitled to exercise any Awards under the LTIP held by them (to the extent that they become exercisable) conditional upon the Offer becoming or being declared wholly unconditional.

Save as set out above, the effect of the Offer on the interests of the Nucleus Directors as Nucleus Shareholders does not differ from its effect on the interests of any other Nucleus Shareholder.

7 Offer-related arrangements

Confidentiality Agreement

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

Clean Teams Agreements

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

8 Financing of the Offer and cash confirmation

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 the 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 Appendix 3 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.

9 Overseas Shareholders

The attention of Overseas Shareholders, or other Nucleus Shareholders who would, or otherwise intend to, forward this document and the accompanying documents to any jurisdiction outside the UK, is drawn to paragraph 8 of Part C, paragraph (c) of Part D and paragraph (b) of Part E of Appendix 1 of this document.

The availability of the Offer to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. If you remain in any doubt, you should consult your professional adviser in the relevant jurisdiction without delay.

The Offer is not being, and will not be, made directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality of interstate or foreign commerce of, or any facility of a national state or other securities exchange of, any Restricted Jurisdiction, and will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, copies of this document and the accompanying Form of Acceptance are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving this document and the accompanying Form of Acceptance (including, without limitation, any agent, nominee, custodian or trustee) must not mail or otherwise forward, distribute or send it in, into or from such jurisdiction. Any person (including, without limitation, any agent, nominee, custodian or trustee) who has a contractual or legal obligation, or may otherwise intend, to forward this document and/or any other related document to a jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction and must not mail, send or otherwise forward or distribute them in, into or from any Restricted Jurisdiction. Doing so may render any purported acceptance of the Offer invalid.

All Nucleus Shareholders (including, without limitation, nominees, trustees or custodians) who intend to forward this document and the accompanying document to any jurisdiction outside the United Kingdom should read paragraph 8 of Part C, paragraph (c) of Part D and paragraph (b) of Part E of Appendix 1 of this document and seek appropriate advice before taking any action.

Accordingly, accepting Nucleus Shareholders who hold their shares in certificated form and are unable to give the representations and warranties set out in paragraph (c) of Part D of Appendix 1 of this document and who put "No" in Box 5 of the Form of Acceptance will be deemed not to have validly accepted the Offer and accepting Nucleus Shareholders who hold their shares in uncertificated form and are unable to give the representations and warranties set out in paragraph (b) of Part E of Appendix 1 of this document will (subject to paragraph 8(h) of Part C of Appendix 1) also be deemed not to have validly accepted the Offer.

10 United Kingdom taxation

A summary of certain relevant UK taxation matters, which is intended as a general guide only, is set out in Appendix 2 to this document. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate independent professional tax adviser immediately.

11 Procedure for acceptance of the Offer

Nucleus Shareholders who hold their Nucleus Shares in certificated form should read section (a) of this paragraph 11 in conjunction with the Form of Acceptance and Parts B and D of Appendix 1 to this document. The instructions on the Form of Acceptance are deemed to be part of the terms of the Offer for Nucleus Shareholders who hold their Nucleus Shares in certificated form.

Nucleus Shareholders who hold their shares in uncertificated form (that is, through CREST), should read section (b) of this paragraph 11 in conjunction with Parts B and E of Appendix 1 to this document.

Nucleus Shareholders who hold some of their Nucleus Shares in certificated form and others in uncertificated form, should read section (a) of this paragraph 11 (in respect of their Nucleus Shares in certificated form) and section (b) (in respect of their Nucleus Shares in uncertificated form) below.

(a) If you hold Nucleus Shares in certificated form (i.e. not in CREST)

Completion of the Form of Acceptance

To accept the Offer in respect of Nucleus Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for Nucleus Shares held in certificated form but under different designations.

If you have any questions relating to the procedure for acceptance of the Offer, please contact Equiniti on 0371 384 2050 (when telephoning from inside the UK) or on +44 371 384 2050 (when telephoning from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member, you should contact your CREST sponsor before taking any action. Further Forms of Acceptance are available from the Receiving Agent upon request.

To accept the Offer in respect of all your Nucleus Shares in certificated form

To accept the Offer in respect of all your Nucleus Shares in certificated form, you must complete Box 3 and sign Box 4A (if executed by an individual(s)) or 4B (if executed by a company) of the enclosed Form of Acceptance.

To accept the Offer in respect of less than all your Nucleus Shares in certificated form

To accept the Offer in respect of less than all your Nucleus Shares in certificated form, you must complete Box 3 and sign Box 4A (if executed by an individual(s)) or 4B (if executed by a company) of the enclosed Form of Acceptance.

Please remember to enclose your Nucleus share certificate(s) for Nucleus Shares that are equal to or greater than the number of Nucleus Shares inserted in Box 3 with the Form of Acceptance.

In all cases, if you are an individual, you must sign Box 4A of the Form of Acceptance in the presence of a witness who should also sign in accordance with the instructions printed on it. Any Nucleus Shareholder which is a company should execute Box 4B of the Form of Acceptance in accordance with the instructions printed on it.

If you do not insert a number in Box 3 of the Form of Acceptance, or if you insert in Box 3 a number which is greater than the number of certificated Nucleus Shares that you hold and you have signed Box 4A or Box 4B, your acceptance shall be deemed to be in respect of all the certificated Nucleus Shares held by you.

Return of the Form of Acceptance

To accept the Offer in respect of Nucleus Shares held in certificated form, the completed, signed and (where required) witnessed Form of Acceptance should be returned by post to the Receiving agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, together (subject to the paragraph below) with the relevant share certificate(s) and/or any other documents of title as soon as possible, and in any event, so as to be received by Equiniti not later than 1.00 p.m. (London time) on 4 May 2021. A first class reply-paid envelope is enclosed for your convenience if you are posting your documents in the United Kingdom. No acknowledgement of receipt of documents shall be given.

Any Form of Acceptance received in an envelope post-marked in any Restricted Jurisdiction or otherwise appearing to James Hay Holdings or its agents to have been sent from any Restricted Jurisdiction may be rejected as an invalid acceptance of the Offer. For further information on Nucleus Shareholders resident overseas, see paragraph 9 above.

Share certificates not readily available or lost

If your Nucleus Shares are in certificated form, a completed, signed and (where required) witnessed Form of Acceptance should be accompanied by the relevant share certificate(s) and/or other document(s) of title. If for any reason the relevant share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete, sign and lodge your completed Form of Acceptance as stated above so as to be received by the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, by post not later than 1.00 p.m. on 4 May 2021. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available, accompanied by a letter stating that the remaining documents shall follow as soon as possible or that you have lost one or more of your share certificate(s) and/or other documents of title. You should then arrange for the relevant share certificate(s) and/or other document(s) of title should be forwarded as soon as possible.

If you have lost your share certificate(s) and/or other document(s) of title, you should telephone the Registrars, Equiniti Limited, on 0371 384 2050 (if calling from the United Kingdom) or +44 371 384 2050 (if calling from elsewhere) as soon as possible requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned by post to the Receiving Agent at the address given above.

Validity of acceptances

Without prejudice to Parts B and C of Appendix 1 to this document, subject to the provisions of the Code, James Hay Holdings reserves the right to treat as valid in whole or in part any acceptance of the Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer shall be made until after the relevant share certificate(s) and/or other document(s) of title or indemnities reasonably satisfactory to James Hay Holdings have been received.

(b) If you hold Nucleus Shares in uncertificated form (i.e. in CREST)

General

If your Nucleus Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer Nucleus Shares in respect of which you wish to accept the Offer to the appropriate escrow balance(s), specifying the Receiving Agent (in its capacity as a CREST participant under the Escrow Agent's relevant Participant ID referred to below) as the Escrow Agent, as soon as possible and **in any event so that the TTE instruction settles by not later than 1.00 p.m. (London time) on 4 May 2021. Note that settlement cannot take place on weekends or bank holidays (or other times at which the CREST system is non-operational) and you should therefore ensure that you time the input of any TTE instructions accordingly.**

The input and settlement of a TTE instruction in accordance with this paragraph shall (subject to satisfying the requirements set out in Parts B and E of Appendix 1 to this document) constitute an acceptance of the Offer in respect of the number of Nucleus Shares so transferred to escrow.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor shall be able to send the TTE instruction(s) to Euroclear in relation to your Nucleus Shares.

After settlement of a TTE instruction, you shall not be able to access the Nucleus Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared wholly unconditional, the Escrow Agent shall transfer the Nucleus Shares concerned in accordance with paragraph (d) of Part E of Appendix 1 to this document.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures, in CREST, for any particular corporate action. Normal system timings and limitations shall therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your Nucleus Shares to settle prior to 1.00 p.m. (London time) on 4 May 2021. In this connection, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

To accept the Offer in respect of your Nucleus Shares

To accept the Offer in respect of Nucleus Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) to Euroclear a TTE instruction in relation to such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and must contain the following details:

- the ISIN number for Nucleus Shares. This is GB00BG226J60;
- the number of Nucleus Shares in respect of which you wish to accept the Offer (i.e. the number of Nucleus Shares to be transferred to escrow);
- your participant ID;
- your member account ID;
- the participant ID of the Escrow Agent. This is 5RA29;
- the member account ID of the Escrow Agent for the Offer. This is JAMNUC01;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 p.m. (London time) on 4 May 2021;
- the corporate action number of the Offer. This is allocated by Euroclear and shall be available on screen from Euroclear;
- input with a standard delivery instruction priority of 80; and
- a contact name and telephone number in the shared note field.

Validity of Acceptances

Nucleus Shareholders with Nucleus Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction shall only be a valid acceptance of that Offer as at the relevant closing date if it has settled on or before 1.00 p.m. on that date. A Form of Acceptance which is received in respect of Nucleus Shares held in uncertificated form shall be treated as an invalid acceptance and be disregarded.

James Hay Holdings shall make an appropriate announcement if any of the details contained in this paragraph alter for any reason.

Overseas Shareholders

The attention of Nucleus Shareholders holding Nucleus Shares in uncertificated form and who are citizens or resident of jurisdictions outside the UK is drawn to paragraph 8 of Part C and paragraph (b) of Part E of Appendix 1 to this document.

General

Normal CREST procedures (including timings) apply in relation to any Nucleus Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of Nucleus Shares or otherwise). Holders of Nucleus Shares who are proposing to convert any such shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) and or other documents of title or transfers to an escrow balance, as described above) prior to 1.00 p.m. on 4 May 2021.

If you have any questions relating to the procedure for acceptance of the Offer, please contact the Receiving Agent, Equiniti, on 0371 384 2050 (when telephoning from inside the UK) or on +44 371 384 2050 (when telephoning from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m.– 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. If you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

12 Settlement

Subject to the Offer becoming, or being declared, wholly unconditional (except as provided in paragraph 8 of Part C of Appendix 1 of this document in the case of Nucleus Shareholders who are not resident in the UK), settlement of the consideration to which any Nucleus Shareholder is entitled under the Offer will be despatched to validly accepting Nucleus Shareholders (i) in the case of acceptances received, valid and complete in all respects, by the date on which the Offer becomes, or is declared, wholly unconditional, within 14 days of such date; or (ii) in the case of acceptances received, valid and complete in all respects, after such date but while the Offer remains open for acceptance, within 14 days of such receipt, in the following manner:

(a) If you hold Nucleus Shares in certificated form (i.e. not in CREST)

Where an acceptance relates to Nucleus Shares in certificated form, settlement of any cash due will be despatched by first class post (or such other method as may be approved by the Panel) to accepting Nucleus Shareholders or their appointed agents (but not in a Restricted Jurisdiction). All such cash payments will be made in pounds Sterling by cheque drawn on a branch of a United Kingdom clearing bank, provided that if the amount payable to any such Nucleus Shareholder exceeds £1 million, James Hay Holdings reserves the right to make arrangements with such Nucleus Shareholder to facilitate electronic payment of such amount in lieu of a cheque.

(b) If you hold Nucleus Shares in uncertificated form (i.e. in CREST)

Where an acceptance relates to Nucleus Shares in uncertificated form, the Cash Consideration to which the accepting Nucleus Shareholder is entitled will be paid by means of a CREST payment in favour of the accepting Nucleus Shareholder's payment bank in respect of the Cash Consideration due, in accordance with CREST payment arrangements. James Hay Holdings reserves the right to settle all or any part of the consideration referred to in this paragraph, for all or any accepting Nucleus Shareholder(s), in the manner referred to in paragraph 11(a) above, if, for any reason, it wishes to do so.

Lapsing or withdrawal of the Offer

If the Offer does not become, or is not declared, unconditional in all respects:

- (a) in the case of Nucleus Shares held in certificated form, the relevant Form of Acceptance, share certificates and other documents of title will be returned by post (or by such other method as may be approved by the Panel) within 14 calendar days of the Offer lapsing to the person or agent whose name and address (outside a Restricted Jurisdiction) is set out in the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (provided that no such documents will be sent to an address in a Restricted Jurisdiction); and
- (b) in the case of Nucleus Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the lapsing of the Offer), give TTE instructions to Euroclear to transfer all Nucleus Shares which are held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the Nucleus Shareholders concerned.

Completion of the Offer is conditional, among other things, on FCA approval. James Hay Holdings has submitted the applicable forms and associated documentation to the FCA. While the FCA now has a statutory timetable within which to give or refuse its approval, as at the Latest Practicable Date that timetable had not commenced. In consequence, Nucleus Shareholders who accept the Offer may be unable to withdraw their acceptance and may have to wait to receive their Cash Consideration (or for the Offer to lapse) for longer than would be the case were no FCA approval required.

General

All remittances, communications, notices, certificates and documents of title sent by, to or from Nucleus Shareholders or their appointed agents will be sent at their own risk.

13 Compulsory acquisition, cancellation of admission to trading of Nucleus Shares on AIM and re-registration

If the Offer becomes, or is declared, unconditional in all respects and if James Hay Holdings has, by virtue of acceptances of the Offer, acquired, or agreed to acquire, Nucleus Shares representing at least 75 per cent. of the voting rights attaching to Nucleus Shares ("**Cancellation Threshold**") James Hay Holdings intends

to procure that Nucleus make an application to the London Stock Exchange for the cancellation of the admission to trading on AIM of the Nucleus Shares. If such an application is made, it is expected that such cancellation of admission to trading on AIM will take effect approximately 40 Business Days after the date on which James Hay Holdings meets the Cancellation Threshold. If the Cancellation Threshold is met, James Hay Holdings will procure that Nucleus makes an announcement through a Regulatory Information Service confirming that the notice period has commenced the anticipated date of cancellation and will provide appropriate updates.

It is also proposed that if the Cancellation Threshold is met, Nucleus will seek to re-register as a private company.

Such cancellation of admission to trading of Nucleus Shares to trading on AIM and re-registration would significantly reduce the liquidity and marketability of any Nucleus Shares not sold pursuant to the Offer and their value may be affected as a consequence. Any remaining Nucleus Shareholders would become minority shareholders in a privately controlled limited company and may be unable to sell their Nucleus Shares and there can be no certainty that any dividends or other distributions would be made by Nucleus or that the Nucleus Shareholders would again be offered as much for the Nucleus Shares held by them as under the Offer.

If the Offer becomes, or is declared, wholly unconditional and James Hay Holdings receives acceptances under the Offer in respect of, and/or otherwise acquires, not less than 90 per cent. of the Nucleus Shares by nominal value and voting rights attaching to such shares to which the Offer relates, James Hay Holdings intends to apply the provisions of sections 974 to 991 (inclusive) of the Companies Act 2006 to acquire compulsorily any outstanding Nucleus Shares to which the Offer relates not acquired, or agreed to be acquired, pursuant to the Offer or otherwise.

14 Conditions to the Offer

The Offer is subject to the Conditions and further terms set out in Appendix 1 to this document.

15 Further information

The Offer will remain open for acceptance until 1.00 p.m. on 4 May 2021 or such later time(s) and/or date(s) as James Hay Holdings may decide in accordance with the provisions contained in paragraph 1 of Part C of Appendix 1 of this document.

Your attention is drawn to Appendices 1 to 6, which form part of this document, and (if you hold your Nucleus Shares in certificated form) to the accompanying Form of Acceptance.

16 Action to be taken

If you hold your Nucleus Shares in certificated form (that is, not in CREST), you are urged to complete, sign and return the Form of Acceptance by post to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, as soon as possible but, in any event, so as to be received by no later than 1.00 p.m. on 4 May 2021. Your share certificate(s) or other document(s) should be enclosed with your completed Form of Acceptance. A first class reply-paid envelope is enclosed for your convenience if you are posting your documents in the United Kingdom.

If you hold your Nucleus Shares in uncertificated form (that is, in CREST), you should follow the procedure set out in paragraph 11(b) of this letter and ensure that an Electronic Acceptance is made by you or on your behalf and has settled no later than 1.00 p.m. on 4 May 2021.

Yours faithfully

Richard Rowney
Director

For and on behalf of James Hay Holdings Limited

APPENDIX 1

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

Part A: Conditions to the Offer and the Acquisition

The Acquisition will be conditional on:

Acceptance Conditions

- (A) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 p.m. on the first closing date of the Offer (or such later time(s) and/or date(s) as James Hay Holdings may, in accordance with the Code or with the consent of the Panel, decide) in respect of not less than 75 per cent. (or such lower percentage as James Hay Holdings may decide) of the Nucleus Shares to which the Offer relates and of the voting rights attached to those shares, provided that this Condition will not be satisfied unless James Hay Holdings and/or any of its wholly-owned subsidiaries shall have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Nucleus Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Nucleus, including for this purpose (except to the extent otherwise agreed by the Panel) 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.

For the purposes of this Condition:

- (i) Nucleus Shares which have been unconditionally allotted but not 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, shall be deemed to carry the voting rights they will carry upon issue;
- (ii) the expression "Nucleus Shares to which the Offer relates" shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act; and
- (iii) valid acceptances shall be deemed to have been received in respect of Nucleus Shares which are treated for the purposes of the Companies Act as having been acquired or contracted to be acquired by James Hay Holdings by virtue of acceptances of the Offer.

Approval under FSMA

- (B) 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 of or increase in control,

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

Other regulatory approvals

- (C) 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

- (D) other than in respect of Condition (B) 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;

- (E) other than in relation to the regulatory approvals referred to in Condition (B) 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.

(F) 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

(G) 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 the Original Announcement; or (iii) for Nucleus Shares to be issued to satisfy the exercise of Awards after the date of the Original 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 the Original Announcement; or (iii) for Nucleus Shares to be issued to satisfy the exercise of Awards after the date of the Original 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 the Original Announcement, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-Nucleus Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) which is material in the context of the Wider Nucleus Group taken as a whole;
- (v) save for intra-Nucleus Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (vi) issued, authorised or proposed the issue of any debentures or (save for intra-Nucleus Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability;
- (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (viii) other than pursuant to the Acquisition (and except for transactions between Nucleus and its wholly-owned subsidiaries or between wholly-owned subsidiaries of Nucleus which are not material in the context of the Wider Nucleus Group) implemented, or authorised, proposed or announced its intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement;
- (ix) entered into or changed the terms of any contract with any director or senior executive;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Nucleus Group or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business and which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;
- (xi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it and not subsequently withdrawn for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (xii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Nucleus Group other than to a nature and extent which is normal in the context of the business concerned, and in each such case which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;

- (xiii) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would be reasonably likely to be material in the context of the Wider Nucleus Group taken as a whole;
- (xiv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xv) having made or agreed or consented to any change to:
 - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Nucleus Group for its directors, employees or their dependents;
 - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,
 in each case, to an extent which is material in the context of the Wider Nucleus Group taken as a whole;
- (xvi) proposed, agreed to provide or modified the terms of the Nucleus Share Plans or any share option scheme, incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Nucleus Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Nucleus Group, save as agreed by the Panel or by James Hay Holdings; or
- (xvii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Nucleus Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code;

No adverse change, litigation or regulatory enquiry

(H) 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

- (I) 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

- (J) 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

- (K) 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; certain further terms of the Offer

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

Conditions (B) to (K) inclusive must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 21st calendar day after the later of the First Closing Date and the date on which Condition (A) is fulfilled (or, in each case, such later date as the Takeover Panel may agree), failing which the Offer will lapse. James Hay Holdings shall be under no obligation to waive (if capable of waiver) or determine to be, or treat as, satisfied, any of the Conditions contained in Paragraph (B) to (K) in Part A above by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other Conditions may at such earlier date have been waived or satisfied and that there are, at such earlier date, no circumstances indicating that any of such Conditions may not be capable of satisfaction. In any event, all of the Conditions must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 81st day following the date on which the Offer Document is published or such other date as may be agreed with the Panel.

Under Rule 13.5(a) of the Code, James Hay Holdings may not invoke a Condition 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. Condition (A) is not subject to this provision of the Code.

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

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 prior to the completion of the Offer, 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 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.

The Offer is governed by English law and subject to the jurisdiction of the English courts and to the Conditions and terms set out in this Appendix.

Part C: Further terms of the Offer

The following further terms apply, unless the context requires otherwise, to the Offer.

Unless the context requires otherwise, any reference in Parts B, C and D of this Appendix 1 and in the Form of Acceptance to:

- (a) **"acceptance of the Offer"** includes deemed acceptances of the Offer;
- (b) the Offer **"becoming unconditional as to acceptances"** means the Offer being or becoming or being declared unconditional as to acceptances by virtue of the Acceptance Condition having become or been declared fulfilled, whether or not any other Condition remains to be satisfied;
- (c) the Offer **"becoming unconditional in all respects"** means the Offer being or becoming or being declared unconditional in all respects;
- (d) **"Day 39"** means 22 May 2021 (or such other date as James Hay Holdings may decide with the agreement of the Panel);
- (e) **"Day 46"** means 29 May 2021 (or such other date as James Hay Holdings may decide with the agreement of the Panel);
- (f) **"Day 60"** means 12 June 2021 (or such other date as James Hay Holdings may decide with the agreement of the Panel to be the last date for fulfilment of the acceptance condition in accordance with the Takeover Code);
- (g) an **"extension of the Offer"** includes a reference to an extension of the date by which the Acceptance Condition has to be fulfilled; and
- (h) **"First Closing Date"** means 4 May 2021.

The following further terms apply, unless the context requires otherwise, to the Offer:

1 Acceptance Period

- (a) The Offer will initially be open for acceptance until 1.00 p.m. on the First Closing Date. James Hay Holdings reserves the right (but will not be obliged, other than as may be required by the Code) at any time and from time to time to extend the Offer after such time and, in such event, it will make an announcement of such extension in the manner described in paragraph 3 of this Part C and give oral or written notice of such extension to the Receiving Agent.
- (b) Although no revision is contemplated, if the Offer is revised it will remain open for acceptance for a period of at least 14 days (or such other period as may be permitted by the Panel) after the date on which James Hay Holdings publishes the revised offer documentation. Except with consent of the Panel, no revision of the Offer may be made or revised offer documentation published after Day 46, or, if later, the date which is 14 days before the last date on which the Offer can become unconditional as to acceptances.
- (c) The Offer, whether revised or not, shall not (except with the consent of the Panel or as otherwise permitted by the Code) be capable of becoming unconditional as to acceptances after 12.00 midnight on Day 60 (or any other time and/or date beyond which James Hay Holdings has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement), nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional as to acceptances provided that James Hay Holdings reserves the right, with the consent of the Panel, to extend the time for the Offer to become unconditional to a later time(s) and/or date(s). Unless the Panel agrees otherwise, if the Offer has not become unconditional as to acceptances at such time (taking account of any permitted extension of the Offer), the Offer will lapse in the absence of a competing bid. If the Offer lapses for any reason, the Offer will cease to be capable of further acceptance and James Hay Holdings and Nucleus Shareholders will cease to be bound by prior acceptances.
- (d) If the Offer becomes unconditional as to acceptances, it will remain open for acceptance for not less than 14 days from the date on which it would otherwise have expired. If the Offer has become unconditional as to acceptances and it is stated by or on behalf of James Hay Holdings that the Offer

will remain open until further notice or if the Offer will remain open for acceptance beyond the 70th day following publication of this document, then not less than 14 days' notice in writing will be given by or on behalf of James Hay Holdings prior to the closing of the Offer to those Nucleus Shareholders who have not accepted the Offer.

- (e) If a competitive situation arises or further develops (as determined by the Panel) after James Hay Holdings has made a "no extension" statement (as referred to in the Code) in relation to the Offer, James Hay Holdings may, if it specifically reserved the right to do so at the time such statement was made (or otherwise with the Panel's consent), choose not to be bound by or withdraw such statement and to extend the Offer provided that it complies with the requirements of the Code and, in particular, that:
 - (i) it announces the withdrawal and that it is free to extend the Offer (as appropriate) as soon as possible and in any event within four Business Days of the firm announcement of the competing offer or other competitive situation;
 - (ii) it sends a notice to Nucleus Shareholders (and persons with information rights) at the earliest opportunity to that effect or, in the case of Nucleus Shareholders with registered addresses outside the UK or whom James Hay Holdings reasonably believes to be a nominee, trustee, agent or custodian holding Nucleus Shares for such persons, by announcement in the UK; and
 - (iii) any Nucleus Shareholder who accepted the Offer after the date of the "no extension" statement is given a right of withdrawal in accordance with paragraph 4(d) of this Part C.
- (f) James Hay Holdings may, if it specifically reserved the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a "no extension" statement and may publish an extended offer if it is recommended for acceptance by the Nucleus Directors, or in any other circumstance permitted by the Panel.
- (g) If Nucleus announces material new information of the kind referred to in Rule 31.9 of the Code after Day 39, James Hay Holdings may choose not to be bound by a "no extension" statement if it specifically reserved the right to do so at the time such statement is made (or otherwise with the consent of the Panel) and to be free to extend the Offer, if permitted by the Panel, provided that it:
 - (i) announces the withdrawal and that it is free to extend the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of announcement by Nucleus; and
 - (ii) sends a notice to Nucleus Shareholders (and persons with information rights) at the earliest opportunity to that effect or, in the case of Nucleus Shareholders with registered addresses outside the UK or whom James Hay Holdings reasonably believes to be a nominee, trustee, agent or custodian holding Nucleus Shares for such persons, by announcement in the UK.
- (h) If a competitive situation arises or further develops (as determined by the Panel) and is continuing on the Business Day immediately preceding Day 60, James Hay Holdings will enable holders of Nucleus Shares in uncertificated form who have not already validly accepted the Offer but who have previously accepted the competing offer to accept the Offer by special form of acceptance to take effect on Day 60 (or such other date as agreed with the Panel). The special form of acceptance shall constitute a valid acceptance of the Offer provided that:
 - (i) it is received by the Receiving Agent on or before Day 60 (or such other date as agreed with the Panel);
 - (ii) the relevant Nucleus Shareholder shall have applied to withdraw his acceptance of the competing offer but that the Nucleus Shares to which such withdrawal relates shall not have been released from escrow by the escrow agent to the competing offer before Day 60 (or such other date as agreed with the Panel); and
 - (iii) the Nucleus Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from James Hay Holdings in Part II of this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter.

Nucleus Shareholders wishing to use such special forms of acceptance should apply to the Receiving Agent, Equiniti, on 0371 384 2050 (when telephoning from inside the UK) or on +44 371 384 2050 (when telephoning from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 8.30 a.m.– 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Notwithstanding the right to use such special form of acceptance, holders of Nucleus Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

2 Acceptance Condition

- (a) Except with the consent of the Panel, for the purpose of determining at any particular time whether the Acceptance Condition is satisfied, James Hay Holdings may only take into account acceptances received, or purchases of Nucleus Shares made, in respect of which relevant documents and/or TTE Instructions are received by the Receiving Agent:
- (i) by 1.00 p.m. on Day 60 (or any other time and/or date beyond which James Hay Holdings has stated that the Offer will not be extended and in respect of which it has not, where permitted, withdrawn that statement); or
 - (ii) if the Offer is extended with the consent of the Panel, such later time(s) and/or date(s) as James Hay Holdings may, with the permission of the Panel, determine.

If the latest time at which the Offer may become unconditional as to acceptances is extended beyond midnight on Day 60, acceptances received and purchases made in respect of which the relevant documents have been received by the Receiving Agent after 1.00 p.m. on the relevant date may (except where the Code otherwise permits) only be taken into account with the agreement of the Panel.

3 Announcements

- (a) Without prejudice to paragraph 4(b) of this Part C, by 8.00 a.m. on the next Business Day (the “**relevant day**”) following the day on which the Offer is due to expire, or becomes or is declared unconditional as to acceptances, or is revised or extended, as the case may be (or such later time(s) or date(s) as the Panel may agree), James Hay Holdings will make an appropriate announcement through a Regulatory Information Service. Such announcement will state (unless otherwise permitted by the Panel):
- (i) the total number of Nucleus Shares for which acceptances of the Offer have been received showing (A) the extent, if any, to which such acceptances have been received from person(s) acting or deemed to be acting in concert with James Hay Holdings for the purposes of the Offer; and (B) which were the subject of an irrevocable commitment or a letter of intent procured by James Hay Holdings or any persons acting in concert with it;
 - (ii) details of any relevant securities of Nucleus in which James Hay Holdings or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions over 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, will also be stated;
 - (iii) details of any relevant securities of Nucleus in respect of which James Hay Holdings or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
 - (iv) details of any relevant securities of Nucleus which James Hay Holdings or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold, and

will specify the percentage of each class of relevant securities of Nucleus represented by these figures. The announcement shall include a prominent statement of the total number of Nucleus Shares which James Hay Holdings may count towards the satisfaction of the Acceptance Condition and the percentage of Nucleus Shares represented by this figure.

- (b) Except as otherwise agreed by the Panel, in calculating the number of Nucleus Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the Acceptance Condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the Code are satisfied (unless the Panel agrees otherwise). Subject to this, James Hay Holdings may include or exclude for announcement purposes acceptances and/or purchases which are not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE Instruction or which are subject to verification.
- (c) Any decision to extend the time and/or date by which the Acceptance Condition has to be fulfilled may be made at any time up to, and will be announced not later than, 8.00 a.m. on the relevant day (as defined in paragraph 3(a) of this Part C) or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry date unless the Offer is then unconditional as to acceptances, in which case it may instead state that the Offer will remain open until further notice.
- (d) In this Appendix 1, references to the making of an announcement or the giving of notice by or on behalf of James Hay Holdings include, in each case, the release of an announcement by James Hay Holdings' public relations consultants or by Fenchurch Advisory Partners (James Hay Holdings' financial adviser) or by any other nominee of James Hay Holdings, in each case on behalf of James Hay Holdings to the press; and/or (ii) the transmission by whatever means of an announcement through a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).
- (e) A copy of any announcement made by James Hay Holdings in accordance with this paragraph 3 of Part C will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on James Hays' website at www.jameshay.co.uk as soon as possible and in any event by no later than 12 noon on the Business Day following the announcement.
- (f) Without limiting the manner in which James Hay Holdings may choose to make any public statement and subject to James Hay Holdings' obligations under applicable law and rules and paragraph 3(e) above, James Hay Holdings will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

4 Rights of withdrawal

- (a) Except as provided by this paragraph 4 of Part C or as may otherwise be agreed in writing between James Hay Holdings and any particular Nucleus Shareholder in accordance with the Code, acceptances of and elections by Nucleus Shareholders under the Offer shall be irrevocable.
- (b) If James Hay Holdings, having announced the Offer to be unconditional as to acceptances, fails to comply by 3.30 p.m. on the relevant day (as defined in paragraph 3(a) of this Part C) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 3(a) of this Part C, an accepting Nucleus Shareholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Offer: (i) in the case of Nucleus Shares held in certificated form, by written notice or otherwise signed by the accepting Nucleus Shareholder (or his agent duly appointed in writing and evidence of whose appointment, in a form reasonably satisfactory to James Hay Holdings, is produced with the notice) given by post to the Receiving Agent, Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or (ii) in the case of Nucleus Shares held in uncertificated form, in the manner set out in paragraph 4(f) of this Part C. Subject to paragraph 1(c) of this Part C, this right of withdrawal may be terminated not less than eight days after the relevant day by James Hay Holdings confirming, if it be the case, that the Offer is still unconditional as to acceptances, and complying with the other requirements specified in paragraph 3(a) of this Part C. If any such confirmation is given, the first period of 14 days referred to in paragraph 1(d) of this Part C will run from the date of that confirmation.

- (c) If by 1.00 p.m. on the day falling 21 days after the First Closing Date (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional as to acceptances, an accepting Nucleus Shareholder may withdraw his acceptance of the Offer at any time thereafter: (i) by written notice in the manner referred to in paragraph 4(b) of this Part C; or (ii) if the relevant Nucleus Shares are held in uncertificated form, in the manner set out in paragraph 4(f) of this Part C, until the earlier of:
- (i) the time when the Offer becomes unconditional as to acceptances; and
 - (ii) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 2(a) of this Part C.
- (d) If a “no extension” statement is withdrawn in accordance with paragraph 1(e) of this Part C, any Nucleus Shareholder who accepts the Offer after the date of the statement may withdraw his acceptance: (i) in the manner referred to in paragraph 4(b) of this Part C; or (ii) if the relevant Nucleus Shares are held in uncertificated form, in the manner set out in paragraph 4(f) of this Part C, no later than the eighth day after the date on which James Hay Holdings sends the notice of the withdrawal of that statement to Nucleus Shareholders.
- (e) In this paragraph 4, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting Nucleus Shareholder(s) (or his/ their agent(s) duly appointed in writing and evidence of whose appointment is produced with the notice in a form satisfactory to James Hay Holdings) given to the Receiving Agent by post or (during normal business hours only) by hand to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. E-mail, facsimile, the internet or other electronic transmission, or copies, will not be sufficient to constitute written notice. A notice which is post-marked in, or otherwise appears to James Hay Holdings or its agents to have been sent from, a Restricted Jurisdiction, may not be treated as valid. The notice must include all relevant information to enable the Receiving Agent to identify the Nucleus Shares to be withdrawn and a contact telephone number for the Nucleus Shareholder.
- (f) In the case of Nucleus Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraphs 4(b), 4(c) or 4(d) of this Part C, an accepting Nucleus Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
- (i) the number of Nucleus Shares to be withdrawn, together with their ISIN number which is GB00BG226J60;
 - (ii) the member account ID of the accepting shareholder, together with his participant ID;
 - (iii) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance to be withdrawn (which is 5RA29);
 - (iv) the Escrow Agent’s participant ID (which is JAMNUC01);
 - (v) the CREST transaction reference number of the Electronic Acceptance to be withdrawn to be inserted at the beginning of the shared note field;
 - (vi) the intended settlement date for the withdrawal;
 - (vii) the corporate action number for the Offer allocated by Euroclear; and
 - (viii) input with a standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will, on behalf of James Hay Holdings, either reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) message or a receiving agent accept (AEAN) message, as appropriate.

- (g) If an accepting Nucleus Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and the Receiving Agent will immediately give TFE Instructions for the release of securities held in escrow to the original balance(s) of the Nucleus Shareholder concerned.
- (h) Nucleus Shares in respect of which acceptances have been validly withdrawn in accordance with this paragraph 4 of Part C may subsequently be re-assented to the Offer by following one of the procedures set out in paragraph 11 of the letter from James Hay Holdings contained in Part II of this document at any time while the Offer remains open for acceptance.
- (i) Any question as to the validity (including time of receipt) of any notice of withdrawal will be determined by James Hay Holdings, whose determination (save as the Panel otherwise determines) will be final and binding. None of James Hay Holdings, Fenchurch Advisory Partners (James Hay Holdings' financial adviser), the Receiving Agent, or any other person will be under any duty to give notification of any defect or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph 4 of this Part C.

5 Revisions of the Offer

- (a) Although no revision of the Offer is contemplated, if the Offer (in its original or any previously revised form(s)) is revised (either in its terms or conditions or in the value or nature of the consideration offered or otherwise), the benefit of the revised Offer will, subject to paragraphs 5(c), 5(d) and 8 of this Part C, be made available to any Nucleus Shareholder who has accepted the Offer (or re-assented to it), in its original or any previously revised form(s), and who has not validly withdrawn such acceptance (a **previous acceptor**). The acceptance of the Offer by or on behalf of a previous acceptor in its original or any previously revised form(s) shall, subject to as provided in paragraphs 5(c), 5(d) and 8 of this Part C, be deemed an acceptance of the revised Offer and shall constitute the irrevocable and separate appointment of each of James Hay Holdings and any director of, or person authorised by, James Hay Holdings, or James Hay Holdings' financial adviser and each of its directors, as his attorney and/or agent with authority:
 - (i) to accept any such revised Offer on behalf of such previous acceptor;
 - (ii) if the revised Offer includes alternative form(s) of consideration, to make on his behalf elections for and/or accept alternative form(s) of consideration in the proportions which the attorney and/or agent in his absolute discretion thinks fit; and
 - (iii) to execute on behalf of and in the name of such previous acceptor all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/ or elections.

In making any such election and/or acceptance, the attorney and/or agent will be able to take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of a previous acceptor and such other facts or matters as he may reasonably consider relevant, and shall not be liable to any Nucleus Shareholder or other person with respect to the making of any such election and/or acceptance or in making any determination relating thereto.

- (b) The powers of attorney and authorities conferred by this paragraph 5 and any acceptance of a revised Offer and/or any election pursuant thereto shall be irrevocable unless and until the previous acceptor becomes entitled to withdraw his acceptance under paragraph 4 of this Part C and duly and validly does so.
- (c) The deemed acceptance and/or election referred to in paragraph 5(a) of this Part C shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised, to the extent that a previous acceptor:
 - (i) in respect of Nucleus Shares in certificated form, lodged with the Receiving Agent, within 14 days of the publication of the document containing the revised Offer, a Form of Acceptance (or other form validly issued by or on behalf of James Hay Holdings) in which the Nucleus Shareholder validly elects to receive the consideration receivable by him under such revised Offer in some other manner; or

- (ii) in respect of Nucleus Shares in uncertificated form, sends (or, if a CREST sponsored member, procures that his CREST sponsor sends) an ESA Instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be varied. Each ESA Instruction must, in order for it to be valid and settle, include the following details:
 - (A) the number of Nucleus Shares in respect of which the changed election is made, together with their ISIN number this is GB00BG226J60;
 - (B) the member account ID of the previous acceptor, together with his participant ID;
 - (C) the member account ID of the Escrow Agent included in the relevant Electronic Acceptance (which is 5RA29);
 - (D) the Escrow Agent's participant ID (which is JAMNUC01);
 - (E) the CREST transaction reference number of the Electronic Acceptance in respect of which the election is to be changed to be inserted at the beginning of the shared note field;
 - (F) the intended settlement date for the changed election;
 - (G) the corporate action number for the Offer allocated by Euroclear; and, in order that the desired change of election can be effected, must include:
 - (H) the member account ID of the Escrow Agent relevant to the new election; and
 - (I) input with a standard delivery instruction priority of 80.

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will, on behalf of James Hay Holding, reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message, as appropriate.

- (d) The deemed acceptance and/or election referred to in paragraph 5(a) of this Part C shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised if, as a result, the previous acceptor would (on such basis as James Hay Holdings' financial adviser may reasonably consider appropriate) receive less in aggregate in consideration under the revised Offer or otherwise than he would have received in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such previous acceptor or on his behalf.
- (e) James Hay Holdings reserves the right to treat an executed Form of Acceptance or TTE Instruction in respect of the Offer (in its original or any previously revised form(s)) which is received (or dated) on or after the announcement of any revised Offer as a valid acceptance of the revised Offer (and, where applicable, a valid election for or acceptance of any of the alternative forms of consideration). Such acceptance shall constitute an authority in the terms of paragraph 5(a) of this Part C, *mutatis mutandis*, on behalf of the relevant Nucleus Shareholder.
- (f) Although no revision is contemplated, if the Offer is revised, a revised offer document will be published. On the day of publication, the document will be published on Nucleus' website and James Hay Holdings will announce that the document has been so published. If the revised offer document is published, both James Hay Holdings and Nucleus will make the revised offer document readily available to the representatives of the employees of James Hay Holdings (if any) and Nucleus, respectively, or, where there are no such representatives, to the employees themselves. In addition, James Hay Holdings will make the revised offer document readily available to the trustee of Nucleus' pension schemes (if any).
- (g) If a competitive situation arises or further develops (as determined by the Panel) after the date of this document, James Hay Holdings may (with the consent of the Panel) extend or revise the Offer provided it complies with the requirements of the Code.

6 Acceptances and purchases

- (a) Subject to the Code, and notwithstanding any other provision of this Part C, James Hay Holdings reserves the right to treat as valid in whole or in part any acceptance of the Offer if received by the Receiving Agent or otherwise on behalf of James Hay Holdings which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or

other relevant document(s) of title or not accompanied by the relevant TTE Instruction or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or James Hay Holdings otherwise than as set out in this document or (in respect of Nucleus Shares held in certificated form) in the Form of Acceptance. In that event, no settlement of consideration under the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to James Hay Holdings have been received by the Receiving Agent.

- (b) Except as otherwise agreed by the Panel:
- (i) an acceptance of the Offer will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied with respect to it;
 - (ii) a purchase of Nucleus Shares by James Hay Holdings or its nominee(s) (or, if James Hay Holdings is required to make an offer for Nucleus Shares pursuant to Rule 9 of the Code, by a person acting in concert with James Hay Holdings or its nominee(s) for the purpose of such offer(s)) will only be counted towards fulfilling the Acceptance Condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied with respect to it;
 - (iii) Nucleus Shares which have been borrowed by James Hay Holdings may not be counted towards fulfilling the Acceptance Condition; and
 - (iv) before the Offer may become or be declared unconditional as to acceptances, the Receiving Agent shall issue a certificate to James Hay Holdings, James Hay Holdings' financial adviser and their respective agents which states the number of Nucleus Shares in respect of which acceptances have been received and not validly withdrawn, and the number of Nucleus Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 6(b) of this Part C. A copy of the certificate will be sent to the Panel and Nucleus' financial advisers as soon as possible after it is issued.
- (c) For the purpose of determining at any particular time whether the Acceptance Condition is satisfied, James Hay Holdings is not bound (unless otherwise required by the Panel) to take into account any Nucleus Shares which have been unconditionally allotted or issued or which arise as the result of the exercise of subscription or conversion rights before the determination takes place unless written notice containing relevant details of the allotment, issue, subscription or conversion has been received from Nucleus or its agent before that time by James Hay Holdings or the Receiving Agent on behalf of James Hay Holdings at the address specified in paragraph 4(b) of this Part C. E-mail, facsimile, the internet or other electronic transmission, or copies, will not constitute written notice for this purpose.
- (d) In relation to any acceptance of the Offer in respect of Nucleus Shares held in uncertificated form, James Hay Holdings reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the Panel's consent.
- (e) For the purposes of this document, the time of receipt of a TTE Instruction, an ESA Instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.

7 General

- (a) The Offer is subject to the satisfaction (or waiver, if permitted) of the Conditions and to the full terms and conditions set out in this Appendix 1 and the Form of Acceptance.
- (b) Each of the Conditions shall be regarded as a separate Condition, and shall not be limited by reference to any other Condition.
- (c) The Offer is made at 1.00 p.m. on 13 April 2021 and is capable of acceptance from that date and after that time. Copies of this document, the Form of Acceptance and any related documents are available from the Receiving Agent at the address set out in paragraph 4(b) of this Part C from that time.

- (d) If the Offer lapses for any reason:
- (i) it will cease to be capable of further acceptance;
 - (ii) James Hay Holdings and accepting Nucleus Shareholders will cease to be bound by: (i) in the case of Nucleus Shares held in certificated form, Forms of Acceptance submitted; and (ii) in the case of Nucleus Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
 - (iii) in respect of Nucleus Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing, at the risk of the Nucleus Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in a Restricted Jurisdiction; and
 - (iv) in respect of Nucleus Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days from the lapsing of the Offer), give TFE Instructions to Euroclear to transfer all Nucleus Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of Nucleus Shareholders concerned;
- (e) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same respective meanings when used in the Form of Acceptance unless the context otherwise requires. The provisions of Parts A, B and C of Appendix 1 shall be deemed to be incorporated in, and form part of, the Form of Acceptance.
- (f) Except with the Panel's consent:
- (i) settlement of the consideration to which any Nucleus Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which James Hay Holdings or James Hay Holdings' financial adviser may otherwise be, or claim to be, entitled as against such Nucleus Shareholder; and
 - (ii) settlement of the consideration to which any Nucleus Shareholder is entitled will be effected: (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes unconditional in all respects, within 14 days of such date, or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt, in the manner prescribed in paragraph 11 of the letter from James Hay Holdings contained in Part II of this document.

Subject to paragraph 8 of this Part C, James Hay Holdings reserves the right not to send any consideration to an address in any Restricted Jurisdiction.

- (g) Any omission or failure to dispatch this document, (where relevant) the Form of Acceptance, any other document relating to the Offer or any notice required to be dispatched under the terms of the Offer, to (or any failure to receive the same by) any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way nor be treated as meaning, expressly or by implication, that the Offer has not been made to any such person. Subject to paragraph 8 of this Part C, the Offer extends to all Nucleus Shareholders to whom this document, the Form of Acceptance and or related documents may not be sent, or who may not receive such documents. Any and all such persons may collect copies of all such documents from the Receiving Agent at the address set out in paragraph 4(b) of this Part C or inspect this document, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on the website maintained by Nucleus at www.nucleusfinancial.com/investors while the Offer remains open for acceptances.

- (h) All powers of attorney, appointments as agent and authorities on the terms conferred by or referred to in this Appendix 1, or (where relevant) in the Form of Acceptance, are given by way of security for the performance of the obligations of the Nucleus Shareholder concerned and are irrevocable (in respect of powers of attorney, in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of such power of attorney, appointment or authority is entitled to withdraw his acceptance in accordance with paragraph 4 of this Part C and duly and validly does so.
- (i) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from any Nucleus Shareholders (or their designated agent(s)) will be delivered by or sent to or from them (or their designated agent(s)) at their risk. No acknowledgement of receipt of any Form of Acceptance, Electronic Acceptance, transfer by means of CREST, communication, notice, share certificate and/or other document of title will be given by or on behalf of James Hay Holdings.
- (j) If, assuming that all of the other Conditions have been satisfied or waived (if capable of being waived), sufficient acceptances are received and/or sufficient Nucleus Shares are otherwise acquired, James Hay Holdings intends to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily any Nucleus Shares not acquired or agreed to be acquired by or on behalf of James Hay Holdings pursuant to the Offer or otherwise on the same terms as the Offer. After the Offer becomes or is declared unconditional in all respects and if James Hay Holdings has by virtue of its shareholdings and acceptances of the Offer acquired, or agreed to acquire, issued share capital carrying 75 per cent. or more of the voting rights of Nucleus, it is intended that, not less than approximately 40 Business Days after the date on which James Hay Holdings acquired, or agreed to acquire such issued share capital, James Hay Holdings will procure that Nucleus makes an application for the cancellation of the admission to trading on AIM of the Nucleus Shares.
- (k) If the expiry date of the Offer is extended, a reference in this document and in the Form of Acceptance to the expiry date of the Offer, to the First Closing Date or to 4 May 2021 shall (except in paragraph 1(a) of this Part C, the definition of Offer Period, and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.
- (l) Neither James Hay Holdings nor any person acting on behalf of James Hay Holdings, shall have any liability to any person for any loss or alleged loss arising from any decision as to the treatment of acceptances of the Offer or otherwise in connection therewith (including on any of the bases set out below in paragraph 8 of this Part C).
- (m) All references in this Appendix 1 to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date of this document).
- (n) Any references in this Appendix 1 to the return or dispatch of documents by post shall extend to the return or dispatch by such other method as the Panel may approve.
- (o) The Offer, the Form of Acceptance and Electronic Acceptances, all acceptances of the Offer, all elections in respect of it, all contracts made pursuant to the Offer, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between a Nucleus Shareholder and James Hay Holdings, James Hay Holdings' financial adviser or the Receiving Agent are governed by and shall be construed in accordance with English law.
- (p) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a Nucleus Shareholder will constitute their agreement that the courts of England are (subject to paragraph 7(q) of this Part C of Appendix 1) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that they irrevocably submit to the jurisdiction of the English Courts.
- (q) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a Nucleus Shareholder will constitute their agreement that the agreement in paragraph 7(p) of this Part C is included for the benefit of James Hay Holdings, James Hay Holdings' financial adviser and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in paragraph 7(p) of

this Part C, James Hay Holdings, James Hay Holdings' financial adviser and the Receiving Agent shall each retain the right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the accepting Nucleus Shareholder irrevocably submits to the courts of any such country.

- (r) The Offer is subject to the applicable requirements of the AIM Rules, the FCA, the London Stock Exchange and the Code.
- (s) All questions as to the validity of any acceptance of the Offer and all questions as to, or the acceptance of, any words or markings on a Form of Acceptance will be determined by James Hay Holdings whose determination (except as required by the Panel) will be final and binding. None of James Hay Holdings, James Hay Holdings' financial adviser, the Receiving Agent, or any other person will be under any duty to give notification of any defects or irregularities in any purported acceptance of the Offer or will incur any liability for failure to give such notification or for any determination under this paragraph.

8 Overseas Shareholders

- (a) The making of the Offer to Overseas Shareholders (or to persons who are nominees of, or agents, custodians or trustees for, such persons) or in jurisdictions outside the UK may be prohibited or affected by the laws of the relevant jurisdiction. Before taking any action in relation to the Offer, Overseas Shareholders should fully inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction. Any such Overseas Shareholder shall be responsible for any issue, transfer or other taxes or duties or other payments by whomsoever payable, and James Hay Holdings (and any person acting on its behalf) shall be fully indemnified and held harmless by such Overseas Shareholders for any such issue, transfer or other taxes or duties or other payments which James Hay Holdings (or any person acting on its behalf) may be required to pay. If you are an Overseas Shareholder and you are in any doubt about your position, you should consult your independent financial adviser in the relevant jurisdiction.
- (b) The Offer is being made into all jurisdictions where it is capable of being lawfully made in compliance with local laws. Unless otherwise determined by James Hay Holdings or required by the Code, and permitted by applicable law and regulation, the Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of foreign or interstate commerce of, or any facilities of a national, state or other securities exchange of, any Restricted Jurisdiction, and shall not be capable of acceptance by any such use, means, instrumentality or facility or from or within any Restricted Jurisdiction unless otherwise determined by James Hay Holdings.
- (c) Copies of this document, the Form of Acceptance and any related documents are not being (unless determined otherwise by James Hay Holdings in its sole discretion or required by the Code, and permitted by applicable law and regulation), and must not be, directly or indirectly mailed, transmitted or otherwise forwarded, distributed, sent or otherwise made available in, into or from a Restricted Jurisdiction including to Nucleus Shareholders or persons with information rights or participants in the Nucleus Share Incentive Schemes with registered addresses in a Restricted Jurisdiction or to persons whom James Hay Holdings reasonably believes to be agents, custodians, trustees or nominees holding Nucleus Shares for persons with registered addresses in a Restricted Jurisdiction. Persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, distribute, send or otherwise make them available in, into or from a Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose, directly or indirectly, in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.
- (d) Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to acceptance of the Offer. All Nucleus Shareholders (including nominees, trustees or custodians) who may have a

contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance and/or related document, should read the further details in this regard which are contained in this paragraph 8 of Part C and in Parts D and E of Appendix 1 before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be post-marked in, or otherwise dispatched from, a Restricted Jurisdiction and all acceptors of the Offer must provide an address outside a Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.

- (e) If, despite the restrictions described above, any person (including, without limitation, any agent, custodian, nominee and/or trustee), whether pursuant to a contractual or legal obligation or otherwise, sends, forwards or otherwise distributes this document, the Form of Acceptance or any related documents in, into or from a Restricted Jurisdiction or uses the mail of, or any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, internet or other forms of electronic communication) of foreign or interstate commerce of, or any facilities of a national, state or other securities exchange of, a Restricted Jurisdiction in connection with such forwarding, such person should:
 - (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance or election by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 8.
- (f) Subject to the provisions of this paragraph 8 of Part C and applicable law, a Nucleus Shareholder may be deemed NOT to have validly accepted the Offer if:
 - (i) he puts "NO" in Box 5 of the Form of Acceptance and thereby does not give the representations and warranties set out in paragraph (c) of Part D of this Appendix 1;
 - (ii) he has a registered address in a Restricted Jurisdiction or completes Box 6 of the Form of Acceptance with an address in a Restricted Jurisdiction and in either case does not insert in Box 6 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
 - (iii) he inserts in Box 6 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he wishes the consideration to which he is entitled under the Offer to be sent;
 - (iv) a Form of Acceptance received from him is received in an envelope post-marked in, or otherwise appears to James Hay Holdings or its agents to have been sent from, any Restricted Jurisdiction;
 - (v) he inserts in Box 6 of the Form of Acceptance a telephone number in a Restricted Jurisdiction for use in the event of queries; or
 - (vi) he makes a Restricted Escrow Transfer pursuant to paragraph 8(h) below without also making a related Restricted ESA Instruction which is accepted by the Receiving Agent.
- (g) James Hay Holdings reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (c) of Part D or, as the case may be, paragraph (b) of Part E of this Appendix 1 could have been truthfully given by the relevant Nucleus Shareholder and, if such investigation is made and, as a result, James Hay Holdings determines (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.
- (h) If a Nucleus Shareholder holding Nucleus Shares in uncertificated form cannot give the warranty set out in paragraph (b) of Part E of this Appendix 1, but nevertheless can provide evidence satisfactory to James Hay Holdings that he is able to accept the Offer in compliance with all relevant legal and

regulatory requirements, he may purport to accept the Offer by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) both:

- (i) a TTE Instruction to a designated escrow balance detailed below (a “**Restricted Escrow Transfer**”); and
- (ii) one or more valid ESA Instructions (a “**Restricted ESA Instruction**”), which specify the form of consideration which he wishes to receive (consistent with any alternatives which may from time to time be offered under the Offer).

Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA Instruction(s) settle in CREST and James Hay Holdings decides, in its absolute discretion, to exercise its right described in paragraph 8(l) of this Part C to waive, vary or modify the terms of the Offer relating to Overseas Shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of this Part C. If James Hay Holdings accordingly decides to permit such acceptance to be made, the Receiving Agent will, on behalf of James Hay Holdings, accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will, on behalf of James Hay Holdings, reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message.

- (i) Each Restricted Escrow Transfer must, in order for it to be valid and settle, include the following details:
 - A. the ISIN number for the Nucleus Shares (which is GB00BG226J60);
 - B. the number of Nucleus Shares in respect of which the Offer is to be accepted;
 - C. the member account ID and the participant ID of the Nucleus Shareholder;
 - D. the participant ID of the Escrow Agent (which is 5RA29), and its member account ID specific to a Restricted Escrow Transfer (which is RESTRICT);
 - E. the intended settlement date;
 - F. the corporate action number for the Offer allocated by Euroclear; and
 - G. input with a standard delivery instruction priority of 80.
- (j) Each Restricted ESA Instruction must, in order for it to be valid and settle, include the following details:
 - A. the ISIN number for the Nucleus Shares (which is GB00BG226J60);
 - B. the number of Nucleus Shares relevant to that Restricted ESA Instruction;
 - C. the member account ID and participant ID of the accepting Nucleus Shareholder;
 - D. the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
 - E. the participant ID of the Escrow Agent (which is 5RA29) and its member account ID relevant to the form of consideration required (which is RESTRICT);
 - F. the CREST transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA Instruction relates;
 - G. the intended settlement date;
 - H. input with a standard delivery instruction priority of 80; and
 - I. the corporate action number for the Offer.
 - J. James Hay Holdings reserves the right to notify any matter (including the making of the Offer) to all or any Nucleus Shareholder(s):
 - (i) with registered address(es) outside the UK; or

- (ii) whom James Hay Holdings reasonably believes to be a nominee, trustee or custodian holding Nucleus Shares for persons who are citizens, residents or nationals of jurisdictions outside the UK,

by announcement in the UK through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in any daily newspaper published and circulated in the UK, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any such Nucleus Shareholders to receive or see such notice. A reference in this document to a notice or the provision of information in writing by or on behalf of James Hay Holdings shall be construed accordingly. No such document will be sent to an address in a Restricted Jurisdiction.

- (k) Notwithstanding any other provision of this paragraph 8 of this Part C, James Hay Holdings may, in its sole and absolute discretion, make the Offer to a resident in a Restricted Jurisdiction if James Hay Holdings is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of a Restricted Jurisdiction.
- (l) The provisions of this paragraph 8 and/or any other terms of the Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Overseas Shareholders or on a general basis by James Hay Holdings in its sole and absolute discretion. Subject to such discretion, the provisions of this paragraph 8 supersede any terms of the Offer inconsistent with them.
- (m) If any written notice from a Nucleus Shareholder withdrawing his acceptance in accordance with paragraph 4 of this Part C is received in an envelope post-marked in, or which otherwise appears to James Hay Holdings or its agents to have been sent from, a Restricted Jurisdiction, James Hay Holdings reserves the right, in its absolute discretion to treat that notice as invalid. Further, James Hay Holdings reserves the right to reject any elections made or purported to be made by the persons to whom this paragraph 8 of this Part C applies.
- (n) References in this paragraph 8 to a Nucleus Shareholder shall include the person or persons making an Electronic Acceptance and the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph apply to them jointly and severally.

Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

Part D: Form of Acceptance

This Part D applies to Nucleus Shares in certificated form. If you hold all your Nucleus Shares in uncertificated form you should ignore this Part D and instead read Part E.

For the purposes of this Part D of Appendix 1 and the Form of Acceptance, the phrase “**Nucleus Shares in certificated form comprised in the acceptance**” shall mean the number of Nucleus Shares inserted in Box 3 of the Form of Acceptance or, if no number is inserted (or a number greater than the relevant Nucleus Shareholder’s holding of Nucleus Shares), the greater of:

- the relevant Nucleus Shareholder’s entire holding of Nucleus Shares in certificated form as disclosed by details of the register of members made available to the Receiving Agent prior to the time the relevant Form of Acceptance is processed by them;
- the relevant Nucleus Shareholder’s entire holding of Nucleus Shares in certificated form, as disclosed by details of the register of members made available to the Receiving Agent prior to the latest time for receipt of Form(s) of Acceptance which can be taken into account in determining whether the Offer is unconditional; and
- the number of Nucleus Shares in certificated form in respect of which certificates or an indemnity in lieu thereof is received.

Without prejudice to the terms of the Form of Acceptance and the provisions of Parts A and B of this Appendix 1, each Nucleus Shareholder by whom, or on whose behalf, a Form of Acceptance is executed and lodged with the Receiving Agent (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with James Hay Holdings and the Receiving Agent (so as to bind him, his personal or legal representatives, heirs, successors and assigns):

- (a) that the execution of a Form of Acceptance, whether or not any Boxes are completed, shall constitute:
- (i) an acceptance of the Offer in respect of the number of Nucleus Shares in certificated form inserted or deemed to be inserted in Box 3 of the Form of Acceptance;
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required to enable James Hay Holdings to obtain the full benefit of this Part D of Appendix 1 and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer,

in each case on and subject to the terms and Conditions set out or referred to in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 4 of Part C of this Appendix 1, each such acceptance and undertaking shall be irrevocable provided that if (A) no boxes are completed; or (B) the total number of Nucleus Shares inserted in Box 3 is greater than the number of Nucleus Shares in certificated form comprised in the acceptance; or (C) the acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it shall be deemed to be an acceptance of the Offer in respect of all Nucleus Shares in certificated form comprised in the acceptance.

- (b) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Nucleus Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date.
- (c) that, unless “NO” is inserted in Box 5 of the Form of Acceptance, such Nucleus Shareholder:
- (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into, or from a Restricted Jurisdiction;

- (ii) has not, in connection with the Offer or the execution or delivery of the Form of Acceptance utilised, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside a Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered;
 - (iv) is not an agent or fiduciary acting on a non-discretionary basis for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction; and
 - (v) if such Nucleus Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that shall or may result in James Hay Holdings or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer;
- (d) that, in relation to Nucleus Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming wholly unconditional and to such Nucleus Shareholder not having validly withdrawn his acceptance) the irrevocable appointment of any directors of, or any person authorised by James Hay Holdings as his agent and/ or attorney with an irrevocable instruction and authorisation to such attorney to:
- (i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such attorney in relation to the Nucleus Shares comprised in the acceptance in favour of James Hay Holdings or such other persons as James Hay Holdings or its agents may direct;
 - (ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such attorney together with any share certificate or other document(s) of title for registration relating to such Nucleus Shares for registration within six months of the Offer becoming wholly unconditional; and
 - (iii) take any other action as may in the opinion of such attorney be necessary or expedient for the purposes of, or in connection with the acceptance of the Offer and to vest in James Hay Holdings (or its nominees) the full legal and beneficial ownership of Nucleus Shares in certificated form comprised in the acceptance;
- (e) that, in relation to Nucleus Shares in certificated form, the execution of the Form of Acceptance and its delivery constitutes (subject to the Offer becoming wholly unconditional in accordance with its terms and to such Nucleus Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:
- (i) to Nucleus or its agents to procure the registration of the transfer of the Nucleus Shares in certificated form comprised in the acceptance and the delivery of the share certificate(s) and other document(s) of title in respect of the Nucleus Shares to James Hay Holdings or as it may direct;
 - (ii) subject to the provisions of paragraph 5 of Part C of this Appendix 1, to James Hay Holdings, James Hay Holdings' financial advisers or their respective agents, to procure the issue and despatch by post (or such other method as may be approved by the Panel) of a cheque in respect of any Cash Consideration to which such Nucleus Shareholder is entitled under the Offer at such Nucleus Shareholder's risk, to the person or agent whose name and address (outside the Restricted Jurisdictions unless otherwise permitted by James Hay Holdings) is set out in Box 1 of the Form of Acceptance (or Box 6 (if completed)) or, if none is set out, to the first-named holder at his registered address (outside the Restricted Jurisdictions unless otherwise permitted by James Hay Holdings); and

- (iii) to James Hay Holdings, Nucleus or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of Nucleus in respect of his holding of Nucleus Shares (until such are revoked or varied);
- (f) that the execution of the Form of Acceptance constitutes the giving of authority to each of James Hay Holdings and its director(s), partners and agents within the terms set out in Part C and this Part D of this Appendix 1;
- (g) that, subject to the Offer becoming wholly unconditional (or if the Offer would become wholly unconditional or lapse on the outcome of the resolution in question) or if the Panel otherwise gives its consent in respect of Nucleus Shares in respect of which the Offer has been accepted or deemed to be accepted, which acceptance has not been validly withdrawn and pending registration in the name of James Hay Holdings, or as it may direct:
 - (i) James Hay Holdings or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to call a general or separate class meeting of Nucleus) attaching to the Nucleus Shares in certificated form comprised or deemed to be comprised in such acceptance; and
 - (ii) the execution of a Form of Acceptance by a Nucleus Shareholder shall constitute with regard to such Nucleus Shares in certificated form comprised in the acceptance:
 - (aa) an authority to Nucleus or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of Nucleus to James Hay Holdings at its registered office;
 - (bb) an irrevocable authority to any directors of, or person authorised by James Hay Holdings or any director of James Hay Holdings to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Nucleus Shares held by him in certificated form (including, without limitation, signing any consent to short notice of a general or separate class meeting as his agent and/or attorney and on his behalf and executing a form of proxy appointing any person nominated by James Hay Holdings to attend general and separate class meetings of Nucleus and attending any such meeting and exercising the votes attaching to the Nucleus Shares comprised or deemed to be comprised in such acceptance on his behalf, such votes (where relevant) to be cast so far as possible to satisfy any outstanding Condition); and
 - (cc) the agreement of such Nucleus Shareholder not to exercise any such rights without the consent of James Hay Holdings and the irrevocable undertaking of such Nucleus Shareholder not to appoint a proxy for or to attend any such general or separate class meeting of Nucleus;
- (h) that he shall deliver to, or procure the delivery to the Receiving Agent of, his certificate(s) or other document(s) of title in respect of those Nucleus Shares in certificated form comprised in the acceptance and not validly withdrawn by him or an indemnity acceptable to James Hay Holdings, as soon as possible, and in any event within six months of the Offer becoming wholly unconditional;
- (i) that the terms and Conditions of the Offer are deemed to be incorporated in, and form part of, the Form of Acceptance, which shall be read and construed accordingly;
- (j) that he shall ratify each and every act or thing which may be done or effected by James Hay Holdings or the Receiving Agent or any of their respective directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part D of Appendix 1;
- (k) that, if any provision of Part C or this Part D of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford James Hay Holdings or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit of the authority expressed to be given therein, he shall, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable James Hay Holdings and/or the Receiving Agent and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part C or this Part D of Appendix 1;

- (l) that the execution of the Form of Acceptance constitutes the Nucleus Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer and the Form of Acceptance;
- (m) that the Form of Acceptance shall be deemed to be delivered on the date of its execution and shall effect as a deed on such date; and
- (n) that he is not a client (as defined in the FCA Handbook) of James Hay Holdings' financial advisers in connection with the Offer.

A reference in this Part D of Appendix 1 to a Nucleus Shareholder includes a reference to the person or persons executing the Form of Acceptance and, in the event of more than one person executing a Form of Acceptance, the provisions of this Part D shall apply to them jointly and to each of them.

Part E: Electronic Acceptance

This Part E only applies to Nucleus Shares in uncertificated form. If you hold all your Nucleus Shares in certificated form you should ignore this Part E and instead read Part D.

For the purposes of this Part E of Appendix 1, the phrase “**Nucleus Shares in uncertificated form comprised in the acceptance**” shall mean the number of Nucleus Shares which are transferred by the relevant Nucleus Shareholder by Electronic Acceptance to Equiniti by means of a TTE instruction.

Without prejudice to the provisions of Parts A and C of this Appendix 1, each Nucleus Shareholder by whom, or on whose behalf, an Electronic Acceptance is made (subject to the rights of withdrawal set out in this document), irrevocably undertakes, represents, warrants and agrees to and with James Hay Holdings and the Receiving Agent so as to bind him, his personal and legal representatives, heirs, successors and assigns:

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of Nucleus Shares in uncertificated form to which the TTE instruction relates; and
 - (ii) an undertaking to execute any documents, take any further action and give any further assurances which may be required to enable James Hay Holdings to obtain the full benefit of this Part E of Appendix 1 and/or to perfect any of the authorities expressed to be given hereunder and otherwise in connection with his acceptance of the Offer;

in each case on and subject to the terms and Conditions set out or referred to in this document, and that, subject only to the rights of withdrawal set out in paragraph 4 of Part C of this Appendix 1, each such acceptance shall be irrevocable;

- (b) that such Nucleus Shareholder:
 - (i) has not received or sent copies or originals of this document, the Form of Acceptance or any related documents in, into or from a Restricted Jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telephone, internet or other forms of electronic communication) of interstate or foreign commerce of, or of any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (iii) is not acting on a non-discretionary basis (as agent, nominee, custodian, trustee or otherwise) for or on behalf of a principal, unless such principal has given any instructions with respect to the Offer from outside a Restricted Jurisdiction;
 - (iv) if such Nucleus Shareholder is a citizen, resident or national of a jurisdiction outside the UK, he has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he has not taken or omitted to take any action that shall or may result in James Hay Holdings, James Hay Holdings’ financial advisers or any other person acting in breach of any legal or regulatory requirements of any such jurisdiction in connection with the Offer or his acceptance of the Offer; and
 - (v) is accepting the Offer from outside a Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s).
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming wholly unconditional in accordance with its terms and to such Nucleus Shareholder not having validly withdrawn his acceptance, the irrevocable appointment of James Hay Holdings as such Nucleus Shareholder’s attorney and an irrevocable instruction and authorisation to the attorney to do all such acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in James Hay Holdings (or its nominees) the full legal and beneficial ownership of Nucleus Shares in uncertificated form comprised in the acceptance;

- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as the accepting Nucleus Shareholder's attorney with an irrevocable instruction and authorisation:
- (i) subject to the Offer becoming wholly unconditional in accordance with its terms and the Nucleus Shareholder not having validly withdrawn his acceptance, to transfer to James Hay Holdings (or to such other person or persons as James Hay Holdings or its agents may direct) by means of CREST all or any of the Nucleus Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and
 - (ii) if the Offer does not become wholly unconditional, to give instructions to Euroclear immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 days of the Offer lapsing) to transfer all such Nucleus Shares to the original balance of the accepting Nucleus Shareholder;
- (e) that the Electronic Acceptance constitutes (subject to the Offer becoming wholly unconditional in accordance with its terms and to the Nucleus Shareholder not having validly withdrawn his acceptance) an irrevocable instruction and authorisation:
- (i) subject to the provisions of paragraph 8 of Part C of this Appendix 1, to James Hay Holdings or its agents to procure the making of a CREST payment obligation in favour of such Nucleus Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any Cash Consideration to which such Nucleus Shareholder is entitled under the Offer, provided that James Hay Holdings may (if, for any reason, it wishes to do so) determine that all or any part of such Cash Consideration shall be paid by cheque, despatched by post (or by such other method as may be approved by the Panel); and
 - (ii) to James Hay Holdings, Nucleus or their respective agents, to record, act and rely on any mandates, instructions, consents or instruments in force relating to payments, notices or distributions which have been entered in the records of Nucleus in respect of his holding of Nucleus Shares (until such are revoked or varied);
- (f) that the Electronic Acceptance constitutes the giving of authority to each of James Hay Holdings and its director(s), partners and agents within the terms set out in Part C and this Part E of Appendix 1;
- (g) that, subject to the Offer becoming wholly unconditional (or if the Offer would become wholly unconditional or lapse on the outcome of the resolution in question) or if the Panel otherwise gives its consent in respect of Nucleus Shares in respect of which the Offer has been accepted or deemed to be accepted, which acceptance has not been validly withdrawn and pending registration in the name of James Hay Holdings or as it may direct:
- (i) James Hay Holdings or its agents shall be authorised to direct the exercise of any votes and any or all other rights and privileges (including the right to call a general or separate class meeting of Nucleus attaching to the Nucleus) Shares in uncertificated form comprised or deemed to be comprised in the acceptance; and
 - (ii) an Electronic Acceptance by a Nucleus Shareholder shall constitute with regard to such Nucleus Shares in uncertificated form comprised in the acceptance:
 - (aa) an authority to Nucleus or its agents to send any notice, circular, warrant or other document or communication which may be required to be sent to him as a member of Nucleus (including any share certificate(s) or other document(s) of title issued as a result of a conversion of such Nucleus Shares into certificated form) to James Hay Holdings at its registered office;
 - (bb) an irrevocable authority to any directors of, or person authorised by James Hay Holdings to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the Nucleus Shares held by him (including, without limitation, signing any consent to short notice of a general or separate class meeting as his attorney and on his behalf and executing a form of proxy appointing any person nominated by James Hay Holdings to attend general and separate class meetings of Nucleus and attending any such meeting (and any adjournment thereof) and exercise on

his behalf the votes attaching to the Nucleus Shares in uncertificated form comprised or deemed to be comprised in the acceptance such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and

- (cc) the agreement of such Nucleus Shareholder not to exercise any such rights without the consent of James Hay Holdings and the irrevocable undertaking not to appoint a proxy for or to attend such general or separate class meeting of Nucleus;
- (h) the authorities referred to in this paragraph (h) of Part E of this Appendix 1 shall cease to be valid if the acceptance is withdrawn in accordance with paragraph 4 of Part C of this Appendix 1;
- (i) that if, for any reason, any Nucleus Shares in respect of which a TTE instruction has been effected in accordance with paragraph 11 of the letter from James Hay Holdings contained in Part II of this document are converted to certificated form, he shall (without prejudice to paragraph (g) of this Part E of Appendix 1) immediately deliver, or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of all such Nucleus Shares that are so converted to the Receiving Agent at the address referred to in paragraph 4(b) of Part C of this Appendix 1 or to James Hay Holdings at its registered address or as James Hay Holdings or its agent may direct; and he shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part D of this Appendix 1 in relation to such Nucleus Shares, without prejudice to the application of this Part E of Appendix 1 so far as James Hay Holdings deems appropriate;
- (j) that the creation of a CREST payment obligation in favour of his payment bank in accordance with CREST payment arrangements referred to in paragraph (e) of this Part E of Appendix 1 shall, to the extent of the obligation so created, discharge in full any obligation of James Hay Holdings to pay him the Cash Consideration to which he is entitled under to the Offer;
- (k) that he shall do all such acts and things as shall, in the opinion of James Hay Holdings, be necessary or expedient to vest in James Hay Holdings or its nominee(s) the Nucleus Shares in uncertificated form comprised or deemed to be comprised in the acceptance and to enable Equiniti to perform its functions under the Offer;
- (l) that he shall ratify each and every act or thing which may be done or effected by James Hay Holdings or the Receiving Agent or any of their respective directors or agents, as the case may be, in the exercise of any of the powers and/or authorities under this Part E of Appendix 1;
- (m) that, if any provision of Part C or this Part E of Appendix 1 shall be unenforceable or invalid or shall not operate so as to afford James Hay Holdings or the Receiving Agent or any of their respective directors, agents or persons authorised by them, the benefit of the authorities and powers of attorney expressed to be given therein he shall, with all practicable speed, do all such acts and things and execute all such documents that may be required or desirable to enable James Hay Holdings and/or the Receiving Agent and any of their respective directors, agents or persons authorised by them to secure the full benefit of Part C or this Part E of Appendix 1;
- (n) that the making of an Electronic Acceptance constitutes such Nucleus Shareholder's submission to the exclusive jurisdiction of the courts of England in relation to all matters arising in connection with the Offer;
- (o) that, by virtue of Regulation 43 of the Regulations, the making of an Electronic Acceptance constitutes an irrevocable power of attorney by the CREST member accepting the Offer in the terms of all the powers and authorities expressed to be given in Part C (where applicable by virtue of paragraph (e) of this Part E of Appendix 1), Part D and this Part E of Appendix 1 to James Hay Holdings, the Receiving Agent or any of their respective directors or agents set out in this Appendix 1;
- (p) that he is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Nucleus Shares comprised or deemed to be comprised in such acceptance and that such shares are sold fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Offer Announcement, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, paid or made, or any other return of capital (whether by reduction of share capital or share premium or otherwise) made, on or after the Effective Date; and

- (q) that he is not a client (as defined in the FCA Handbook) of James Hay Holdings' financial advisers in connection with the Offer.

A reference in this Part E of this Appendix 1 to a Nucleus Shareholder includes a reference to the person or persons making an Electronic Acceptance and, in the event of more than one person making an Electronic Acceptance, the provisions of this Part E shall apply to them jointly and to each of them.

APPENDIX 2

UNITED KINGDOM TAXATION

The following is intended as a general summary of certain limited aspects of the UK tax treatment of Nucleus Shareholders in respect of the Offer 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 Offer.

This general guide applies only to Nucleus 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 Nucleus 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 Nucleus Shares. The tax position of certain categories of Nucleus Shareholders who are subject to special rules (such as persons acquiring their Nucleus Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

Nucleus 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 Nucleus 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 Nucleus Shareholder. Nucleus Shareholders who have acquired or acquire their Nucleus 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.

Nucleus Shareholders should be treated as making a disposal of their Nucleus Shares upon receipt of the Cash Consideration. Depending on the Nucleus 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 Nucleus Shareholders on the transfer of their Nucleus Shares as a result of accepting the Offer.

APPENDIX 3

ADDITIONAL INFORMATION

1 Responsibility statements

- 1.1 The James Hay Directors, whose names are set out in paragraph 2.4 of this Appendix 3, accept responsibility for the information contained in this document (including any expressions of opinion) except for the information for which responsibility is taken by the James Hay Group Directors pursuant to paragraph 1.2 of this Appendix 3 and by the Nucleus Directors pursuant to paragraph 1.3 of this Appendix 3. 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.
- 1.2 The James Hay Group Directors, whose names are set out in paragraph 2.7 of this Appendix 3, accept responsibility for the information contained in this document (including any expressions of opinion) 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.
- 1.3 The Nucleus Directors, whose names are set out in paragraph 2.1 of this Appendix 3, accept responsibility for the information contained in this document (including any expressions of opinion) relating to Nucleus and the Nucleus Directors and persons deemed to be acting in concert with Nucleus (as such term is defined in the Code). 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.

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>
Margaret Hassall	<i>Independent Non-Executive Director</i>
John Levin	<i>Senior 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 per cent. 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 JTC Employer Solutions Trustee Limited (previously named 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)
12 April 2021	188.5
1 April 2021	188.5
1 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

Please note that past performance of securities is no guide to their future performance and the information provided in this paragraph 4 of this Appendix 3 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 Appendix 3 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 Appendix 3, 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 5,548 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.

- 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

As stated in paragraph 5 of Part II of this document the Nucleus Remuneration Committee has decided that Awards over a maximum of 992,543 Nucleus Shares will be exercisable in connection with the Acquisition out of a total of 3,122,806 Awards, the balance of which will lapse on completion of the Offer. Individual participants in the LTIP, including the Nucleus Directors named above, will therefore be unable to exercise their Awards in full and their ability to do so will be determined by Nucleus' Remuneration Committee.

- 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
JTC Employer Solutions Trustee Limited (previously named 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 and corresponding awards 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 Appendix 3 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 Appendix 3 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 Offer 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 Offer.

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. Mr Ferguson's current annual salary is £286,363.

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. Mr Geard's current annual salary is £241,410.

7.1.3 Executive Directors receive the following benefits in kind: 10% employer pension contributions, private medical insurance (family), permanent health insurance and life assurance cover.

7.1.4 The Executive Directors' service agreements also provide for 28 holidays per annum (plus public and bank holidays), and up to three months sick pay.

7.1.5 Executive Directors are eligible to receive bonus and/or other discretionary incentive awards. These are at the Remuneration Committee's discretion and the Executive Directors do not have a contractual right to receive such awards.

7.1.6 Executive Director's employment may be terminated by either party giving to the other not less than six months' written notice. Under the terms of each service agreement, Nucleus may elect to terminate an Executive Director's employment by making a payment in lieu of notice equal to the base salary and benefits (but excluding bonus) for any unexpired portion of the notice period.

- 7.1.7 Nucleus also has the discretion to place an Executive Director on garden leave during the notice period. It is entitled to dismiss an Executive Director without notice or compensation in specified circumstances, for example if the Executive Director commits a serious or persistent breach of any term of the service agreement.
- 7.1.8 The Executive Directors' service agreements also contain six month post-termination non-compete restrictions and 12 months' post-termination non-solicitation and non-deal restrictions.
- 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. Mr Samuels is entitled to an annual fee of £100,000 which is paid to a third party.
- 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. Ms Dunley-Owen receives an annual fee of £51,000.
- 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. Ms Hassall receives an annual fee of £44,000.
- 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. Mr Levin receives an annual fee of £37,000.
- 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. Mr Polin is entitled to an annual fee of £37,000 which is paid to Sanlam.
- 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. Prior to 25 February 2020, there were no written terms in relation to Mr Tagliabue's appointment. Mr Tagliabue is entitled to an annual fee of £37,000 which is paid to Sanlam.
- 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 accept the Offer 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 accept the Offer).

8.2 In addition, certain other Nucleus Shareholders, being the spouses of the Nucleus Directors named above, have irrevocably undertaken to accept the Offer 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 Offer lapses.

8.3 Sanlam has given an irrevocable undertaking to accept the Offer:

Name of Nucleus Shareholder	Number of Nucleus Shares in respect of which the undertaking is given	Percentage of Nucleus issued share capital (%)
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:

- 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 Offer. In addition David Ferguson has given undertakings in respect of his beneficial holding of 5,548 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 31 December 2020, being the date to which the Nucleus 2020 Annual Report was 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 2020 Annual Report; 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 Cash Consideration of 188 pence per Nucleus Share, being the Closing Price on the Latest Practicable Date; and
- (ii) multiplied by the number of Nucleus Shares referred to in paragraph 12.4 below.

12.3 As at the Latest Practicable Date, Nucleus had in issue 76,473,360 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). On 13 April 2021, Nucleus issued a first quarter trading update disclosing AUA at 31 March 2021 of £18 billion.

13 Financing of the Acquisition

13.1 External Debt Funding

SaintMichelCo is a party to a 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, 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 and 29 March 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". As an Offer Conversion Notice (as defined in the Senior Facilities Agreement) has been served and an Offer Conversion (as defined in the Senior Facilities Agreement) has occurred, 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 (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 Offer 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 Nucleus Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer 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 Nucleus 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 £2,967,275 but excluding applicable VAT and other taxes. This aggregate number consists of the following categories:

Category	Amount (£)
Financial and corporate broking advice	2,512,125 ⁽¹⁾
Legal advice	395,000 ⁽²⁾
Accounting Advice	Nil
Public relations advice	15,000
Other professional services	Nil
Other costs and expenses	45,150
TOTAL	2,967,275

⁽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 Offer becomes Effective.

17 Documents available for inspection

Until and including the Effective Date (or the date on which the Offer 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) the memorandum and articles of association of James Hay Holdings;
- (iii) the audited consolidated financial statements of the Nucleus Group for the three years ended 31 December 2018, 2019 and 2020;
- (iv) 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 Appendix 3;
- (viii) copies of the irrevocable undertakings referred to at paragraph 8 of this Appendix 3;
- (ix) a copy of the offer-related agreements referred to at paragraph 10 of this Appendix 3;
- (x) a copy of the written consent from each of Shore Capital and Craven Street Capital referred to at paragraph 14.1 of this Appendix 3;
- (xi) a copy of the written consent from Fenchurch Advisory Partners referred to at paragraph 14.2 of this Appendix 3; and
- (xii) this document (including any other documents incorporated by reference herein (including the Form of Acceptance).

18 Information incorporated by reference

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

18.2 Appendix 5 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 the Receiving Agent, 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 Offer, nor give any financial, tax, investment or legal advice.

APPENDIX 4

DEFINITIONS

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

Acceptance Condition	the Condition as to acceptances set out in paragraph A of Part A of Appendix 1 to this document;
£ 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 Offer;
EBITDA	earnings before interest, tax, depreciation and amortisation;
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;
AUA	assets under administration;
Award	an award or option outstanding under the LTIP;
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 10.2 of Appendix 3 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 Offer becoming wholly unconditional comprising the James Hay Group and the Nucleus Group;

Companies Act	the United Kingdom Companies Act 2006, as amended from time to time;
Conditions	the conditions to the implementation of the Offer as set out in Part A of Appendix 1 of this document;
Confidentiality Agreement	the mutual confidentiality agreement entered into by Epiris and Nucleus on 25 November 2020, as disclosed in paragraph 10.1 of Appendix 3 of this document;
Court	the High Court of Justice Business and Property Courts of England and Wales, Companies Court;
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 member	a person who is, in relation to CREST, a system-member (as defined in the Regulations);
CREST participant	a person who is, in relation to CREST, a system-participant (as defined in the Regulations);
CREST sponsor	a person who is, in relation to CREST, a sponsoring system-participant (as defined in the Regulations);
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
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 2020 Annual Report; (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	the Offer having been declared and become unconditional in all respects in accordance with the requirements of the Code;

Effective Date	the date upon which 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;
Equiniti	Equiniti Limited;
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;
Escrow Agent	the Receiving Agent in its capacity as escrow agent for the purposes of the Offer;
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;
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;

First Closing Date	4 May 2021;
FNZ	FNZ (UK) Ltd, a private limited company incorporated in England and Wales with registered number 05435760;
Form of Acceptance	in relation to Nucleus Shares, the form of acceptance and authority relating to the Offer which accompanies this document for use by Nucleus Shareholders with shares in certificated form in connection with the Offer;
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;
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	12 April 2021, being the latest practicable date prior to the publication of this document;
London Stock Exchange	London Stock Exchange PLC;

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;
Nucleus or Company	Nucleus Financial Group plc, a public limited company 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;
Nucleus 2020 Annual Report	the full year results of the Nucleus Group for the year ended 31 December 2020;
Nucleus Board or Board	the board of directors of Nucleus;
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 Group	Nucleus and its subsidiaries and subsidiary undertakings from time to time;
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 or 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	the recommended cash offer made by James Hay Holdings to acquire the entire issued and to be issued ordinary share capital of Nucleus on the terms and subject to the conditions set out in this document and, in the case of Nucleus Shares held in certified form, in the Form of Acceptance and including , 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	Nucleus Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
Panel	the Panel on Takeovers and Mergers;
Portfolio Company	a direct or indirect portfolio company of investment funds managed or advised by Epiris (from time to time);
Receiving Agent	Equiniti, the receiving agent of James Hay Holdings;
Registrar of Companies	the Registrar of Companies in England and Wales;
Registrars	Equiniti, the registrars of Nucleus;
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
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;
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;
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 previously proposed scheme of arrangement under Part 26 of the Companies Act between Nucleus and the Nucleus Shareholders, which is no longer being used to implement the Acquisition;
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;
TFE instruction	a Transfer from Escrow instruction (as defined in the CREST Manual);
Third Party	has the meaning set out in Condition (f);
TTE instruction	a Transfer to Escrow instruction given by a holder of uncertificated Nucleus Shares through CREST (as described in the CREST Manual);
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;
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.

APPENDIX 5

FINANCIAL 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 audited consolidated accounts of Nucleus for the financial year ended 31 December 2020 are set out on pages 55 to 87 (both inclusive) of the Nucleus 2020 Annual Report.

The information above is available free of charge in a read only, printable format from the hyperlinks set out above.

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). 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 Offer, 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 Offer 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.

APPENDIX 6

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 1.3 of Appendix 3 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

