

Redde PLC - REDD Publication and posting of the Scheme Document
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FOR IMMEDIATE RELEASE

12 December 2019

RECOMMENDED ALL-SHARE MERGER

of

Redde plc

and

Northgate plc

to be effected by means of a scheme of arrangement

under Part 26 of the Companies Act 2006

On 29 November 2019, the boards of Northgate plc ("**Northgate**") and Redde plc ("**Redde**") announced that they had reached agreement on the terms of a recommended all-share merger of Northgate and Redde (the "**Merger**"). As outlined in that announcement, it is intended that the Merger will be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**") and is subject to the terms and conditions set out in the scheme document in relation to the Merger (the "**Scheme Document**").

Publication and posting of the Scheme Document

Redde is pleased to announce that the Scheme Document is being sent, or made available, to Redde Shareholders today. The Scheme Document contains, amongst other things, a letter from the Interim Non-Executive Chairman of Redde, an explanatory statement, the full terms and conditions of the Merger, notices convening the Court Meeting and the Redde General Meeting (together, the "**Redde Meetings**") in connection with the Scheme, an expected timetable of principal events and details of the actions to be taken by Redde Shareholders.

Northgate and Redde also note that a prospectus relating to the New Northgate Shares proposed to be issued to the Redde Shareholders in connection with the Merger ("**Northgate Prospectus**") has been approved by the Listing Transactions Department of the Financial Conduct Authority and is expected to be published today on Northgate's website at www.northgateplc.com. In addition, Northgate has today announced the publication of a circular containing information on the Merger and a notice convening the general meeting of Northgate Shareholders in connection with the Merger (the "**Circular**"), having been approved by the Listing Transactions Department of the Financial Conduct Authority.

Hard copies of the Forms of Proxy for the Redde Meetings together with the Scheme Document and the Northgate Prospectus are being posted to Redde Shareholders, and the Scheme Document and the Northgate Prospectus will shortly be available on Redde's website at www.redde.com

Action to be taken

As further detailed in the Scheme Document, the Scheme is subject to the Conditions. To become effective, the Scheme will require, amongst other things, approval by a majority in number of Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting representing not less than 75 per cent. in value of the Scheme Shares voted by such holders and the passing of a special resolution at the Redde General Meeting.

The Court Meeting and the Redde General Meeting will be held at the offices of Bryan Cave Leighton Paisner LLP at Adelaide House, London Bridge, London, EC4R 9HA, on Wednesday 15 January 2020 at 10.00 am and 10.15 am, respectively (or, in the case of the Redde General Meeting, as soon thereafter as the Court Meeting has been concluded or adjourned).

Following the Redde Meetings, the Scheme must be sanctioned by the Court and will only become Effective upon delivery to the Registrar of Companies of the Scheme Court Order.

The Redde Directors, who have been so advised by J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. J.P. Morgan Cazenove is providing independent financial advice to the Redde Directors for the purposes of Rule 3 of the City Code on Takeovers and Mergers (the “**Takeover Code**”). In providing its advice to the Redde Directors, J.P. Morgan Cazenove has taken into account the commercial assessments of the Redde Directors.

Accordingly, the Redde Directors unanimously recommend that Redde Shareholders vote in favour of the Scheme at the Court Meeting and the resolution to be proposed at the Redde General Meeting as the Redde Directors (together with a close relative of Martin Ward) have irrevocably undertaken to do in respect of their own beneficial holdings of Redde Shares, amounting to, in aggregate, 4,687,303 Redde Shares representing approximately 1.53 per cent. of Redde’s share capital in issue on Friday 6 December 2019 (being the latest practicable date prior to the date of the Scheme Document).

IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST (WHETHER IN PERSON OR BY PROXY) SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF THE OPINION OF SCHEME SHAREHOLDERS. YOU ARE THEREFORE STRONGLY URGED TO SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A CREST PROXY AS SOON AS POSSIBLE, AND, IN ANY EVENT SO AS TO BE RECEIVED BY 10.00 AM ON MONDAY 13 JANUARY 2020 FOR THE COURT MEETING AND 10.15 AM ON MONDAY 13 JANUARY 2020 FOR THE REDDE GENERAL MEETING. A FORM OF PROXY FOR THE COURT MEETING NOT LODGED AT THE RELEVANT TIME MAY BE HANDED IN TO THE CHAIRMAN OF THE COURT MEETING OR THE REGISTRAR BEFORE THE TAKING OF THE POLL AT THE COURT MEETING.

Redde Shareholders should carefully read the Scheme Document in its entirety before making a decision in respect of the Scheme.

Timetable

The current expected timetable of principal events for the implementation of the Scheme is set out below and in the Scheme Document.

Date of circulation of the Scheme Document	Thursday 12 December 2019
Latest time for lodging Form of Proxy for the Court Meeting (pink form)	10.00 am on Monday 13 January 2020 ⁽¹⁾
Latest time for lodging Form of Proxy for the Redde General Meeting (blue form)	10.15 am on Monday 13 January 2020 ⁽²⁾
Scheme Voting Record Time for the Court Meeting and the Redde General Meeting	6.00 pm on Monday 13 January 2020 ⁽³⁾
Northgate Shareholder Meeting	10.00 am on Wednesday 15 January 2020
Court Meeting	10.00 am on Wednesday 15 January 2020
Redde General Meeting	10.15 am on Wednesday 15 January 2020 ⁽⁴⁾

The following dates and times associated with the Scheme are subject to change and will depend, amongst other things, on the date on which regulatory (and other) Conditions to the Scheme are satisfied or, if capable of waiver, waived and on the date on which the Court sanctions the Scheme. Redde will give adequate notice of all of these dates and times, when known, by issuing an announcement through a Regulatory Information Service. Further updates and changes to these times shall, at Redde’s discretion, be notified in the same way.

Court hearing to sanction the Scheme and last day of dealings in, and for registration of transfers of, Redde Shares	A date expected to be during Q1 2020 ⁽⁵⁾ (“D”)
Suspension of trading of, and dealings in, Redde Shares	5.00 pm on D
Scheme Record Time	6.00 pm on D
Effective Date	D+1 (“S”)
New Northgate Shares issued to Redde Shareholders	By 8.00 am on the first Business Day following S
Admission and commencement of dealings in New Northgate Shares	8.00 am on the first Business Day following S

De-listing of Redde Shares	8.00 am on the first Business Day following S
CREST accounts of Redde Shareholders credited with New Northgate Shares	On or after 8.00 am on the first Business Day following S but no later than 14 days after the Effective Date ⁽⁶⁾
Latest date for CREST accounts to be credited with any cash due in relation to the sale of fractional entitlements	14 days after the Effective Date
Latest date for despatch of share certificates for New Northgate Shares and cheques for the cash due in relation to the sale of fractional entitlements for those Redde Shareholders who do not hold their Redde Shares in CREST	14 days after the Effective Date
Longstop Date	30 April 2020 ⁽⁷⁾

Notes:

1. References to times are to London time. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Redde Shareholders by announcement through a Regulatory Information Service.
2. The **PINK** Form of Proxy for the Court Meeting if not returned by the time stated above may be handed to the Registrar or to the chairman of the Court Meeting before the taking of the poll at the Court Meeting and will still be valid.
3. The **BLUE** Form of Proxy for the Redde General Meeting must be lodged by the time stated above in order to be valid or, if the Redde General Meeting is adjourned, no later than 48 hours (excluding non-Business Days) before the time fixed for the holding of the adjourned meeting.
4. If either the Court Meeting or the Redde General Meeting is adjourned, the Voting Record Time of the adjourned meeting(s) will be 6.00 pm on the second Business Day before the day fixed for the adjourned meeting.
5. The Redde General Meeting will commence at 10.15 am on the day of the Court Meeting or as soon as possible after the Court Meeting has been concluded or adjourned.
6. This date is subject to, among other things, the satisfaction or, where applicable, waiver of Conditions 6 and 7.
7. The Longstop Date is the latest date by which the Scheme may become Effective. However, the Longstop Date may be extended to such later date as Redde and Northgate may agree in writing (with the Panel's consent and as the Court may approve (should such approval(s) be required)).

Information for Redde Shareholders

If you have any queries about the Scheme Document, the Court Meeting or the Redde General Meeting or are in any doubt as to how to complete the Forms of Proxy, please contact Link Asset Services on +44 (0) 371 664 0321. 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 9.00 am – 5.30 pm, 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. The helpline cannot provide advice on the merits of the Merger nor give any financial, legal or tax advice.

General

Unless otherwise defined, all capitalised terms in this announcement shall have the same meaning given to them in the Scheme Document.

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Important notices relating to financial advisers

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ('J.P. Morgan Cazenove'), is authorised in the UK by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the Financial Conduct Authority ("FCA"). J.P. Morgan Cazenove is acting as financial adviser exclusively for Redde and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters set out in this announcement and will not be responsible to anyone other than Redde for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Cenkos Securities plc ("Cenkos"), which is authorised and regulated by the FCA, is acting exclusively for Redde and no one else in connection with the matters set out in this announcement and will not be acting for any other person or otherwise responsible to any person other than Redde for providing the protections afforded to clients of Cenkos or for advising any other person in respect of the matters set out in this announcement or any transaction, matter or arrangement referred to in this announcement.

Further information

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

The Merger shall be implemented solely by means of the Scheme Document (or in the event that the Merger is to be implemented by means of a Takeover Offer, the Offer Document), which shall contain the full terms and conditions of the Merger, including details of how to vote in respect of the Merger.

This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Redde and Northgate urge Redde Shareholders to read the Scheme Document because it contains important information relating to the Merger.

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

Overseas Shareholders

The release, publication or distribution of this announcement in or into jurisdictions other than the UK or the United States may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK or the United States should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person.

The Merger relates to the securities of two English companies and is proposed to be implemented by means of a scheme of arrangement provided for under, and governed by, English law. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation nor the tender offer rules under the United States Securities Exchange Act 1934 (as amended) (the "US Exchange Act"). Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the UK to schemes of arrangement, which are different from the disclosure requirements of the US proxy solicitation and tender offer rules. If Northgate exercises its right to implement the acquisition of the Redde Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US securities laws and regulations.

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

Unless otherwise determined by Northgate or required by the Takeover Code, and permitted by applicable law and regulation, the Merger shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so

would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Merger 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 announcement and all documents relating to the Merger (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. To the fullest extent permitted by applicable law, the companies and persons involved in the Merger disclaim any responsibility or liability for violation of such restrictions by any person.

The availability of New Northgate Shares under the Merger to persons who are not resident in the UK or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Redde Shareholders who are in any doubt regarding such matters should consult an appropriate independent financial adviser in their relevant jurisdiction without delay. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Merger shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.

Forward Looking Statements

This announcement contains statements which are, or may be deemed to be, “forward-looking statements” and which are prospective in nature. All statements other than statements of historical fact included in this announcement may be forward-looking statements. They are based on current expectations and projections 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. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “intends”, “anticipates”, “believes”, “targets”, “aims”, “projects”, “future-proofing” or words or terms of similar substance or the negative of such words or terms, as well as variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Northgate’s or any member of the Wider Northgate Group’s, Redde’s or any member of the Wider Redde Group’s operations and the Combined Group; and (iii) the effects of global economic conditions and governmental regulation on Northgate’s, any member of the Wider Northgate Group’s, Redde’s or any member of the Wider Redde Group’s and Combined Group’s business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of Northgate, the Wider Northgate Group, the Wider Redde Group and/or the Combined Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These factors include the satisfaction of the Conditions, as well as additional factors, such as: local and global political and economic conditions; significant price discounting by competitors; changes in consumer habits and preferences; foreign exchange rate fluctuations and interest rate fluctuations (including those from any potential credit rating decline); changes to the market in which the businesses operate; changes in the employee environment; legal or regulatory developments and changes; the outcome of any litigation; the impact of any acquisitions or similar transactions; competitive product and pricing pressures; success of business and operating initiatives; changes in the level of investment in IT systems; and changes in the level of capital investment. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Redde Group, refer to the Annual Report and the audited financial statements of the Redde Group for the financial year ended 30 June 2019. Readers should specifically consider the factors identified above and further described in the “Risk Factors” section of the Northgate Prospectus that could cause actual results of the Combined Group to differ before taking any action in respect of the Merger. Each of Northgate and the Redde Group, and each of their respective members, directors, officers, employees, advisers and persons acting on their behalf expressly disclaims any intention or obligation to update or revise any forward-looking or other statements contained in this announcement whether as a result of new information, future events or otherwise, except as required by applicable law.

No member of the Wider Northgate Group, nor the Wider Redde Group, nor any of their respective associates, directors, officers, employees or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

All forward looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

No profit forecasts or estimates

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

appropriate.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (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 Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (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 shall 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 <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic communications

Please be aware that addresses, electronic addresses and certain information provided by Redde Shareholders and other relevant persons for the receipt of communications from Redde may be provided to Northgate during the Offer Period as requested under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on website and availability of hard copies

A copy of this announcement and the Scheme Document shall be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Northgate's and Redde's websites at www.northgateplc.com and www.redde.com respectively by no later than 12 noon (London time) on 16 December 2019. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this announcement.

Any person who is required to be sent a copy of this announcement or the Scheme Document under the Takeover Code may request a hard copy of this announcement by contacting Link Asset Services at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or on +44 (0) 371 664 0321. You may also request that all future documents, announcements and information to be sent to you in relation to the Merger should be in hard copy form. A hard copy of this announcement will not be sent to you unless requested.

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