

ashurst

UK Public M&A Update

2017 REVIEW



Contents

Introduction	1
Overview	2
Practice & Panel Statements	12
Contacts	15
Appendix: Announced UK takeover bids (1 January to 31 December 2017)	16

ASHURST GLOBAL M&A HUB

Seamless navigation through the complex world of cross-border M&A

The Ashurst Global M&A Hub provides expert analysis, insight and commentary on trends and practice in global M&A. Resources on the Hub include videos on M&A trends, client guides covering a number of jurisdictions and topical client briefings.

ashurst.com/globalmandahub



Introduction

Happy New Year and welcome to Ashurst's annual Public M&A Update – 2017 Review.

As with our previous Updates, the Overview provides an analysis of trends in the public M&A market in the UK during the year. The Appendix contains a summary of the key features of the firm offer announcements we have reviewed in 2017.

The Q4 2017 Digest summarises recent news and developments from the UK Takeover Panel (the **Panel**), including a number of amendments to the Takeover Code.

Ashurst had a busy quarter during Q4 with 4 mandates:

- advising Ladbrokes Coral on its £4 billion takeover by GVC Holdings;
- advising Credit Suisse on FirstRand's £1.1 billion takeover of Aldermore Group;
- advising Rothschild on Bain Capital's recommended cash offer for Zenith Hygiene Group; and
- advising Lazard on Blackstone's €260 million offer for Taliesin Property Fund.

We hope you enjoy reading this Update and, as always, we would welcome your feedback.

Best wishes

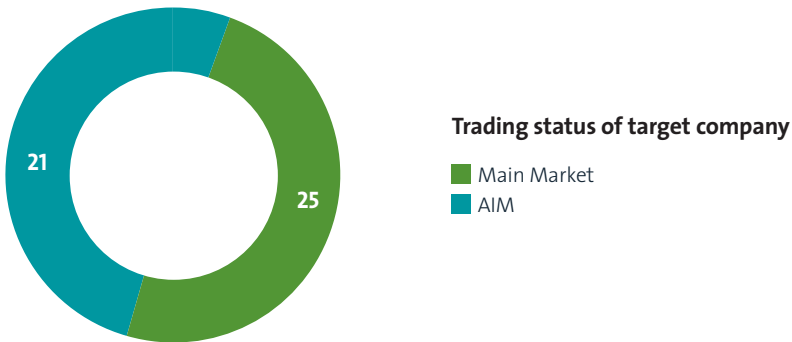
The Ashurst Public M&A Team

Overview

	2017	2016	2015
Announced bids	46	53	53
Recommended	39	43	49
Schemes of arrangement	29	30	34
Average of bid premia (% unweighted)	32.1	52.5	42.6

Deal volume

Of the deals we review, 2017 saw a reduction in the level of UK public bid activity in terms of deal volume as compared to 2016 with 46 firm offers (in excess of £1 million) having been announced. There were 25 firm offers for Main Market targets (a 3.8% reduction on the 26 Main Market bids in 2016), 21 firm bids for AIM targets (a 12.5% decrease compared to 24 in 2016).



A summary of the key features of these announced offers in 2017 is set out in the table in the Appendix.

Deal values

In another year of uncertainty, it is no surprise that deal values in the UK declined from £67.14 billion in 2016 to just £44.5 billion in 2017. That is explicable in part by the lack of any “mega deals”, with the highest value bid of 2017 being Vantiv, Inc.’s £8 billion acquisition of Worldpay Group, which contrasts with SoftBank Group’s £24.4bn acquisition of ARM Holdings in 2016 and the £78.4 billion combination of AB InBev-SAB Miller in 2015.

29 (26) firm offers have had a deal value in excess of £100 million, of which 12 (5) offers exceeded £1 billion, a moderate increase from 2016.

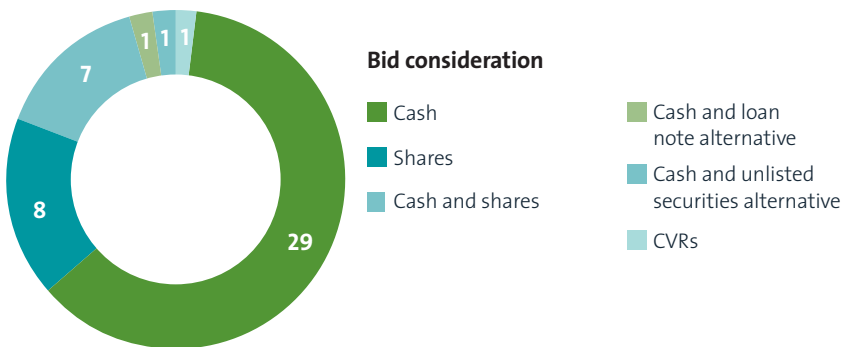
Bid consideration

Again, cash was king in 2017, reflecting healthy cash balances held by corporate buyers and the availability of strong credit lines for debt financing. 29 of the 46 firm offers announced were solely in cash. One bid offered a traditional loan note alternative to the cash consideration (the management team’s acquisition of InterQuest Group plc). Several bids saw a special dividend in respect of the financial year form part of the offer (for example: Tesco’s acquisition of Booker Group; Elis’ acquisition of Berendsen; and GVC’s bid for Ladbrokes Coral).

17 bids included a share component, with four offering a mix and match facility.

GVC’s bid for Ladbrokes Coral included the largest CVR in UK public M&A history, at up to £800 million.

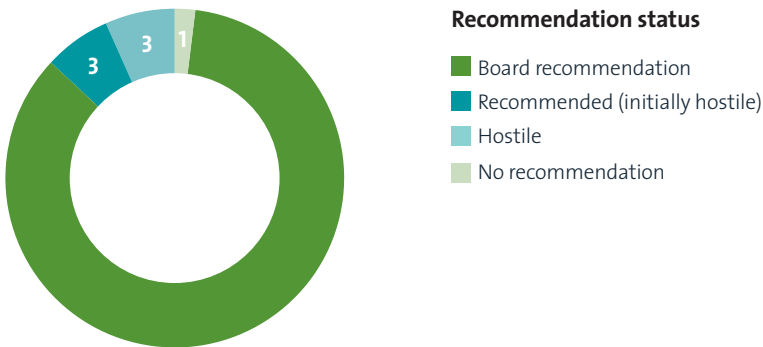
The table below sets out the composition of bid consideration.



Board recommendation

39 of the 46 offers were recommended by the target board at the time of the Rule 2.7 announcement (as compared to 48 of the 53 offers in 2016).

Seven bids were announced without the recommendation of the target board. These were Hailing Group's £35.5 million offer for ASA Resource Group, the management team's £15.8 million offer for InterQuest Group, Pallinghurst Resources Limited's £227.2 million offer for Gemfields, Dragon Capital Holding's £16.4 million (revised offer, with an original offer of £14.22 million) offer for Dragon-Ukrainian Properties and Development (subsequently recommended), IP Group's £489.9 million revised offer (original offer of £466 million) for Touchstone Innovations (subsequently recommended), Phoenix Fund's £27.4 million offer for Hornby and Pollen Street Capital's and BC Partners' £861 million revised offer (original offer of £842.4 million) for Shawbrook Group (subsequently recommended).



Bid premia

Bid premia (on an unweighted basis) on all announced deals was down in 2017 to 32.1% from 52.5% in 2016. Unweighted premia in 2017 for bids in excess of £250 million was down from 49.4% in 2016 to 25.6%.

Bid structure

Schemes of arrangement have remained the structure of choice for recommended bids in 2017. 29 of the firm offers announced in 2017 were structured as schemes of arrangement and 16 as contractual takeover offers, compared to 30 schemes and 23 offers in 2016. In 2017, one contractual takeover offer was a partial offer (Beinhaker Design Services and 1895 Management Holdings Company's £28.4 million offer for Sutton Harbour Holdings).

This underlines the view that there are still significant benefits to using a scheme, for example, the greater certainty of obtaining 100% control and the greater flexibility around timetable.

Competing bids

We have seen one competing bid in 2017 (as compared to six in 2016). Pallinghurst Resources succeeded in its offer for Gemfields, whilst Fosun International's offer lapsed.

Private-equity backed bids

There has been a decrease in the number of private-equity backed bids in 2017 (7) compared to 2016 (15). Notable private-equity backed bids included Pollen Street Capital and BC Partners' £861 million (revised) bid for Shawbrook, and Blackstone and CVC's £2.96 billion bid for Paysafe.

Break fees

Break fees

2017 saw the Panel consent to a target break fee in relation to Canyon Bridge Capital Partners' offer for Imagination Technologies Group and in relation to Michael Kors' offer for Jimmy Choo as part of the respective target's formal sale process.

Reverse break fees

In stark contrast to only one bid with an agreed reverse break fee in 2016 (Twenty-First Century Fox's bid for Sky), in 2017 we saw six bids which included reverse break fees, including John Wood Group's £25 million break fee arrangement in relation to its bid for Amec Foster Wheeler.

Irrevocable undertakings

Irrevocable commitments were obtained on 40 bids. On 24 of those deals, the bidder obtained irrevocables from non-director shareholders.

Matching or topping rights: non-director shareholders

Matching and/or topping rights were included in 11 of the 24 bids with irrevocables sought from non-director shareholders. This equates to nearly 27.5% of all firm offers announced in 2017, which contrasts with 34% in 2016.

Non-solicitation and notification undertakings: non-director shareholders

Of the 24 deals on which non-director shareholder irrevocables were obtained, three included a non-solicitation undertaking (12.5%). Of these three deals, only two contained notification undertakings. Before agreeing notification undertakings, shareholders would be well advised to consider whether the information required to be notified constitutes inside information and therefore whether such an undertaking can be given in practice.

Formal sale processes

In 2017, two companies announced a formal sale process which subsequently resulted in a firm offer being made (Canyon Bridge's £550 million acquisition of Imagination Technologies Group and Michael Kors' £896 million acquisition of Jimmy Choo). This represents a significant reduction from the 11 companies which announced formal sales processes in 2016, of which three resulted in firm offers.

News digest

Q4 2017 saw a number of regulatory developments, including the publication by the UK Takeover Panel (the Panel) of a number of amendments to the Takeover Code (the Code).

In our forthcoming Q1 update, we will cover the new Practice Statement 32 and certain other updates published by the Panel on 8 January.

Amendments to the Code

During Q4, the Panel published a number of amendments to the Code:

- Response Statement 2017/1 and Instrument 2017/4 following PCP 2017/1 ("Asset sales in competition with an offer and other matters");
- Response Statement 2017/2 and Instrument 2017/5 following PCP 2017/2 ("Statements of intention and related matters");
- Instrument 2017/6; and
- Instrument 2017/7.

Asset sales in competition with an offer and other matters:

On 11 December 2017, the Panel published Response Statement 2017/1 and Instrument 2017/4 following PCP 2017/1 ("Asset sales in competition with an offer and other matters").

For more background, see the [Ashurst UK Public M&A Update – Q3 2017 Review](#).

The Code Committee's original proposals in PCP 2017/1 were incorporated into the Code, subject to certain modifications, including, in particular, the following changes:

- Preventing a bidder from circumventing the Code by purchasing significant assets of a target company:
 - Amending the new Note 5 on Rule 2.8 so that, in assessing whether assets are significant in relation to the target company, relative values of 75%, instead of 50% as proposed in the PCP, will usually be regarded as significant.

- Amending new Note 2(d) on Rule 2.8 to add the caveat “except with the consent of the Panel”. This is to provide the Panel with flexibility to permit a purchase of assets in circumstances where a potential bidder has made a statement to which Rule 2.5(a) applies and did not include a reservation that the bidder could set-aside that statement with the agreement of the target board, and, following that, the potential bidder made a Rule 2.8 statement, which included a reservation that the bidder could set-aside that statement with the agreement of the target board.
- Asset sales and other transactions subject to Rule 21.1:
 - The Panel has amended the proposed new obligation for target companies to send a circular to shareholders in certain circumstances under Rule 21.1 such that:
 - where a general meeting is to be held to approve the proposed action under Rule 21.1(a), the target board must send a circular to target shareholders containing the information set out in new Note 1 on Rule 21.1; and
 - where a general meeting is not to be held because the proposed action is conditional upon the offer being withdrawn or lapsing, the target board must make an announcement containing the information set out in new Note 1 on Rule 21.1, rather than send a circular to target shareholders as had been proposed in PCP 2017/1.

Response Statement 2017/1 also includes:

- at Appendix C, a summary of how the restrictions in the new paragraphs (f)/(F) of Rules 2.8, 12.2(b) and 35.1 will operate; and
- at Appendix D, examples of “no intention to bid” statements which might be made under the amended Rule 2.8.

The changes took effect on 8 January 2018.

The full Response Statement can be viewed at:

<http://www.thetakeoverpanel.org.uk/wp-content/uploads/2017/12/RS2017-1.pdf>

Statements of intention and related matters:

On 11 December 2017, the Panel published Response Statement 2017/2 and Instrument 2017/5 following PCP 2017/2 (“Statements of intention and related matters”).

For more background, including a summary of the key changes to the Code, see the [Ashurst UK Public M&A Update – Q3 2017 Review](#).

The Code Committee's original proposals in PCP 2017/2 were incorporated into the Code, subject to certain minor modifications.

The changes took effect on 8 January 2018.

The full Response Statement can be viewed at:

<http://www.thetakeoverpanel.org.uk/wp-content/uploads/2017/12/FinalRS2017-2.pdf>

Instrument 2017/6: On 11 December 2017, the Panel announced amendments to the Code, effective as of 3 January 2018, pursuant to Instrument 2017/6. The changes are to the definitions of “multilateral trading facility” and “regulated market” as a result of changes to legislation, in both cases to update the cross-reference in the definition to the relevant definition in MiFID II (2014/65/EU).

Instrument 2017/7: On 11 December 2017, the Panel announced amendments to the Code, effective as of 8 January 2018, pursuant to Instrument 2017/7. The Instrument makes a consequential change to the Document Charges section of the Code to reflect the changes made by Instrument 2017/7.

Panel Checklists

On 14 December 2017, the Panel released Panel Statement No. 23 in which it noted The Walt Disney Company's announcement of its acquisition of Twenty-First Century Fox, after a spin-off of certain Twenty-First Century Fox businesses.

The statement highlights that Disney's announcement does not alter Twenty-First Century Fox's obligations under the Code regarding its existing pre-conditional offer for Sky.

In addition, the statement notes that:

- Disney has informed the Executive that it does not believe that completion of the Twenty-First Century Fox acquisition should trigger a mandatory bid obligation under Note 8 on Rule 9.1 of the Code (known as the “chain principle”) upon Disney as a result of Twenty-First Century Fox's stake of approximately 39% in Sky; and
- the Executive is seeking the views of Sky's independent directors before reaching a decision.

We will report on any update, once announced.

Other Panel News

On 2 November 2017, the Panel announced:

- the resignation of Guy Elliott from the Panel;
- the appointment of Liv Garfield (who is the CEO of Severn Trent plc) as a member designated to sit on its Hearings Committee; and
- the appointment of Richard Murley to serve as Chairman of the Code Committee in place of Guy Elliott.

UK Government consults on measures to protect national security in context of foreign investment

On 17 October 2017, the UK Government announced proposals to amend the UK merger control regime, aimed at improving protection of national security interests, including in the context of foreign investment.

Key Points

The proposals are set out in a Green Paper entitled “National Security and Infrastructure Investment Review”, and are split into two stages:

- “Short term” proposals: proposed amendments to the UK mergers regime lowering the jurisdictional thresholds for review of mergers in two sectors (the military and dual-use sector, and parts of the advanced technology sector); and
- “Long term” proposals: wider reforms intended to allow for better scrutiny of transactions that may raise national security concerns. This may include a wider “call-in” power to allow the Government to scrutinise a broader range of transactions on national security grounds, and/or a mandatory notification regime for foreign investment in certain parts of the economy which are considered critical for national security. This would include parts of the defence, civil nuclear, energy, communications and transport sectors.

See our full briefing [here](#).

Requirement for Mr King to announce a mandatory offer for Rangers International Football Club Plc

In March 2017, the Panel published Panel Statement 2017/4 and the TAB published Statement 2017/1 setting out their decisions to dismiss appeals by Mr King and requiring him to launch a Rule 9 mandatory bid for Rangers International Football Club Plc (**Rangers**) by 12 April 2017. Please see the [Ashurst Q1 2017 Public M&A Update](#) for further details of these decisions.

On 13 April 2017, the Panel announced that, Mr King having failed to make a Rule 9 mandatory bid by the 12 April deadline, it had initiated proceedings in the Court of Session, Edinburgh (under section 955 of the Companies Act 2006) seeking an order requiring Mr King to comply with the Panel's rulings.

Background

In January 2015, Mr King acquired shares representing 14.57% of Rangers share capital from three institutional investors via a family trust vehicle, New Oasis Asset Limited, at a price of 20p per share two days after his alleged concert party (Mr Letham and his associates) acquired a 19.48% stake. The acquisitions produced an aggregate holding of 34.05%, exceeding the 30% control threshold and thereby triggering a Rule 9 mandatory bid obligation.

After the purchase of the shares in Rangers, the existing directors of Rangers were removed by shareholder vote at a general meeting in March 2015 and Mr King's nominees were appointed as directors of Rangers. In May 2015 Mr King was appointed chairman of Rangers.

During 2014, Mr King and Mr Letham had acted together on two unsuccessful proposals, one to acquire control through an equity fundraising and the other to acquire a blocking stake. Emails in December 2014 between Mr King and Mr Letham evidenced that each was aware of the other's intention to acquire Rangers shares at the same time and that the purchases had been co-ordinated.

Panel on Takeovers and Mergers v King judgment

The court found in favour of the Panel and granted the order sought under section 955 of the Companies Act 2006 ordering Mr King to announce in accordance with Code, within 30 days of the date of the court's order, and thereafter make in accordance with the Code, a mandatory offer at a price of 20p per share for all the issued ordinary share capital of Rangers not already controlled by him and three others.

In the court's view, Mr King had intentionally brought about a situation where 30% of the shares in Rangers were held by him and his concert party and that Mr King knew that this would require him to comply with Rule 9. The court rejected Mr King's alleged impecuniosity and argued that not to make an order on the basis of Mr King's alleged impecuniosity would materially undermine the working of the Panel by allowing parties to circumvent Rule 9 by arranging their financial affairs in such a way that, when they were required to comply with their obligations under Rule 9, they could plead insufficient funds to do so and, if that were the case, it would not enable the Panel to fulfil one of its principal functions of achieving fairness of treatment amongst shareholders.

The court highlighted the observation made by Sir John Donaldson MR in *Ex Parte Datafin plc* [1987] QB 815 that the public has a very strong interest in the proper operation of the Panel. The court considered that anything which tended to undermine the Panel's ability to police takeovers properly would be contrary to the public interest.

Finally, the court rejected the argument that the offer price of 20p per share (which is below the current market value for Rangers shares) was so low that it would mean that shareholders in Rangers would not take up the offer in any event, and that, therefore, there would be no use in making such an order. The court highlighted that Rule 9 requires an offer should be made at a price determined to achieve fair treatment and thereafter it is a matter for the shareholders to decide if they wish to accept an offer at that price.

Practice & Panel Statements

The following Practice and Panel Statements were issued by the Panel during 2017 – in reverse chronological order:

Practice Statements

31 07/07/17 Strategic reviews, formal sale processes and other circumstances in which a company is seeking potential offers

Panel Statements

2017/23 14/12/17 Panel Statement regarding determination of application of a chain principle offer

2017/22 11/12/17 Publication of RS 2017/1 (Asset sales and other matters) and RS 2017/2 (Statements of intention and related matters) and amendments to the Takeover Code

2017/21 02/11/17 Panel appointments

2017/20 20/10/17 Guy Elliott

2017/19 29/09/17 New checklists for use where certain announcements are made and distributed

2017/18 21/09/17 Requirement for potential offeror to make Rule 2.7 announcement or announce no intention to bid by 10 October 2017

2017/17 19/09/17 Issue of Public Consultation Paper 2017/2

<u>2017/16</u>	25/08/17	Offer timetable extended
<u>2017/15</u>	19/07/17	Publication of the Panel's Annual Report
<u>2017/14</u>	13/07/17	Replacement of the WMA by PIMFA and the BBA by UK Finance
<u>2017/13</u>	12/07/17	Issue of Public Consultation Paper 2017/1
<u>2017/12</u>	07/07/17	Publication of new Practice Statement No 31, withdrawal of Practice Statements Nos 3 and 6 and amendment of Practice Statement No 20
<u>2017/11</u>	04/07/17	Panel Executive appointment
<u>2017/10</u>	15/06/17	Ruling of the Executive in relation to the application of Note 2 on Rule 9.1
<u>2017/9</u>	15/05/17	Requirement for potential offerors to make Rule 2.7 announcement or announce no intention to bid by 2 June 2017
<u>2017/8</u>	13/04/17	Rangers International Football Club plc
<u>2017/7</u>	13/04/17	Summary of amendments to the Code

<u>2017/6</u>	13/04/17	Amendment of Practice Statement No 20
-------------------------------	----------	---------------------------------------

<u>2017/5</u>	13/04/17	Secondment of Director General extended
-------------------------------	----------	---

<u>2017/4</u>	13/03/17	Hearings Committee dismissal of appeal by Mr King and requirement for Mr King to announce an offer pursuant to Rule 9 of the Takeover Code In addition, see Statement 2017/1 issued by the Takeover Appeal Board
-------------------------------	----------	---

<u>2017/3</u>	17/02/17	Rule 8.3 disclosure procedures for Unilever and Kraft Heinz
-------------------------------	----------	---

<u>2017/2</u>	19/01/17	Appointment of new Panel member
-------------------------------	----------	---------------------------------

<u>2017/1</u>	10/01/17	Decision by the Hearings Committee to cold-shoulder Mr Bob Morton and Mr John Garner
-------------------------------	----------	--

Contacts

For more information about any of the issues raised in this update please contact:

Corporate Partners	Office	Telephone Number	Email
Rob Aird	London	+44 (0)20 7859 1726	rob.aird@ashurst.com
Adrian Clark	London	+44 (0)20 7859 1767	adrian.clark@ashurst.com
Simon Beddow	London	+44 (0)20 7859 1937	simon.beddow@ashurst.com
Nick Bryans	London	+44 (0)20 7859 1504	nick.bryans@ashurst.com
Simon Bullock	London	+44 (0)20 7859 3115	simon.bullock@ashurst.com
David Carter	London	+44 (0)20 7859 1012	david.carter@ashurst.com
Nick Cheshire	London	+44 (0)20 7859 1811	nick.cheshire@ashurst.com
Karen Davies	London	+44 (0)20 7859 3667	karen.davies@ashurst.com
James Fletcher	London	+44 (0)20 7859 3156	james.fletcher@ashurst.com
Bruce Hanton	London	+44 (0)20 7859 1738	bruce.hanton@ashurst.com
Nicholas Holmes	London	+44 (0)20 7859 2058	nicholas.holmes@ashurst.com
Hiroyuki Iwamura	London	+44 (0)20 7859 3244	hiroyuki.iwamura@ashurst.com
Adam Levitt	London	+44 (0)20 7859 1633	adam.levitt@ashurst.com
Tom Mercer	London	+44 (0)20 7859 2988	tom.mercer@ashurst.com
Robert Ogilvy Watson	London	+44 (0)20 7859 1960	robert.ogilvywatson@ashurst.com
David Page	London	+44 (0)20 7859 1908	david.page@ashurst.com
Nick Rainsford	London	+44 (0)20 7859 2914	nick.rainsford@ashurst.com
Michael Robins	London	+44 (0)20 7859 1473	michael.robins@ashurst.com
Tara Waters	London	+44 (0)20 7859 2755	tara.waters@ashurst.com
Nick Williamson	London	+44 (0)20 7859 1894	nick.williamson@ashurst.com
María José Menéndez	Spain	+34 91 364 9867	mariajose.menendez@ashurst.com
Reinhard Eyring	Germany	+49 (0)69 97 11 27 08	reinhard.eyring@ashurst.com
Arnaud Wtterwulghe	Belgium	+32 2 626 1914	arnaud.wtterwulghe@ashurst.com
Renad Younes	Abu Dhabi/ Middle East	+971 (0)2 406 7217	renadyounes@ashurst.com
Nick Terry	Australia	+61 3 9679 3483	nick.terry@ashurst.com

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Ladbrokes Coral Group plc (Main Market)	GVC Holdings PLC	Up to £4b ²	Up to 21.2% ³	•		•	•	•L	•4	•5			•	•6C				•7	•8
Styles & Wood Group plc (AIM)	Central Square Investments LLP	£42.5m	24.0%	•			•						•				•9		
Talesin Property Fund Limited (AIM)	The Blackstone Group L.P.	€260m (approx. £2312m)	11%	•			•						•	C					

1. The existence of a confidentiality agreement / NDA is not included in this analysis.

2. £4 billion (assuming each CVR delivers maximum value); £3.2 billion (assuming each CVR has zero value).

3. 19.1% (based on bid value of £4 billion); 21.2% (based on bid value of £3.2 billion).

4. Ladbrokes Coral Shareholders will be entitled to receive for each Ladbrokes Coral share they hold, in addition to the cash and GVC Shares offered, a contingent entitlement of up to 42.5 pence in principal value of Loan Note plus an upward adjustment for the time value of money by way of a contingent value right (CVR).

5. Ladbrokes Coral Shareholders will be entitled, subject to availability, to elect to vary the proportion in which they will receive cash and new ordinary shares in GVC, subject to offsetting elections made by other Ladbrokes Coral Shareholders. To the extent that elections could not be satisfied in full, they would be scaled down on a pro rata basis. The CVR will not be included in the mix and match facility.

6. Cost coverage agreement - On 7 December 2017, GVC and Ladbrokes Coral entered into an agreement under which GVC agreed in certain circumstances to pay the reasonable documented costs and expenses of professional advisers properly incurred in connection with the acquisition by Ladbrokes Coral and any of its subsidiaries or subsidiary undertakings from and including 27 November 2017 to and including the date on which the relevant obligation to make such payment was triggered, including any irrecoverable VAT thereon, up to a maximum amount of £5 million.

7. The bid is subject to GVC shareholder approval as it constitutes a class 1 transaction for GVC under the Listing Rules.

8. The Rule 2.7 announcement contains statements of estimated cost savings and synergies arising from the proposed acquisition (QIBS), which includes a belief that the enlarged group will be able to achieve recurring pre-tax cost synergies of not less than £100 million by 2021. The QIBS has been reported on by Grant Thornton UK LLP and Houlihan Lokey EMEA LLP as required by Rule 28.(a) of the Code.

9. In the event of a higher competing offer being announced which represents an improvement of 20% or more on the value of Central Square's offer, the irrevocable undertakings given by Paul Bell, Lombard Odier and BCF will not lapse unless Central Square fails to announce, within 10 days of such higher competing offer being announced, a revised offer for Styles & Wood which exceeds the value of the competing offer.

Key

• This table includes details of takeovers, set out in chronological order, in respect of which a firm intention to make an offer has been announced under Rule 2.7 of the Code during the period under review. It excludes offers by existing majority shareholders for minority positions

** Premium of the offer price over the target's share price immediately prior to the commencement of the relevant offer period

*** Standard 90% (waivable) acceptance condition, unless otherwise stated

**** In shareholders' irrevocables (unless indicated otherwise)

◇ Permitted agreements under Rule 21.2 of the Code

A AIM traded shares

C Co-operation agreement/bid conduct agreement

F Break fee given under formal sale process or white knight dispensation

L Listed shares

NP No premium given in offer documentation or nil premium

R Reverse break fee

S Standstill agreement

U Untraded shares

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Lonmin Plc (Main Market)	Sibanye Gold Limited	£285m	57.0%	•				• L					•	• ^{10C}					• ¹¹
Millennium & Cophthorne Hotels plc (Main Market)	City Developments Limited	£2,014b	38.8%	•			•							C					
Intu Properties plc (Main Market)	Hammerston plc	£3.4b	27.6%	•				• L					•	C					• ¹³
Sutton Harbour Holdings plc (AIM)	Beinhaker Design Services Limited and 1895 Management Holdings Company	£19.9m	13.5%	•		•					• ¹⁴			• ¹⁵					
Sevelec Group plc (Main Market)	Montagu Private Equity LLP	£223.9m	19.8%	•		•	•						•	C		• ¹⁶			• ¹⁷

10. (i) Regulatory clean team protocol. (2) due diligence clean team protocol.

11. The Rule 2.7 announcement contains statements of estimated cost savings and synergies arising from the acquisition (QFBS), which includes a belief that the combined group will be able to achieve pre-tax synergies of approximately £25 million per annum by the end of the second year following completion for the period 2021 to 2022 as a result of the acquisition. The QFBS has been reported on by BDO LLP, UBS Limited and HSBC Bank plc as required by Rule 2.8(1a) of the Code.

12. 50% +1 acceptance condition (not waivable).

13. The Rule 2.7 announcement contains statements of estimated cost savings and synergies arising from the proposed acquisition (QFBS), which includes a belief that the acquisition would result in pre-tax cost synergies of approximately £25 million per annum by the end of the second year following completion. The QFBS has been reported on by Pricewaterhousecoopers LLP, Deutsche Bank AG, J.P. Morgan Securities plc and Lazard & Co., Limited as required by Rule 2.8(1b) of the Code.

14. Partial offer to acquire up to 70% of the issued share capital of SHH. The partial offer is conditional upon FB Investors receiving valid acceptances in respect of at least 58% of the SHH Shares in issue.

15. Relationship agreement - On 23 November 2017, FB Investors and SHH entered into a relationship agreement, which is conditional upon the partial offer becoming, or being declared, wholly unconditional in accordance with its terms. Share subscription agreement - In connection with the partial offer, FB Investors and SHH entered into a conditional subscription agreement under which FB Investors agreed to subscribe for 9,322,034 new SHH shares at a price of 29.5 pence per share, being the offer price. Costs

side letter - On 22 November 2017, SHH and FB Investors entered into a side letter to confirm, among other things, that SHH will (i) subject to the partial offer becoming, or being declared, unconditional in accordance with its terms, reimburse FB Investors £20,250 in respect of the amount which FB Investors has previously paid to the Royal Bank of Scotland plc (RBS) in partial satisfaction of the arrangement fee to be paid by SHH to RBS in connection with the RBS conditional amendment and restatement agreement; and (ii) subject to the partial offer becoming, or being declared, unconditional in accordance with its terms and Burges Salmon LLP engaging SHH as its client, on substantially the same terms and conditions as it has engaged FB Investors as its client, so that SHH may rely fully on the legal advice that it has provided in relation to the RBS conditional amendment and restatement agreement and SHH's strategy in relation to the Plymouth and South West Joint Local Plan, pay an amount up to £21,490 (exclusive of VAT and any disbursements) in respect of such advice.

Each of the non-director shareholders has undertaken that it will not solicit, initiate or encourage the submission of proposals or offers from any person (other than Scarlet Bidco) in relation to the acquisition of the entire issued and to be issued share capital of Sevelec (or any other transaction in competition with the offer).

17. Matching right which must be satisfied within three business days of a higher competing offer being announced.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Aldermore Group PLC (Main Market)	FirstRand Limited	£1.1b	22%	•			•						•	C					
Imagination Technologies Group plc (Main Market)	Canyon Bridge Capital Partners, LLC	£550m	41.6%	•			•						•	C FR S	•				
Quantum Pharma plc (AIM)	Clinigen Group plc	£150.3m	26.2%	•			•						•				•19		
eg solutions plc (AIM)	Verint-Systems Inc.	£26.3m	NP	•			•						•				•	•20	
Revolution Bars Group plc (Main Market)	Stonegate Pub Company Limited ²¹	£101.5m	62.4%	•			•						•	•22			•23		•24
Worldpay Group plc (Main Market)	Vantiv, Inc.	£8b	27.7%	•			•			•			•	C					•25

18. On 31 July 2017, the bidder, target and external legal advisers entered into a joint defence agreement to ring-fence the disclosure and exchange of confidential information and ensure that the confidentiality of such materials does not result in a waiver of privilege, right or immunity that might otherwise be available.

19. In the event of a higher competing offer being announced which is more than 86 pence per share, the irrevocable undertakings given by Harwood Capital will cease to be binding if Clinigen has not, within 14 days after the announcement of the competing offer, announced a revised offer which exceeds the value of the competing offer.

20. Statements made in the target's pre-close trading statement announced dated 20 July 2017 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code.

21. This offer lapsed in accordance with its terms.

22. On 23 August 2017, the bidder and target entered into a share options letter agreement to confirm the treatment of the target's share option schemes.

23. Topping right in shareholder irrevocables (with a 5% improvement threshold).

24. Statements made in the target's trading update announcement dated 19 May 2017 relating to the Rule 2.7 announcement are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code.

25. Statements made in the announcement dated 9 August 2017 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 2.7 announcement includes the directors' confirmations required by Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement and the scheme document include the directors' confirmations required by Rule 28.1(c)(i) of the Code.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Paysafe Group plc (Main Market)	The Blackstone Group L.P. and CVC Partners Advisory Company (Lux) S.a.r.l	£2,96b	9%	•			•						•	• ²⁶ C					• ²⁷
Jimmy Choo plc (Main Market)	Michael Kors Holdings Limited	£896m	36.5%	•			•						•	• ²⁸ C, F, R					
ASA Resource Group plc (AIM)	Hailiang Group Co., Ltd	£35.5m	64.7%		• ²⁹		•				•								
Cape plc (Main Market)	Altrad Investment Authority SAS	£332.3m	46.2%	•			•				•		•	•C, S					
Novae Group plc (Main Market)	AXIS Capital Holdings Limited	£477.6m ³⁰	23%	•			•						•	• ³¹					
Hayward Tyler Group plc (AIM)	Avingtrans plc	£28.3m	14.7%	•				•L					•	•				• ³²	• ³³
Electric World plc (AIM)	Riccardo Silva and Marco Auletta	£16.58m	16.3%	•			•						•	•				• ³⁴	

26. On 20 July 2017, Paysafe, CVC and Blackstone entered into a clean team agreement to allow the disclosure of information in certain circumstances. On 3 August 2017, CVC and each of the other parties entered into a clean team agreement with the other parties to the agreement. The parties to the agreement have confirmed the management arrangements are fair and reasonable with regard to the independent shareholders.

27. Statements made in the interim management statement in May 2017 reaffirming profit statements in January and March 2017 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The scheme document includes the directors' commitments required by Rule 28(C)(i) of the Code.

28. The Panel has consented to Jimmy Choo entering into a break fee arrangement with Michael Kors as a participant in Jimmy Choo's formal sale process. Under the terms of the co-operation agreement, Jimmy Choo has agreed to pay a break fee to Michael Kors of £6.96 million if a competing proposal completes, becomes effective or is declared or becomes unconditional in all respects. Michael Kors has agreed to pay a break fee to Jimmy Choo of £792.2 million under certain circumstances, including if any regulatory

condition is not satisfied or waived by Michael Kors by 14 days prior to the agreed long stop date. On 28 June 2017, all parties entered into a joint defence agreement. On 24 August 2017 the bidder, target and PVC entered into a clean team agreement.

29. RPI made an initial proposal to the ASA board on 16 June 2017 which was rejected on 22 June 2017. On 28 July 2017, ASA announced that its ordinary shares had been suspended from trading on AIM with effect from 28 July 2017.

30. On 25 August 2017, the bidder increased the offer to £477.6 million from £467.6 million.

31. On 5 June 2017, AXIS and Novae entered into a share scheme letter.

32. Topping right in shareholder irrevocables (with a 10% improvement threshold).

33. The offer is subject to bidder shareholder approval as it constitutes a reverse takeover under the AIM Rules.

34. Topping right in shareholder irrevocables (with a 15% improvement threshold).

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast	
Hornby PLC (AIM)	Phoenix Fund Ltd	£27.4m	NP		•	•	•				•									
Gemfields plc (AIM)	Fosun International Limited ³⁵	£256m	10.8%	•			•				•			◊ ³⁶			•			
Touchstone Innovations plc (AIM)	IP Group plc	£489.8m ³⁷	NP		•			• L			•			◊				• ³⁸		
Monitise plc (AIM)	Fiserv Inc	£75m ³⁹	34.8%	•			•						•	◊						
Kalibrate Technologies plc (AIM)	Hanover Active Equity Fund LP	£29m	50%	•			•				•			◊				• ⁴⁰		
Berendsen plc (Main Market)	Ellis SA	£2.17b	44%	•			•	• L		•				◊				• ⁴¹	• ⁴²	
Dragon-Ukrainian Properties and Development plc (AIM)	Dragon Capital Holding Limited	£14.22m (original offer) £16.4m (revised offer)	NP			• ⁴³	•				•									

35: This offer lapsed on 20 June 2017.

36: On 3 February 2017 Fosun Gold and Gemfields entered into a break fee agreement.

37: On 18 July 2017, IP increased the offer from a value of £466 million to £489.8 million.

38: The offer is subject to bidder shareholder approval as it constitutes a Class 1 transaction under the Listing Rules.

39: On 7 August 2017 Fiserv increased the offer from £70 million to £75 million.

40: Topping right in shareholder irrevocables (with an offer of 95 pence per share improvement threshold).

41: The offer is subject to bidder shareholder approval.

42:

Statements made in the accounts of the financial year ended 31 December 2016 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 27 announcement includes the directors' confirmations as required by Rule 28.1(c)(i) of the Code. The Panel also granted Berendsen a dispensation from the requirement to include reports from reporting accountants in relation to 2016 profit forecasts because the financial period ends more than 15 months from the date of the announcement. The Rule 27 announcement also includes a QIBS on cost synergies reported on by Deloitte LLP, Lazard & Co., Limited and Zaoui & Co Ltd as required by Rule 28.1(a) of the Code.

43: On 8 June 2017, the independent directors of the target confirmed that they are considering the terms of the offer and advised shareholders to take no action at that stage.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
The Prospect Japan Fund Limited (Main Market)	Prospect, Co. Ltd	\$146.6m (approx. £11.4m)	67.98%	•				• L					•	◊C R44				•45	
Gemfields plc (AIM)	Pallinghurst Resources Limited ⁴⁶	£2272m	NP		•47			• L			•						•48	•49	
InterQuest Group plc (AIM)	Management team (Gary Ashworth, Chris Eldridge, David Bygrave, Clare Ashworth and Luke Johnson)	£15.8m	9.37%		•		•		•50		•								
Waterman Group plc (Main Market)	CIT Engineering Co. Limited	£43m	83.01%	•		•	•				•			•51					•52
Mariana Resources Limited (AIM)	Sandstorm Gold Ltd	£153.5m	84.38%	•			•	• L					•	◊C53					•54

44. On 31 May 2017 Prospect entered into a deed poll under which it undertook to certain categories of TPF shareholders to take various actions in order to provide information to new shareholders following the issue of the new Prospect shares. On the same date, Prospect, TPF, Equiniti Limited, Equiniti Financial Services Limited, Prospect Asset Management, Inc. and Mizuho Trust & Banking (Luxembourg) S.A. entered into a master custody agreement to implement the arrangements necessary to facilitate the settlement of the new Prospect shares.

45. The offer is subject to bidder shareholder approval.

46. On 20 June 2017 Focus International Limited announced a competing firm offer valuing Gemfields at £256m (see bid table), however this offer lapsed on 26 June 2017.

47. On 27 June 2017 the independent board confirmed that it would not recommend the offer from a value perspective but that shareholders should consider whether to accept the offer, despite the independent board's firm view that the offer significantly undervalued Gemfields.

48. Topping right in shareholder irrevocables (with a 10% improvement threshold).

49. The offer is subject to bidder shareholder approval as a Category 1 transaction under the ISE listings requirements.

50. InterQuest shareholders will be entitled to elect to receive loan notes as an alternative to cash consideration.

51. CIT entered into a conditional sale agreement under which it agreed to purchase, in aggregate, 8.131,419 Waterman shares at the offer price, representing approximately 26.44% of the share capital of Waterman in issue on 8 May 2017 and this agreement also allows the Waterman management team the opportunity to exercise their LTP options and acquire Waterman shares.

52. Statements made in Waterman's interim results are considered to be a profit forecast for the purposes of Rule 28.1(c)(i) of the Code. The Rule 2.7 announcement includes the directors' confirmations as required by Rule 28.1(c)(i) of the Code.

53. Sandstorm signed up to retention agreements with Glen Parsons and Eric Both requiring independent shareholder approval in accordance with Rule 16.2 of the Code.

54. Statements made in the Sandstorm investor presentation prepared on 1 April 2017 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 2.7 announcement includes the directors' confirmations as required by Rule 28.1(c)(i) of the Code.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/V/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Kennedy Wilson Europe Real Estate PLC (Main Market)	Kennedy-Wilson Holdings, Inc	£15b (original offer) £1.44b (new offer)	Up to 20% ⁵⁵	• ⁵⁶			•	• L		•			•	◊C57		• ⁵⁸	•	• ⁵⁹	
Market Tech Holdings Limited (Main Market)	LabTech Investments Ltd	£892.3m	29.66%	•			•				•			◊C					
WS Atkins plc (Main Market)	SNC-Lavalin Group Inc.	£2.1b	35%	•			•						•	◊C ⁶⁰ R		•			• ⁶¹
Exova Group plc (Main Market)	Element Materials Technology Group Limited	£620.3m	10.7%	•			•						•	◊CR		• ⁶²			• ⁶³

55. 20% (based on original offer); 19.3% (based on new offer).

56. On 19 June 2017, the board of KW Holdings and the independent committee of KW Europe announced that KW Holdings agreed to make available a new offer, which includes a partial cash entitlement and amends the exchange ratio, and would sit alongside the original offer. The new offer includes consideration by way of a special dividend.

57. On 10 April 2017, KW Europe and the Manager entered into a separate manager's power agreement under which the Manager will make arrangements to allow certain named executives to make all payments out of KW Europe Group bank accounts, as requested by an independent board committee. On 24 April 2017, KW Holdings and KW Europe entered into a transaction agreement under which the parties agreed to regulate the implementation of the merger.

58. Each of Franklin and Quantum has undertaken that it will not solicit, directly or indirectly, or initiate discussions with a third party.

59. The offer is subject to bidder approval under the rules of the New York Stock Exchange.

60. Atkins and SNC Lavalin agreed to arrangements to allow holders of Atkins ADRs to participate. On the 8 April 2017, SNC Lavalin and Atkins entered into a joint defence agreement to disclose and exercise certain information for the purposes of the antitrust work stream. SNC Lavalin also agreed to pay Atkins a break fee of £50 million if a regulatory condition is either invoked by or has not been satisfied or waived by SNC Lavalin on 31 July 2017.

61. A profit forecast included in Atkins third quarter trading update constitutes a profit forecast for the purposes of Rule 28 of the Code. The Rule 27 announcement includes the director's confirmations as required by Rule 28-1(c)(i) of the Code.

62. Clayton, Dubilier & Rice Fund VII, LP has undertaken not to directly or indirectly solicit any other offer in competition with the acquisition and not enter into any related negotiations.

63. Statements made in the financial year ended 31 December 2016 are considered to be a profit forecast for the purposes of Rule 28 of the Code. The Rule 2.7 announcement includes the director's confirmations required by Rule 28-1(c)(i) of the Code.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Shawbrook Group plc (Main Market)	Pollen Street Capital Limited and BC Partners LLP	£86m ⁶⁴	27.0%		•		•				•65			◊					
Circle Holdings plc (AIM)	Toscafund Asset Management LLP and Penta Capital LLP	£75.2m	25.0%	•			•				•			◊66			•67		
Pannure Gordon & Co.plc (AIM)	QInvest LLC and Atlas Merchant Capital LLC	£15.5m	68.1%	•			•	•68					•	◊C69					
Amec Foster Wheeler plc (Main Market)	John Wood Group plc	£231b	15.3%	•				•70					•	◊R71 C				•72	•73
Aberdeen Asset Management plc (Main Market)	Standard Life plc	£3.8b	NP	•				•					•	C				•74	•75

64. On 4 June 2017, Pollen Street and BC Partners increased its offer from £84.4 million to £86 million.

65. 50% +1 acceptance condition.

66. Bidco and Toscafund entered into an exchange agreement which sets out the terms for the purchase of Bidco shares using the funds raised from the loan notes. Bidco executed rollover loan note instruments which govern the issue of loan notes to Tosca Investors, and the issue of subscription notes to Tosca Penta Healthco LP and Tosca Penta Healthco III LP. Bidco and Tosca Penta Funds entered into a subscription agreement for the subscription of ordinary shares and issue of loan notes. The parties have also agreed to the capitalisation of rollover loan notes and subscription loan notes into ordinary and preference shares in Bidco.

67. Matching right in shareholder irrevocables in the event of a competing offer equal to or exceeding 10% of the value of the cash consideration under the bidders' offer.

68. As an alternative to the cash, eligible scheme shareholders may elect to receive unlisted shares in Bidco to an amount limited to 12.5% of Bidco share capital.

69. QInvest and Bidco entered into a bid conduct agreement under which all Bidco shareholders (other than Atlas QInvest and each shareholder that elects to receive the unlisted share alternative) are expected to contribute their pro rata share of cash consideration in relation to the scheme, and in return

Atlas shareholders will be issued with additional Bidco shares. The parties also entered into a share exchange agreement with QInvest and QInvest entered into a shareholder agreement with regard to the management and operation of Bidco. Shareholders who elect to receive the unlisted share alternative will be bound the terms of this shareholder agreement.

70. Amec Foster Wheeler shareholders will own approximately 44% and Wood Group shareholders will own approximately 56% of the combined group.

71. The parties entered into a clean team non-disclosure agreement governing the disclosure of competitively sensitive information, as well as a confidentiality and joint defence agreement.

72. The acquisition is subject to approval by Wood Group shareholders as it constitutes a class 1 transaction under the Listing Rules.

73. The offer is subject to bidder shareholder approval as it constitutes a Class 1 transaction under the Listing Rules. Cazenove and Credit Suisse International as required by Rule 28.1(a) of the Code.

75. The offer is subject to bidder shareholder approval as it constitutes a Class 1 transaction under the Listing Rules. The Rule 2.7 announcement contains a QIBS, reported on by PricewaterhouseCoopers LLP and Goldman Sachs International as required by Rule 28.1(b) of the Code.

Appendix: Announced* UK takeover bids (1 January to 31 December 2017)¹

Target (Market)	Bidder	Bid value	Bid premium**	Recommended	Hostile	Rule 9 offer	Cash	Shares (L/U/A)	Other consideration	Mix and match	Offer***	Partial Offer	Scheme	Offer-related arrangements	Formal sale process	Non-solicit undertakings	Matching/Topping rights****	Shareholder vote	Profit forecast
Industrial Multi Property Trust plc (Main Market)	Hansteen Holdings plc	£27.75m ⁷⁶	NP	•			•				•			◊ ⁷⁷					
FIH Group plc (AIM)	The Rowland Purpose Trust 2007 ⁷⁸	£373m	27.39%	•			•				•								• ⁷⁹
NetPlay TV plc (AIM)	Betsson AB (publ)	£26.4m	12.5%	•			•						•	◊				• ⁸⁰	
Booker Group plc (Main Market)	Tesco plc	£3.7b	12.0%	•			•	• ^L	• ⁸¹	•			•	◊ ^{C82}				• ⁸³	• ⁸⁴

76. On 25 April 2017, Hansteen increased its offer from £25.23 million to £27.75 million.

77. In a letter dated 16 February 2017 Hansteen granted IMPT an option to appoint Hansteen as its new investment adviser and manager, regardless of the outcome of the offer.

78. This offer lapsed in accordance with its terms.

79. Statements made in FIH's interim results are considered to be a profit forecast for the purposes of Rule 28 of the Code and directors' confirmations are included as required by Rule 28.1(c)(i) of the Code.

80. Topping right in shareholder irrevocables (with a 10% improvement threshold).

81. Booker shareholders are expected to be entitled to receive a special dividend in respect of the financial year ending 24 March 2017 which Booker intends to pay instead of the annual 1b share scheme.

82. Tesco and Booker entered into a confidentiality and joint defence agreement to ensure that any disclosure of confidential information during the CMA approval process does not constitute a waiver of any privilege. The parties also entered into a clean team confidentiality agreement. Charles Wilson, the CEO of Booker, and Tesco entered into a lock-up agreement and a service agreement amendment deed.

83. The offer is subject to bidder shareholder approval as it constitutes a Class 1 transaction under the Listing Rules. Statements made in the financial year ending 25 February 2017 are considered to be a profit forecast for the purposes of Rule 28 of the Code which was reported on by Deloitte LLP and Greenhill & Co International LLP in accordance with Rule 28.1(a) of the Code. The Rule 2.7 announcement also contains a quantified financial benefits statement (QFBS) reported on by Deloitte and Greenhill & Co.

ashurst

www.ashurst.com

Broadwalk House, 5 Appold Street, London EC2A 2AG T: +44 (0)20 7638 1111 F: +44 (0)20 7638 1112 www.ashurst.com. Ashurst LLP and its affiliates operate under the name Ashurst. Ashurst LLP is a limited liability partnership registered in England and Wales under number OC330252. It is a law firm authorised and regulated by the Solicitors Regulation Authority of England and Wales under number 468653. The term "partner" is used to refer to a member of Ashurst LLP or to an employee or consultant with equivalent standing and qualifications or to an individual with equivalent status in one of Ashurst LLP's affiliates. Further details about Ashurst can be found at www.ashurst.com. © Ashurst LLP 2018 Ref D/7712