

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART 2 OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT UNDER SECTION 897 OF THE COMPANIES ACT.**

**The Scheme, if implemented, will result in the cancellation of the listing of the Haynes Shares on the Official List and of the admission to trading of the Haynes Shares on the Main Market of the London Stock Exchange. If you are in any doubt about the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom, or another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.**

If you sell, have sold or otherwise transferred all of your Haynes Shares, please send this document (but not the accompanying personalised Forms of Proxy) at once to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, this document should not be forwarded or transmitted in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of that jurisdiction. If you have sold or transferred part only of your Haynes Shares, you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. The accompanying Forms of Proxy are personalised. If you have recently purchased or been transferred Haynes Shares, you should contact Haynes' registrars, Link Asset Services by telephoning the helpline, details of which are set out on page 6 of this document, to obtain replacements of these documents.

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

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**RECOMMENDED CASH OFFER**  
**FOR**  
**HAYNES PUBLISHING GROUP P.L.C.**  
**BY**  
**INFOPRO DIGITAL (HOLDCO) LTD**  
**a wholly-owned subsidiary of Infopro Digital Group B.V.**

**to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006**

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**You should read carefully the whole of this document, any information incorporated into this document by reference from another source and the accompanying Forms of Proxy. Your attention is drawn to the letter from the Chairman of Haynes in Part 1 of this document, which contains the unanimous recommendation of the Haynes Directors that you vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. A letter from Europa Partners explaining the Acquisition and the Scheme in greater detail appears in Part 2 of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. on 25 March 2020. The Scheme will also require the approval of Haynes Shareholders of the Special Resolution at the General Meeting to be held at the same place at 10.15 a.m. on 25 March 2020 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Notices of the Haynes Meetings are set out in Part 9 and Part 10 of this document.

**The action to be taken by Haynes Shareholders in respect of the Haynes Meetings is set out on pages 5 to 6 of this document. Please read this information carefully. It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or transmit a proxy instruction (electronically through CREST) as soon as possible.**

**Completing and returning the Forms of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at either Haynes Meeting, or any adjournment of either Haynes Meeting, if you so wish and are so entitled.**

If you have any questions relating to this document (or any information incorporated into this document by reference from another source), the Haynes Meetings or the completion and return of the Forms of Proxy, please telephone the helpline, details of which are set out on page 6 of this document.

## **IMPORTANT NOTICES**

### **Important notices relating to financial advisers**

Raymond James, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Infopro Digital and Bidco and for no one else in connection with the Acquisition or any matters referred to in this document and will not be responsible to anyone other than Bidco for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this document or any other matters referred to in this document.

Europa Partners, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as financial adviser to Haynes and for no one else in connection with the Acquisition or any matters referred to in this document and will not be responsible to anyone other than Haynes for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this document or any other matters referred to in this document.

### **Overseas Shareholders**

The release, publication or distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular the ability of persons who are not resident in the United Kingdom to vote their Haynes Shares at the Court Meeting or General Meeting, or to appoint another person as proxy to vote at the Court Meeting or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document has been prepared for the purpose of complying with the laws of England and Wales, the Market Abuse Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales. Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Acquisition will not be made available directly or indirectly in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by use of mail or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.

Copies of this document and any other formal documentation relating to the Acquisition will not be and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition.

### **Additional information for US investors**

The Acquisition relates to the shares of a UK company and is being made by means of a scheme of arrangement provided for under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the Exchange Act and is exempt from the registration requirements of the Securities Act. Accordingly, the Acquisition will be subject to disclosure requirements and practices applicable in the UK and to schemes of arrangement under the laws of England and Wales, which are different from the disclosure and other requirements of a US tender offer and US Federal securities laws. Neither the SEC, nor any securities commission of any state of the United States, has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

Financial information relating to Haynes included in this document has been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. It may be difficult for US holders of Haynes Shares to enforce their rights and any claims they may have arising under US Federal securities laws in connection with the Acquisition, since Haynes is organised under the laws of a country other than the United States, and some of its officers and directors may be residents of countries other than the United States, and most of the assets of Haynes are located outside of the United States. US holders of

Haynes Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US Federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgment.

The Acquisition may, in the circumstances provided for in this document, instead be carried out by way of a Takeover Offer under the laws of England and Wales. If Bidco exercises, with the consent of the Panel, its right to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with applicable US tender offer and US Federal securities laws and regulations, including the exemptions therefrom. In accordance with normal UK practice, Bidco or its nominees, or its brokers (acting as agents), may, from time to time, make certain purchases of, or arrangements to purchase, Haynes Shares outside of the United States, other than pursuant to the Acquisition, until the date on which the Acquisition 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. Any information about such purchases will be disclosed, as required in the UK, will be reported to a RIS and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Forward-looking statements**

This document may contain certain "forward-looking statements" with respect to Infopro Digital, Bidco or Haynes. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could", "shall" or other words or terms of similar meaning or the negative thereof. Forward-looking statements 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 Infopro Digital, Bidco or Haynes and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on the business of Infopro Digital, Bidco or Haynes.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future strategies and environments. You are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to Infopro Digital, Bidco or Haynes or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. Infopro Digital, Bidco or Haynes assume no obligation to update publicly or revise forward-looking or other statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

### **No profit forecasts or estimates**

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per ordinary share for Haynes, Infopro Digital or Bidco for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Haynes, Infopro Digital or Bidco.

### **Disclosure requirements of the Code**

Under Rule 8.3(a) of the 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 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 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 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](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)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.

#### **Information relating to Haynes Shareholders**

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

#### **Publication on websites and availability of hard copies**

In accordance with Rule 26.1 of the Code, a copy of this document is available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, on Infopro Digital's website at <https://www.infopro-digital.com/group/finance> and on Haynes' website at [www.haynes.com/investor](http://www.haynes.com/investor). Neither the contents of this website nor the content of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this document.

In accordance with Rule 30.3 of the Code, a person so entitled may request a hard copy of this document (and any document incorporated into it by reference to another source), free of charge, by contacting Europa Partners on +44 20 7451 4523 or, in writing, at 33 St. James's Square London SW1Y 4JS. A hard copy of this document (and any document incorporated into it by reference to another source) will not be sent unless so requested. A person so entitled may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

#### **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.

#### **Time**

All times shown in this document are London times, unless otherwise stated.

#### **Date**

This document is dated 2 March 2020.

## ACTION TO BE TAKEN

**For the reasons set out in this document, the Haynes Directors, who have been so advised by Europa Partners as to the financial terms of the Acquisition for the purposes of Rule 3 of the Code, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Haynes Directors, Europa Partners has taken into account the commercial assessments of the Haynes Directors.**

**Accordingly, the Haynes Directors unanimously recommend that Haynes Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, as the Haynes Directors who hold Haynes Shares have irrevocably undertaken to do in respect of their own beneficial holdings of Haynes Shares (for the avoidance of doubt, not including the interests covered by the irrevocable undertakings of the Family members and Family Settlements), amounting in aggregate to 79,671 Haynes Shares (representing approximately 0.5 per cent. of the issued share capital of Haynes (excluding all Treasury Shares) as at the Last Practicable Date) and the Haynes Directors unanimously recommend that you take the action described below.**

### **Voting at the Haynes Meetings**

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. on 25 March 2020. The Scheme will also require the approval of Haynes Shareholders of the Special Resolution at the General Meeting to be held at the same place at 10.15 a.m. on 25 March 2020 (or as soon thereafter as the Court Meeting has concluded or been adjourned). In addition, the approval of Haynes Shareholders of the Ordinary Resolution is required to facilitate the Treasury Share Proposal. Notices of the Haynes Meetings are set out in Part 9 and Part 10 of this document.

### **Please check you have received with this document:**

- a WHITE Form of Proxy for use at the Court Meeting;
- a YELLOW Form of Proxy for use at the General Meeting; and
- a reply-paid envelope for use in the United Kingdom.

If you have not received these documents, please contact Haynes' registrars, Link Asset Services on the helpline, details of which are set out on page 6 of this document.

Whether or not you plan to attend the Haynes Meetings, please complete the enclosed Forms of Proxy in accordance with the instructions printed on them and return them to: PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received by no later than:

- **10.00 a.m. on 23 March 2020 in the case of the WHITE Form of Proxy for the Court Meeting; and**
- **10.15 a.m. on 23 March 2020 in the case of the YELLOW Form of Proxy for the General Meeting,**

**(or in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). A reply-paid envelope is provided for use in the United Kingdom only.**

If the WHITE Form of Proxy for use at the Court Meeting is not received by Link Asset Services by 10.00 a.m. on 23 March 2020, it may be handed to the Chairman of the Court Meeting before the commencement of the Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not received by Link Asset Services by 10.15 a.m. on 23 March 2020, it will be invalid.

If you hold your Haynes Shares in CREST, you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes on the notices of each Haynes Meeting set out in Parts 9 and 10 of this document).

Proxies submitted electronically through CREST must be sent as soon as possible, and in any event, so as to be received by no later than 10.00 a.m. on 23 March 2020 in the case of the Court Meeting and by 10.15 a.m. on 23 March 2020 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Completing and returning the Forms of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the Haynes Meetings, or any adjournment of the Haynes Meetings, if you so wish and are so entitled.

#### **IMPORTANT NOTICE**

**IT IS IMPORTANT THAT, FOR THE COURT MEETING, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR AND REASONABLE REPRESENTATION OF SCHEME SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR TRANSMIT A PROXY INSTRUCTION (ELECTRONICALLY THROUGH CREST) AS SOON AS POSSIBLE AND, IN ANY EVENT, BY NO LATER THAN 10.00 A.M. ON 23 MARCH 2020, IN THE CASE OF THE COURT MEETING, AND BY NO LATER THAN 10.15 A.M. ON 23 MARCH 2020, IN THE CASE OF THE GENERAL MEETING.**

#### **HELPLINE**

If you have any questions relating to this document (or any information incorporated into this document by reference to another source), the Haynes Meetings or the completion and return of the Forms of Proxy, please contact Haynes' registrars, Link Asset Services on 0371 664 0321 or by writing to Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Calls are charged at the standard geographic rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. Lines will be open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out the expected dates for implementation of the Scheme.

| Event   | Time and/or date                           |
|---|--|
| Latest time for lodging Forms of Proxy for the:   |  |
| • <b>Court Meeting (WHITE Form of Proxy)</b>  | 10.00 a.m. on 23 March 2020 <sup>(1)</sup> |
| • <b>General Meeting (YELLOW Form of Proxy)</b>   | 10.15 a.m. on 23 March 2020 <sup>(2)</sup> |
| Voting Record Time  | 6.00 p.m. on 23 March 2020 <sup>(3)</sup>  |
| <b>Court Meeting</b>  | 10.00 a.m. on 25 March 2020                |
| <b>General Meeting</b>  | 10.15 a.m. on 25 March 2020 <sup>(4)</sup> |
| <i>Certain of the following dates are subject to change<sup>(5)</sup>:</i>                                |  |
| Court Hearing   | 1 April 2020                               |
| Last day of dealings in, and for registration of transfers of, and disablement in CREST of, Haynes Shares | 2 April 2020                               |
| Scheme Record Time  | 6.00 p.m. on 2 April 2020                  |
| Suspension of dealings in Haynes Shares   | 7.30 a.m. on 3 April 2020                  |
| <b>Effective Date</b>   | 3 April 2020                               |
| Cancellation of admission to trading of Haynes Shares   | 7.00 a.m. on 6 April 2020                  |
| Settlement of the consideration payable under the Acquisition   | by no later than<br>17 April 2020          |
| Long-Stop Date  | 30 June 2020 <sup>(6)</sup>                |

<sup>(1)</sup> The WHITE Form of Proxy for the Court Meeting should be received by Link Asset Services before 10.00 a.m. on 23 March 2020, or, if the Court Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting. WHITE Forms of Proxy not so received may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting.

<sup>(2)</sup> The YELLOW Form of Proxy for the General Meeting must be lodged with Link Asset Services before 10.15 a.m. on 23 March 2020 in order for it to be valid, or, if the General Meeting is adjourned, not later than 48 hours before the time fixed for the holding of the adjourned meeting. The YELLOW Form of Proxy cannot be handed to the Chairman of the General Meeting at that meeting.

<sup>(3)</sup> If a Haynes Meeting is adjourned, only those Scheme Shareholders (in the case of the Court Meeting) and Haynes Shareholders (in the case of the General Meeting) on the register of members of Haynes at close of business on the day which is two Business Days before the adjourned meeting will be entitled to attend and vote.

<sup>(4)</sup> To commence at the time fixed or, if later, immediately after the conclusion or adjournment of the Court Meeting.

<sup>(5)</sup> These times and dates are indicative only and will depend, among other things, on the date on which: (i) the Conditions are either satisfied, or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies. Haynes will give notice of any change(s) by issuing an announcement through a RIS and, if required by the Panel, send notice of the change(s) to Haynes Shareholders and other persons with information rights.

<sup>(6)</sup> This is the last date on which the Scheme may become Effective unless Bidco and Haynes, with the consent of the Panel and, if required, the approval of the Court, agree in writing a later date.

All references in this table to times are to London time unless stated otherwise.

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## PART 1

### LETTER FROM THE CHAIRMAN OF HAYNES PUBLISHING GROUP P.L.C.



*(Incorporated in England and Wales with registered number 00659701)*

#### **Directors:**

#### **Registered Office**

|   |           |
|---|-----------|
| Edward Bell <i>(Chairman)</i>                                       | Sparkford |
| J Haynes <i>(Chief Executive Officer)</i>                           | Yeovil    |
| James Bunkum <i>(Chief Operating Officer)</i>                       | Somerset  |
| Jeremy Yates-Round <i>(Managing Director Haynes Consumer)</i>       | BA22 7JJ  |
| Alexander Kwarts <i>(Chief Technology Officer)</i>                  |           |
| Peter van der Galiën <i>(Managing Director Haynes Professional)</i> |           |
| Richard Barker <i>(Group Finance Director)</i>                      |           |
| Harvey Wolff <i>(Senior Vice President, Haynes North America)</i>   |           |
| Stephen Daykin <i>(Senior Independent Non-Executive Director)</i>   |           |
| Nina Wright <i>(Independent Non-Executive Director)</i>             |           |

2 March 2020

*To all holders of Haynes Shares, persons with information rights in Haynes and, for information only, to the holders of awards under the Haynes Long Term Incentive Plan.*

Dear Haynes Shareholder

#### **Recommended cash offer for Haynes by Bidco, a wholly-owned subsidiary of Infopro Digital**

##### **1. Introduction**

On 13 February 2020, the boards of Infopro Digital and Haynes announced they had reached agreement on the terms of a recommended all cash offer pursuant to which Bidco, a wholly-owned subsidiary of Infopro Digital, would acquire the entire issued and to be issued share capital of Haynes. The Acquisition will be effected by means of a scheme of arrangement under Part 26 of the Companies Act and is expected to become Effective in April 2020.

The Acquisition follows from a formal sales process announced by Haynes on 15 November 2019 under the Code to maximise value for shareholders.

I am writing to you today to set out the terms, and provide further details, of the Acquisition and the background to and reasons why the Haynes Directors consider the terms of the Acquisition to be fair and reasonable and unanimously recommend that you vote in favour of the Acquisition. I draw your attention to the letter from Europa Partners set out in Part 2 of this document, which gives details about the Acquisition and the additional information set out in Part 5 of this document.

In order to approve the terms of the Acquisition, the Scheme will require approval at the Court Meeting and will require the approval of the Special Resolution to be proposed at the General Meeting, both of which will be held on 25 March 2020 at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT. In addition, the approval of the Haynes Shareholders of the Ordinary Resolution is required to facilitate the Treasury Share Proposal. The Court Meeting will start at 10.00 a.m. and the General Meeting will start at 10.15 a.m. (or as soon thereafter as the Court Meeting has concluded or been adjourned). Details of the action you should take are set out on pages 5 and 6 and in paragraphs 11 and 12 of Part 2 of this document and the recommendation of the Haynes Directors is set out in paragraph 12 of this letter.

## 2. The Acquisition

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part 3 of this document, Scheme Shareholders whose names appear on the register of members of Haynes at the Scheme Record Time will be entitled to receive:

### for each Scheme Share held 700 pence in cash

The Acquisition values the entire issued and to be issued ordinary share capital of Haynes (including Treasury Shares) at approximately £114.5 million on a fully diluted basis and represents a premium of approximately:

- 62.4 per cent. to the Closing Price per Haynes Share of 431.0 pence on 12 February 2020 (being the latest practicable date prior to publication of the Announcement);
- 72.8 per cent. to the Closing Price per Haynes Share of 405.0 pence on 14 November 2019 (being the latest practicable date prior to announcement of Haynes' Formal Sale Process);
- 67.5 per cent. to the volume weighted average price per Haynes Share of 418.0 pence for the three month period ended 12 February 2020 (being the latest practicable date prior to publication of the Announcement); and
- 120.1 per cent. to the volume weighted average price per Haynes Share of 318.0 pence for the twelve month period ended 12 February 2020 (being the latest practicable date prior to publication of the Announcement).

Subject to the Conditions and further terms set out herein, the Haynes Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the Announcement Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Announcement Date in respect of the Haynes Shares.

If any dividend or other distribution in respect of the Haynes Shares is declared, paid or made on or after the Announcement Date, Bidco reserves the right to reduce the consideration payable for each Haynes Share under the terms of the Acquisition by the amount per Haynes Share of such dividend or distribution. If Bidco exercises this right or makes such a reduction in respect of a dividend or distribution, Haynes Shareholders will be entitled to receive and retain that dividend or distribution.

## 3. Background to and reasons for the Acquisition

Haynes is a leading multi-national supplier of content, data and innovative workflow solutions for the automotive industry and motorists, and represents an attractive opportunity to invest in a well-established operator with a strong brand in multiple geographic markets.

The Acquisition represents an opportunity for Infopro Digital to build a leading global information services provider in the automotive industry by combining its own automotive division ("**Infopro Digital Automotive**") with Haynes and leveraging both companies' own datasets, customer bases and existing international operations. Infopro Digital Automotive and Haynes are complementary in two main respects:

- first, Infopro Digital Automotive's geographic footprint is complementary to Haynes': Infopro Digital Automotive has a historically strong presence in France through its brands ETAI and Inovaxo and has accelerated its international expansion since 2016. Conversely, Haynes has, through both its business lines, built a leading position in the UK, Germany, Benelux, Eastern Europe and further afield in the US, Australia and New Zealand; and
- second, from a product offering standpoint, Infopro Digital and Haynes are also complementary both in terms of the content which can be combined to build a leading pan-European database, and also in broadening both businesses' respective solutions for their customers.

The combination of the two companies should therefore create a compelling product portfolio in the market for each business' respective clients seeking international software, data and insight solutions.

Like Haynes, Infopro Digital believes that technology is, and will increasingly be, a key driver of success in its respective markets. Infopro Digital has therefore been investing significantly in its technological capabilities and, over time, has acquired expertise in developing purely digital and highly complementary products and services. This has in part been driven by Infopro Digital's deep technical resources and expertise across, amongst other things, software development, big data, artificial intelligence and UX/UI (user experience and user interface), for which it has dedicated expert teams, and which Infopro Digital would like to bring to bear to benefit Haynes' development.

In order to maximise its future potential, Infopro Digital believes that Haynes would be better suited to a private company environment, where initiatives to improve the performance of the business can be implemented effectively, with appropriate support, capital and assistance from Infopro Digital, free from the requirement to meet the public equity market's shorter-term expectations, and the costs, constraints and distractions associated with being a listed company.

#### **4. Intentions with regards to the business, employees, research and development and locations**

Consistent with market practice, Infopro Digital has been granted access to Haynes' senior management for the purposes of undertaking confirmatory due diligence. As a result of that diligence process, Infopro Digital has been able to develop a preliminary strategy that it anticipates delivering for the Haynes business. Upon the Acquisition becoming effective, Infopro Digital will benefit from having greater access to the business, employees, partners and clients of Haynes, and will be able to formulate more detailed long-term strategic and operational plans for both the Haynes Group and Infopro Digital.

It is anticipated that more detailed long-term strategic and operational planning will take place within the six months following the Effective Date and will include new initiatives to grow both the Professional and Consumer divisions of Haynes, including through further investment in Haynes' product offering.

From the due diligence that Infopro Digital has been able to conduct to date, Infopro Digital believes that Haynes is a well-positioned and complementary business that will make an excellent addition to Infopro Digital Automotive as it advances its strategy of building one of the largest global and most competitive information services providers in the automotive industry. Infopro Digital also recognises that Haynes' two divisions are complementary or directly adjacent to Infopro Digital Automotive's existing operations and therefore this next stage of planning may result in the development of separate, focused strategies for each division.

##### ***The Professional division***

Haynes' Professional division is aligned to the majority of Infopro Digital Automotive's existing professional product offering. The integration of this division into Infopro Digital is therefore a high priority initiative, with focus on the areas described below.

There is the opportunity to invest in Haynes' product offerings, focusing among other things on its existing product development roadmap, and utilising Infopro Digital's disciplined, customer-centric approach to product development. Infopro Digital intends to continue to support and service all existing Haynes content, data and workflow solutions and has no current intention to migrate Haynes' customers to new product platforms. In particular, Infopro Digital intends to support and strengthen Haynes' strategy of providing best-in-class content and data for its customers, where appropriate.

Infopro Digital intends to share with Haynes its platform and technology to see if its utilisation, in whole or in part, might benefit the business and its clients.

Infopro Digital will evaluate with Haynes the potential to develop growth plans around both sets of customers and suppliers and an enlarged product offering.

Infopro Digital will confirm that Haynes' operations have no significant geographic overlap with Infopro Digital Automotive.

### ***The Consumer division***

Haynes' Consumer division occupies an adjacent segment to Haynes' Professional division and Infopro Digital's Automotive business. It may therefore require its own focused strategy as part of the Enlarged Group. This will be further explored as part of the post-Effective Date review, which will include an assessment of the broader range of strategic and operational plans that are open to Haynes' Consumer division.

Infopro Digital will bring to bear the expertise it has developed in on-line and digital marketing.

It is anticipated that Infopro Digital will continue to use the Haynes brand name after the Effective Date.

### ***Haynes Group***

Infopro Digital intends to invest both organically and potentially via acquisitions to further enhance its product offering growth and market position. Acquisitions would most likely involve smaller companies that fit with existing business areas or larger companies that sit in adjacent segments.

Infopro Digital does not intend to effect any material change in the balance of skills and functions of the employees and management of the Haynes Group and has no intention to redeploy the fixed assets of the Haynes Group.

Infopro Digital intends to maintain Haynes' corporate headquarters and headquarters' functions in Sparkford.

Following the Effective Date, a number of corporate and support functions, including PLC-related functions, may cease to be necessary and therefore potentially require headcount reductions. Any such proposals for change would be developed during the six-month strategic and operational planning period referenced above. The six-month review may also identify areas of content production where overlap exists (including by content type or geographic distribution), which may also lead to headcount reductions (but only to the extent of any such overlap). Infopro Digital has not yet developed proposals as to how any such headcount reductions would be implemented and any individuals impacted will be treated in a manner consistent with Haynes' high standards, culture and practices.

The non-executive directors of Haynes, together with Mr. Edward Bell (Executive Chairman) and Mr. J Haynes (Chief Executive Officer), intend to resign as directors of Haynes with effect from completion of the Acquisition.

### ***Research and development***

Infopro Digital will perform a full review of Haynes' product development roadmap and existing research and development functions with the intention of identifying areas: (i) to increase investment in research and development and utilise the technology in its own group, as referenced in Section 3; (ii) to use Infopro Digital's existing technology capabilities to develop new highly valued functionalities or accelerate Haynes' existing development roadmap; and (iii) of surplus research and development headcount where operational efficiencies can be achieved across Infopro Digital's existing research and development functions.

### ***Employees***

Infopro Digital attaches great importance to the skills and experience of Haynes' employees, including its management team. Infopro Digital believes that the Acquisition will generally result in greater opportunities for Haynes' staff as part of the Enlarged Group, particularly in terms of activities that pertain to developing and expanding its market position across Europe.

Following the Acquisition becoming effective, Infopro Digital intends to review the management and governance structure of Haynes as well as its central functions: this review is expected to form part of the six-month strategic and operational planning review referenced above.

Infopro Digital has limited operations in countries where Haynes has a substantial presence. Accordingly, aside from the limited cost-savings that could be achieved through potential headcount reductions mentioned above in relation to corporate, support, content production and research and development functions, it is not expected that there will be significant headcount reductions.

Infopro Digital has confirmed that it will adopt the current pay schemes for all employees currently in place and does not intend to make any material changes to the terms of employment save that annual objectives for bonus-eligible employees will be redefined to align with new annual and longer-term strategies once these strategies have been defined.

Infopro Digital has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Haynes' management, nor will it do so prior to the Effective Date. It may put in place incentive arrangements for certain members of the Haynes management team following completion of the Acquisition to achieve its long-term objectives, commensurate with the position, relative contribution of the individual to the overall company, compensation history and private company (vs. public company) norms.

Infopro Digital does not expect or intend this further review to have a material impact on the balance of skills and functions at Haynes.

#### ***Existing employment rights and pensions***

Infopro Digital has given assurances to the Haynes Board that the existing rights and terms and conditions of employment, including contributions to defined contribution pension plans, of the management and employees of Haynes and its subsidiaries will be fully safeguarded in accordance with applicable law.

In the UK Haynes operates the defined benefit Haynes Publishing Group P.L.C. Retirement Benefits Scheme, as well as defined contribution arrangements. The defined benefit scheme is closed to new members with no employees accruing further benefits under the plan, other than via a link to current salary. Infopro Digital will engage with the trustees of the Haynes Publishing Group P.L.C. Retirement Benefits Scheme to discuss scheme funding. In the USA, Haynes operates the defined benefit Haynes North America, Inc. Employees' Defined Benefit Pension Plan. This plan remains open to future accrual.

Infopro Digital recognises the importance of the Haynes Group's pension obligations and of ensuring that its pension schemes are appropriately funded in accordance with statutory requirements. Contributions to the UK Haynes pension scheme will be reviewed as part of the scheme's scheduled actuarial valuation as at 30 June 2020, at which time Infopro Digital will engage with the trustees to discuss scheme funding. Infopro Digital does not intend to make any changes to the current contribution arrangements before that time. Infopro Digital has already had a constructive meeting with the Chair of Trustees of the UK Haynes pension scheme.

#### ***Trading facilities***

Haynes' Ordinary Shares are currently listed on the premium listing segment of the Official List and, as set out in paragraph 14 of Part 2 of this document, a request will be made to the London Stock Exchange to cancel trading in those shares and de-list Haynes from the Official List and re-register it as a private company.

#### ***Impact of the Acquisition on Infopro Digital***

Other than as described above, the Acquisition is not expected to have any impact on the Infopro Digital Group's places of business, its employees or management.

### **5. Background to and reasons for the Haynes Directors' Recommendation**

Haynes has made a highly successful strategic transition over the past five years from an iconic manuals publishing business to being a leading supplier of content, data and innovative workflow solutions for the automotive industry and motorists. In doing so Haynes has generated rapid growth and attractive returns for shareholders. In the three years to the end of the 2019 financial year, Haynes grew revenues by 12% CAGR and adjusted operating profit by 20% CAGR.

It has become increasingly clear that global reach, scale, and the ability to continuously invest in new technology will be critical to success in the markets served by Haynes, and particularly in the professional automotive aftermarket. The Haynes Directors share Infopro Digital's view that a combination of the two businesses would create a compelling product portfolio while significantly strengthening their collective global presence and ability to deliver market leading content, data and workflow solutions to their clients.

The Haynes Directors are mindful of the constraints imposed by Haynes' relative lack of scale in relation to some of the global competitors in the markets that it serves, and are confident that a combination with Infopro Digital would significantly improve Haynes' strategic positioning. The Haynes Directors agree with Infopro Digital that initiatives to improve the performance of the business could be implemented more effectively in a private company environment, and with the support, capital and assistance that Infopro Digital could provide. They also believe that the Acquisition represents an opportunity for Haynes Shareholders to realise the value of their holdings in cash at an attractive premium, particularly in the context of Haynes' relative lack of liquidity as a small-cap publicly listed company. The Acquisition will allow Haynes Shareholders to crystallise the value of their holdings at a premium of 62.4 per cent. to the Closing Price of a Haynes Share on 12 February 2020, being the last Business Day prior to the Announcement and a premium of 67.5 per cent. to the volume weighted average price per Haynes Share of 418.0 pence during the three month period to 12 February 2020.

Following careful consideration of the above factors, the Haynes Directors believe that the offer price of 700 pence per Haynes Share in cash provides attractive value and certainty to Haynes Shareholders, recognising Haynes' market position, its future growth prospects and the risks associated with those prospects.

## **6. Irrevocable undertakings and letters of intent**

Infopro Digital and Bidco have received irrevocable undertakings from the Haynes Directors to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting in respect of a total of 79,671 Haynes Shares (for the avoidance of doubt, not including the interests covered by the irrevocable undertakings of Family members and Family Settlements summarised directly below) representing, in aggregate, approximately 0.5 per cent. of Haynes' issued ordinary share capital on the Last Practicable Date (excluding all Treasury Shares).

Infopro Digital and Bidco have also received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions from Family members and Family Settlements in respect of a total of 11,115,608 Haynes Shares representing, in aggregate, approximately 73.5 per cent. of Haynes' issued ordinary share capital on the Last Practicable Date (excluding all Treasury Shares).

Infopro Digital and Bidco have also received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions from CriSeren Investments Ltd and Stancroft Trust Ltd in respect of a total of 728,666 Haynes Shares representing, in aggregate, approximately 4.8 per cent. of Haynes' issued ordinary share capital on the Last Practicable Date (excluding all Treasury Shares).

In addition, Infopro Digital and Bidco have received a letter of intent from AXA Investment Managers UK Limited to vote in favour of the Scheme at the Court Meeting and the Resolutions in respect of 450,000 Haynes Shares representing, in aggregate, approximately 3.0 per cent. of Haynes' issued ordinary share capital on the Last Practicable Date (excluding all Treasury Shares).

Infopro Digital and Bidco have therefore received irrevocable undertakings or letters of intent in respect of a total of 12,373,945 Haynes Shares representing, in aggregate, approximately 81.8 per cent. of Haynes' issued ordinary share capital on the Last Practicable Date (excluding all Treasury Shares).

## **7. The Haynes Long Term Incentive Plan and Treasury Share Proposal**

The executive directors of Haynes and certain other members of senior management hold awards over Haynes Shares granted to them under the Haynes Long Term Incentive Plan. Each of the participants in the Haynes Long Term Incentive Plan has agreed to the cancellation of all of their outstanding awards, subject to the Scheme being sanctioned.

In light of the above, Haynes has proposed to allocate the benefit of the 1,229,054 Ordinary Shares currently held in treasury to the Haynes Directors (other than J Haynes) and other members of senior management (“**Treasury Share Proposal**”). Subject to the Scheme being sanctioned, under the Treasury Share Proposal, the 1,229,054 Ordinary Shares currently held in treasury will be acquired by Bidco at the price of 700 pence per share under the terms of the Scheme with the cash proceeds from the disposal of those Ordinary Shares of approximately £8.6 million then being awarded to the Haynes Directors (other than J Haynes) and relevant members of senior management, on a non-pensionable basis. The implementation of the Treasury Share Proposal is subject to Haynes Shareholders approving by way of the Special Resolution at the General Meeting the disapplication of pre-emption rights relating to the transfer of the Treasury Shares out of treasury and, insofar as it relates to the Haynes Directors, approving by way of the Ordinary Resolution at the General Meeting an amendment to Haynes’ directors’ remuneration policy to permit payments to be made to those Haynes Directors in this way.

Further information about the Treasury Share Proposal is set out in paragraph 8 of Part 2 of this document.

## **8. Structure of the Acquisition**

### ***Scheme***

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Haynes and the Scheme Shareholders under Part 26 of the Companies Act. Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer (with the consent of the Panel).

The purpose of the Scheme is to enable Bidco to become the owner of the whole of the issued and to be issued share capital of Haynes (including shares currently held in treasury).

Under the Scheme, the Scheme Shares will be transferred to Bidco in consideration for which the Scheme Shareholders will receive the cash consideration. The Scheme will be subject to the Conditions and further terms referred to in Part 3 of this document. The Acquisition will lapse if the Scheme does not become Effective by the Long Stop Date.

The issued share capital of Haynes currently comprises 7,351,540 Ordinary Shares, which are listed on the Official List, and 9,000,000 A Ordinary Shares, which are unlisted. The Ordinary Shares in issue include 1,229,054 Ordinary Shares currently held in treasury.

The rights attaching to the A Ordinary Shares and the rights attaching to the Ordinary Shares are the same and the A Ordinary Shares and the Ordinary Shares rank *pari passu* with each other in all respects save that A Ordinary Shares are not permitted to be transferred by a holder of A Ordinary Shares other than to a member of his or her Family or to Family Settlements. The Special Resolution is to be proposed at the General Meeting to, amongst other things, amend the articles of association of Haynes to remove this restriction. The holders of A Ordinary Shares have each irrevocably undertaken to vote their respective A Ordinary Shares in favour of such resolution.

The A Ordinary Shares and the Ordinary Shares will be treated as a single class for the purposes of the Scheme and for the purposes of the shareholder resolutions required to implement it.

### ***Approval by the Court Meeting and the General Meeting***

In order to become Effective, the Scheme requires:

- (a) the approval of a majority in number of the Scheme Shareholders who vote, representing not less than 75 per cent. in value of the Scheme Shares voted, either in person or by proxy, at the Court Meeting. At the Court Meeting, voting will be by poll and not on a show of hands and, subject to the below, all Scheme Shareholders, appearing on Haynes’ register of members at the Voting Record Time, will be entitled to vote at the Court Meeting and to cast one vote for each Scheme Share held;
- (b) the approval of not less than 75 per cent. of the votes cast, either in person or by proxy, in respect of the Special Resolution to be proposed at the General Meeting (to be held directly after the Court Meeting) which is necessary in order to implement the Scheme, including to

approve amendments to Haynes' articles of association to ensure that any Haynes Shares issued after the approval of the Scheme at the Court Meeting and the Scheme Record Time will be (i) subject to the Scheme and (ii) automatically acquired by Bidco (or its nominee(s)) on the same terms as under the Scheme. This will avoid any person (other than Bidco or its nominee(s)) being left with Haynes Shares after the Effective Date. At the General Meeting, all Haynes Shareholders, appearing on Haynes' register of members at the Voting Record Time, will be entitled to vote on the Resolution and to cast one vote for each Haynes Share held; and

(c) all of the other Conditions to be satisfied or (where applicable) waived.

The Company will not vote as a Scheme Shareholder at the Court Meeting.

### ***Application to the Court to sanction the Scheme***

Once the necessary approvals have been obtained at the Haynes Meetings, and the other Conditions have been satisfied or (where applicable) waived, in order for the Scheme to be capable of becoming Effective, it must be sanctioned by the Court at the Court Hearing.

The Scheme will only become Effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies.

### ***General***

The Scheme will be governed by the laws of England and Wales and will be subject to the jurisdiction of the Courts of England and Wales. The Scheme will also be subject to the applicable requirements of the Code, the Panel and the FCA.

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

Your attention is drawn to Part 2 of this document which contains further information with respect to the Scheme, the Haynes Meetings and the Conditions.

## **9. Taxation**

Your attention is drawn to Part 7 of this document which contains a summary of limited aspects of the UK tax treatment of the Scheme. That summary relates only to the position of certain categories of Scheme Shareholders (as explained further in Part 7 of this document), does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme. If you are in any doubt as to your tax position, or if you are subject to taxation in any jurisdiction other than the UK you are strongly advised to consult an appropriately qualified professional adviser.

## **10. Overseas Shareholders**

Persons resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom should refer to paragraph 16 of Part 2 of this document.

## **11. Action to be taken**

Details of the Haynes Meetings to be held and the action to be taken in respect of the Scheme are set out on pages 5 and 6 and in paragraphs 11 and 12 of Part 2 of this document.

## **12. Recommendation**

The Haynes Directors, who have been so advised by Europa Partners on the financial terms of the Acquisition for the purposes of Rule 3 of the Code, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Haynes Directors, Europa Partners has taken into account the commercial assessments of the Haynes Directors.



Accordingly, the Haynes Directors recommend unanimously that Haynes Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, as they have irrevocably undertaken to do in respect of their entire beneficial holding of Haynes Shares (for the avoidance of doubt, not including interests covered by the irrevocable undertakings of Family members and Family Settlements), amounting in aggregate to 79,671 Haynes Shares, representing approximately 0.5 per cent. of the issued share capital of Haynes as at the Last Practicable Date (excluding all Treasury Shares).

### **13. Further information**

Please read carefully the remainder of this document (and the information incorporated by reference into this document), in particular the letter from Europa Partners set out in Part 2 of this document, being the explanatory statement made in compliance with section 897 of the Companies Act. The information in this letter is not a substitute for reading the remainder of this document.

Yours faithfully

**Eddie Bell**

*(Chairman)*

Haynes Publishing Group P.L.C.

2 March 2020

## PART 2

### EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)



Europa Partners  
33 St. James's Square  
London  
SW1Y 4JS

2 March 2020

*To all holders of Haynes Shares, persons with information rights in Haynes and, for information only, to the holders of awards under the Haynes Long Term Incentive Plan.*

Dear Haynes Shareholder

#### **Recommended cash offer for Haynes by Bidco, a wholly-owned subsidiary of Infopro Digital**

##### **1. Introduction**

On 13 February 2020, the boards of Infopro Digital and Haynes announced they had reached agreement on the terms of a recommended all cash offer pursuant to which Bidco, a wholly-owned subsidiary of Infopro Digital, would acquire the entire issued and to be issued share capital of Haynes. The Acquisition will be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

**Your attention is drawn to the letter from the Chairman of Haynes set out in Part 1 of this document, which forms part of this explanatory statement. The Chairman's letter contains, among other things, (a) information on the background to and reasons for the Acquisition and (b) the unanimous recommendation of the Haynes Directors that Haynes Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting.**

The Chairman's letter also states that the Haynes Directors, who have been so advised by Europa Partners on the financial terms of the Acquisition for the purposes of Rule 3 of the Code, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Haynes Directors, Europa Partners has taken into account the commercial assessments of the Haynes Directors.

We have been authorised by the Haynes Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

##### **2. The Acquisition**

The Acquisition, which is subject to the Conditions and further terms set out in Part 3 of this document, will be effected by means of the Scheme.

Under the terms of the Acquisition, which is subject to the Conditions and further terms set out in Part 3 of this document, Scheme Shareholders shall receive:

#### **for each Scheme Share held 700 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of Haynes (including Treasury Shares) at approximately £114.5 million on a fully diluted basis and represents a premium of approximately:

- 62.4 per cent. to the Closing Price per Haynes Share of 431.0 pence on 12 February 2020 (being the latest practicable date prior to publication of the Announcement);
- 72.8 per cent. to the Closing Price per Haynes Share of 405.0 pence on 14 November 2019 (being the latest practicable date prior to announcement of Haynes' Formal Sale Process);

- 67.5 per cent. to the volume weighted average price per Haynes Share of 418.0 pence for the three month period ended 12 February 2020 (being the latest practicable date prior to publication of the Announcement); and
- 120.1 per cent. to the volume weighted average price per Haynes Share of 318.0 pence for the twelve month period ended 12 February 2020 (being the latest practicable date prior to publication of the Announcement).

Subject to the Conditions and further terms set out herein, the Haynes Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the Announcement Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Announcement Date in respect of the Haynes Shares.

If any dividend or other distribution in respect of the Haynes Shares is declared, paid or made on or after the Announcement Date, Bidco reserves the right to reduce the consideration payable for each Haynes Share under the terms of the Acquisition by the amount per Haynes Share of such dividend or distribution. If Bidco exercises this right or makes such a reduction in respect of a dividend or distribution, Haynes Shareholders will be entitled to receive and retain that dividend or distribution.

### **3. Information relating to Bidco, Infopro Digital and TowerBrook**

#### ***Bidco***

Bidco, which was incorporated in England and Wales on 3 February 2020, is a wholly-owned subsidiary of Infopro Digital.

#### ***Infopro Digital***

Infopro Digital is a leading independent provider of business-to-business (“**B2B**”) data and platforms, events and insight, committed to servicing professionals across the automotive aftermarket, construction, insurance and finance, industrials, public sector and retail sectors internationally. Leveraging a deep understanding of its clients and the professional communities in which it operates, Infopro Digital delivers business solutions that enable users to make better business decisions, increase their productivity and grow revenue by generating new business and sales opportunities. The business operates through three main divisions: Software, Data & Leads; Global Trade Shows; and Information & Insights.

Within the automotive aftermarket sector, Infopro Digital Automotive is one of the leading automotive data companies in Europe. Its products and services span repair methods and technical information, spare parts catalogues, dealership management software solutions, pricing tools, analytics tools and marketplaces.

Infopro Digital was founded in 2001 and has a global presence with offices across Continental Europe (including the UK, France, Germany, Spain, Italy, Belgium and the Netherlands), North America and Asia Pacific.

Mergers & acquisitions are central to Infopro Digital's strategy, having successfully acquired, integrated, grown and supported 30 companies alongside their management teams since being founded in 2001 by Christophe Czajka.

In June 2016, funds managed and advised by TowerBrook, a transatlantic private equity group with a long history of working with Infopro Digital, acquired a majority stake in Infopro Digital alongside management.

Infopro Digital has grown both organically and as a result of acquisitions, generating approximately €447.9 million in revenue, €127.7 million of adjusted EBITDA and employed approximately 3,300 employees globally in the twelve month period ended 30 September 2019.

## **TowerBrook**

TowerBrook is an investment management firm with in excess of \$13.4 billion under management and a history of creating value for investors. The firm is co-headquartered in New York and London and focuses on making investments in companies headquartered in North America and Europe. TowerBrook's private equity strategy primarily pursues control-oriented investments in large and mid-market companies, principally on a proprietary basis and often in situations characterised by complexity. TowerBrook is a certified B Corporation. B Corporation certification is administered by the non-profit B Lab organisation and is awarded to companies that demonstrate leadership in their commitment to environmental, social and governance (ESG) standards and responsible business practices.

### **4. Infopro Digital financial trading and prospects**

Infopro Digital delivered a strong set of results for the nine month period ended 30 September 2019. Infopro Digital's revenue of €305.3 million for the nine months ended 30 September 2019 represented growth of 5.7% against the same period in 2018. All three divisions performed strongly to contribute to those results. On an adjusted basis over the last twelve months ending 30 September 2019, Infopro Digital's revenue stood at €447.9 million and its EBITDA was €127.7 million, representing adjusted EBITDA growth of 1.4% against the twelve month period ending 31 December 2018. Going forward, Infopro Digital's focus remains on continuing the internationalisation of its businesses, best practise sharing across the portfolio, developing new products, and maintaining a high EBITDA margin.

### **5. Financial effects of the Acquisition on Infopro Digital**

Following completion of the Acquisition, the earnings, assets and liabilities of the Haynes Group shall be consolidated into the earnings, assets and liabilities of the Infopro Digital Group. Further details of the effect of the Acquisition on the Infopro Digital Group are set out in paragraph 4 of Part 1.

### **6. Information relating to Haynes**

Haynes is a leading global supplier of content, data and innovative workflow solutions for the automotive industry and motorists.

Haynes operates predominantly through two divisions:

Within its Professional division, HaynesPro provides, amongst other things, extensive multilingual identification, repair and maintenance information and workflow solutions that are used on a standalone basis or integrated into diagnostic tools, to improve automotive workshop efficiency and therefore profit margins. The OATS FUSiON platform provides a leading suite of applications for lubricants manufacturers and blenders' technical and sales teams to efficiently deal with customer queries on products and equipment specifications, create and store new technical specifications and quote for new business, while Haynes' Vehicle Registration Mark solution in the UK offers market leading functionality with the potential for replication in other geographic markets.

Within the Consumer division, Haynes publishes leading vehicle maintenance and repair manuals in both print and online formats.

Haynes was founded in 1960 and is headquartered in Sparkford, UK with offices in 8 countries around the world and employs over 300 people.

### **7. Haynes financial and trading prospects**

On 30 January 2020, Haynes announced the interim results of the Haynes Group for the six months ended 30 November 2019. A copy of that announcement is available on the Haynes website at <https://investor.haynes.com/shareholder-information/regulatory-announcements>. The interim results announcement included the following statements on the outlook for the Haynes Group:

*“The combined skillsets and energy of the people at Haynes allow us to create innovative and dynamic products and solutions, and I would like to thank them all for their continued hard work, commitment and loyalty. The Group has a strong pipeline of development projects across both its operating segments. These projects will not only help extend the Group’s product ranges but will also enable the Group to target new geographical territories and establish VESA, its professional automotive electronics database, as a global step-by-step diagnostic platform.*

*“With the proportion of Group revenue which is contracted, visible, recurring and delivered via digital channels increasing, the Board is confident that the Group remains on track to deliver strong year-on-year revenue and profit growth, and create value for all our stakeholders.” – J Haynes*

The Haynes Directors consider that the statement set out above remains valid. The Haynes Directors confirm that the outlook has been properly considered and that the basis of accounting used is consistent with the company’s accounting policies.

## **8. Effect of the Acquisition on the Haynes Long Term Incentive Plan**

The executive directors of Haynes and certain other members of senior management hold awards over Haynes Shares granted to them under the Haynes Long Term Incentive Plan. Each of the participants in the Haynes Long Term Incentive Plan has agreed to the cancellation of all of their outstanding awards, subject to the Scheme being sanctioned.

In light of the above, Haynes has proposed to allocate the benefit of the 1,229,054 Ordinary Shares currently held in treasury to the Haynes Directors (other than J Haynes) and other members of senior management (“**Treasury Share Proposal**”). Subject to the Scheme being sanctioned, under the Treasury Share Proposal, the 1,229,054 Ordinary Shares currently held in treasury will be acquired by Bidco at the price of 700 pence per share under the terms of the Scheme with the cash proceeds from the disposal of those Ordinary Shares of approximately £8.6 million then being awarded to the Haynes Directors (other than J Haynes) and relevant members of senior management, on a non-pensionable basis.

In particular, the following Haynes Directors will be entitled to the following gross cash payments under the Treasury Share Proposal:

| <b>Haynes Director</b> | <b>Gross Cash Entitlement (£)</b> |
|------------------------|-----------------------------------|
| Eddie Bell             | 1,050,000                         |
| James Bunkum           | 1,123,878                         |
| Jeremy Yates-Round     | 1,050,000                         |
| Alex Kwarts            | 1,050,000                         |
| Peter van der Galiën   | 1,050,000                         |
| Richard Barker         | 1,092,000                         |
| Harvey Wolff           | 525,000                           |
| Steve Daykin           | 35,000                            |
| Nina Wright            | 35,000                            |

The Company shall make the relevant payment into the relevant director or employee bank account through payroll as soon as reasonably practicable after it receives proceeds for the Treasury Shares.

The implementation of the Treasury Share Proposal is subject to Haynes Shareholders approving by way of the Special Resolution at the General Meeting the disapplication of pre-emption rights relating to the transfer of the Treasury Shares out of treasury and, insofar as it relates to the Haynes Directors, approving by way of the Ordinary Resolution at the General Meeting an amendment to the Haynes’ directors’ remuneration policy to permit payments to be made to those Haynes Directors in this way (as, without such amendment being made, such payments would be inconsistent with the Haynes’ directors’ remuneration policy).

## **9. The effect of the Acquisition on the Haynes Directors**

The Haynes Shares held by the Haynes Directors will be subject to the Scheme. Details of the interests of the Haynes Directors in the relevant securities of Haynes are set out in paragraph 5.3.1 of Part 5 of this document. On completion of the Acquisition, it is intended that the non-executive directors of Haynes, together with Mr. Edward Bell (Executive Chairman) and Mr. J Haynes (Chief Executive Officer), resign as directors of Haynes with effect from completion of the Acquisition. Each director, upon termination of their appointment, will be entitled to payment of such fees as may have accrued up to the date of termination, together with reimbursement of any expenses properly incurred before such date. In addition, each of Mr. Edward Bell and Mr. J Haynes shall be entitled to certain other amounts as set out in individual settlement agreements dated on or around the date of this document consisting of salary (based on 12 months contractual notice period), bonus (based on achieving 100% of the budget FYE 2020 meaning a bonus payment equal to 60% of salary for Mr. Edward Bell and a bonus payment equal to 25.4% of salary for Mr. J Haynes), car benefit (if applicable), medical insurance and pension (if applicable).

The Haynes Directors will benefit from the Treasury Share Proposal on the basis described in paragraph 8 of this Part 2.

Save as set out in this document, and in particular at paragraph 8 above, the effect of the Acquisition on the interests of the Haynes Directors is no different from the effect of the Acquisition on the like interests of other persons.

## **10. Financing of the Acquisition and cash confirmation**

The cash consideration payable by Bidco will be funded from existing cash resources of Infopro Digital.

Raymond James, in its capacity as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to enable it to satisfy, in full, the cash consideration payable to Haynes Shareholders under the terms of the Acquisition.

## **11. The Scheme, the Haynes Meetings and the Conditions**

### **11.1 Structure of the Scheme**

The Acquisition is being effected by means of the Scheme, although Bidco reserves the right to elect to implement the Acquisition by means of a Takeover Offer (subject to Panel consent).

The purpose of the Scheme is for Bidco to become the owner of the whole issued and to be issued ordinary share capital of Haynes. Following the Scheme becoming Effective, the Scheme Shares will be transferred to Bidco, in consideration for which Scheme Shareholders whose names appear on the register of members of Haynes at the Scheme Record Time will receive 700 pence per Scheme Share in cash.

To become Effective, the Scheme requires, among other things, the approval of the requisite majorities of Scheme Shareholders at the Court Meeting and the passing of the Special Resolution by Haynes Shareholders at the General Meeting.

Following the Haynes Meetings and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will become Effective only upon the Court Order being delivered to the Registrar of Companies.

It is expected that the Scheme will become Effective on 3 April 2020, subject to the satisfaction or (where applicable) waiver of the Conditions.

Any adjournment of a Haynes Meeting or the Court Hearing, or a decision by Haynes to propose such an adjournment, will be announced promptly by Haynes through a RIS. If the meeting or hearing is adjourned to a specified date, the announcement will set out the relevant details of the adjourned meeting or hearing. If no such date is specified the adjourned date will be announced separately.

Further details of the Haynes Meetings and the Conditions are set out in paragraphs 11.2 to 11.7 below.

## **11.2 The Haynes Meetings**

The Scheme will require the approval of the Scheme Shareholders at the Court Meeting to be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. on 25 March 2020. The Scheme will also require the approval of Haynes Shareholders of the Special Resolution at the General Meeting to be held at the same place at 10.15 a.m. on 25 March 2020 (or as soon thereafter as the Court Meeting has concluded or been adjourned). In addition, the approval of Haynes Shareholders of the Ordinary Resolution is required to facilitate the Treasury Share Proposal. Notices of the Haynes Meetings are set out in Part 9 and Part 10 of this document.

Whether or not you vote in favour of the resolutions to be proposed at the Haynes Meetings, if the Scheme becomes Effective, your Scheme Shares will be transferred to Bidco and you will receive the consideration due under the terms of the Acquisition.

As soon as practicable and, in any event, by no later than 8.00 a.m. on the Business Day following the Haynes Meetings, Haynes shall make an announcement through a RIS stating whether or not the resolutions put to shareholders at the Haynes Meetings were passed by the requisite majorities (and, if not, whether or not the Scheme has lapsed) and giving voting results in relation to the Haynes Meetings.

## **11.3 Court Meeting**

The Court Meeting is being held at the direction of the Court and has been convened to enable the Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present (in person or by proxy) will be entitled to one vote for each Scheme Share held by him.

The approval required at the Court Meeting is the approval of a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or any adjournment thereof), representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders. The Company will not vote as a Scheme Shareholder at the Court Meeting.

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

## **11.4 General Meeting**

The General Meeting has been convened to enable all Haynes Shareholders to consider and, if thought fit, approve the Special Resolution to authorise:

- the disapplication of pre-emption rights in relation to the Treasury Shares;
- the Haynes Directors to effect the Scheme;
- certain amendments to the Haynes Articles (as described below); and
- subject to the Scheme becoming Effective, the re-registration of Haynes as a private limited company.

The Special Resolution will require votes in favour of not less than 75 per cent. of the votes cast by Haynes Shareholders voting in person or by proxy at the General Meeting in order to be passed.

The Special Resolution, if passed, will authorise certain amendments to the Haynes Articles required in connection with the Scheme. The proposed amendments will provide, amongst other things, that:

- (a) subject to the implementation of the Scheme, any Haynes Shares issued to any person (other than Bidco or its nominee(s)) on or after the Scheme Record Time will be immediately transferred to Bidco, in consideration of the payment of the same consideration per Haynes Share as was due to a holder of Scheme Shares under the Scheme. This will avoid any person (other than Bidco or its nominee(s)) being left with Haynes Shares after the Scheme Record Time; and

- (b) A Ordinary Shares shall be permitted to be transferred by a holder of A Ordinary Shares to an individual other than to a member of his or her Family or to Family Settlements and as such, the current restriction in the Haynes Articles be removed. The proposed changes to the Haynes Articles are contained in the notice of the General Meeting set out in Part 10 of this document.

In addition, the General Meeting has been convened to enable all Haynes Shareholders to consider and, if thought fit, approve the Ordinary Resolution to amend the remuneration policy of Haynes in order to facilitate the Treasury Share Proposal on the terms set out in this document.

#### **11.5 Entitlement to vote at the Haynes Meetings**

Each holder of Scheme Shares whose name appears on the register of members of Haynes at the Voting Record Time will be entitled to attend and vote at the Court Meeting except that the Company will not vote in respect of the Treasury Shares. Each holder of Haynes Shares whose name appears on the register of members of Haynes at 6.00 p.m. on 23 March 2020 will be entitled to attend and vote at the General Meeting except that the Company will not vote in respect of the Treasury Shares. If either Haynes Meeting is adjourned, only those Scheme Shareholders (in the case of the Court Meeting) and Haynes Shareholders (in the case of the General Meeting) on the register of members of Haynes at 6.00 p.m. on the day which is two Business Days before the adjourned meeting will be entitled to attend and vote except that the Company will not vote in respect of the Treasury Shares.

Each Haynes Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Haynes Shareholder. Please see paragraph 12 of this Part 2 of this document for further information on actions to be taken in order to vote at the Haynes Meetings and to appoint proxies.

#### **11.6 Sanction of the Scheme by the Court**

If the Scheme is approved at the Haynes Meetings, and the other Conditions are satisfied or (where applicable) waived, the Scheme will also require the sanction of the Court. The Court Hearing is expected to be held on 1 April 2020.

As soon as possible following the Court Hearing, Haynes shall make an announcement through a RIS stating the decision of the Court and details of whether the Scheme will proceed or has lapsed.

All Scheme Shareholders are entitled to attend the Court Hearing in person or to be represented by Counsel to support or oppose the sanctioning of the Scheme.

Bidco shall undertake to the Court to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

#### **11.7 Conditions**

The Conditions to the Acquisition and the Scheme are set out in Part 3 of this document. The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Code, by no later than the Long Stop Date. In summary, the Scheme is conditional, amongst other things, upon:

- the approval of the Scheme at the Court Meeting and at any separate class meeting which may be required by the Court (or any adjournment thereof); by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) present, entitled to vote and voting, whether in person or by proxy;
- the Special Resolution necessary to approve and implement the Scheme as set out in the notice of the General Meeting (including without limitation, to amend Haynes' articles of association) being duly passed by the requisite majority required to pass such resolution at the General Meeting or at any adjournment of that meeting;



- the sanction of the Scheme by the Court (without modification or with modification on terms acceptable to Bidco and Haynes) and delivery, by no later than the Long Stop Date, of a copy of the Court Order to the Registrar of Companies; and
- the other Conditions not otherwise identified above (but set out in Part 3 of this document) either being satisfied or, with the exception of certain Conditions which are not capable of waiver, waived.

### **11.8 *Effective Date***

The Scheme will become Effective upon the delivery of the Court Order to the Registrar of Companies. This is expected to occur on 3 April 2020.

As soon as practicable on the Effective Date, Haynes or Bidco shall make an announcement through a RIS stating that the Scheme has become Effective.

**Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour).**

### **11.9 *Return of documents of title***

If the Scheme lapses or is withdrawn, all documents of title lodged by any Scheme Shareholder with any Form of Proxy shall be returned to such Scheme Shareholder as soon as practicable (and in any event within 14 days of such lapsing or withdrawal).

### **11.10 *Modifications and revision***

The Scheme contains a provision for Bidco and Haynes jointly to consent on behalf of all persons affected to any modification of, or addition to, the Scheme or to any condition approved or imposed by the Court. The Court would be unlikely to approve any modification of, or additions to, or impose a condition to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in these circumstances.

Bidco reserves the right to elect, with the consent of the Panel (where necessary), to implement the Acquisition by means of a Takeover Offer. In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme. The Panel will determine the offer timetable that will apply following any switch to a Takeover Offer to which it consents. Bidco must announce any decision to switch to a Takeover Offer through a RIS. Any such announcement must include:

- details of all changes in terms and conditions of the Acquisition;
- details of any material changes to other details of the Acquisition;
- an explanation of the offer timetable following the switch to a Takeover Offer; and
- an explanation of whether irrevocable undertakings will remain valid following the switch to a Takeover Offer.

Any modification or revision to the Scheme shall be made no later than the date which is 14 days prior to the date of the Haynes Meetings (or any later date to which such meetings are adjourned). The consent of the Panel must be obtained if it is proposed to revise the Scheme (i) less than 14 days prior to the date of the Haynes Meetings (or any later date to which such meetings are adjourned) or (ii) following the Haynes Meetings.

## 12. Action to be taken

Notices of the Court Meeting and the General Meeting are set out in Parts 9 and 10 of this document. You will also find enclosed with this document:

- a WHITE Form of Proxy for use at the Court Meeting;
- a YELLOW Form of Proxy for use at the General Meeting; and
- a reply-paid envelope for use in the United Kingdom.

Whether or not you plan to attend the Haynes Meetings, please complete the Forms of Proxy in accordance with the instructions printed on them and to return them to: PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and, in any event, so as to be received by no later than:

- **10.00 a.m. on 23 March 2020 in the case of the WHITE Form of Proxy for the Court Meeting; and**
- **10.15 a.m. on 23 March 2020 in the case of the YELLOW Form of Proxy for the General Meeting,**

(or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned meeting). A reply-paid envelope has been provided for use in the United Kingdom only. The Scheme requires approval at both the Court Meeting and the General Meeting.

If the WHITE Form of Proxy for the Court Meeting is not received by Link Asset Services by 10.00 a.m. on 23 March 2020, it may be handed to the Chairman of the Court Meeting before the taking of the poll at the Court Meeting. However, if the YELLOW Form of Proxy for the General Meeting is not received by Link Asset Services by 10.15 a.m. on 23 March 2020, it will be invalid.

If you hold your Haynes Shares in CREST, you may vote using the CREST voting service in accordance with the procedures set out in the CREST Manual via CREST (please also refer to the accompanying notes on the notices of the Haynes Meetings set out in Part 9 and Part 10 of this document and in the Forms of Proxy).

Proxies submitted electronically through CREST must be sent as soon as possible, and in any event, so as to be received by no later than 10.00 a.m. on 23 March 2020 in the case of the Court Meeting and by no later than 10.15 a.m. on 23 March 2020 in the case of the General Meeting (or in the case of any adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The Court Meeting and the General Meeting will be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. and 10.15 a.m. respectively, on 25 March 2020.

If you propose to attend the Haynes Meetings, please detach from the Forms of Proxy and bring with you the attendance slip to assist your admission.

Completing and returning the Forms of Proxy or completing and transmitting a CREST Proxy Instruction will not prevent you from attending and voting in person at the Haynes Meetings, or any adjournment of the Haynes Meetings, if you so wish and are so entitled.

**It is particularly important that as many votes as possible are cast at the Court Meeting so that the Court may be satisfied that there is a fair representation of Scheme Shareholder opinion. You are therefore strongly urged to return your Forms of Proxy or transmit a proxy instruction (electronically through CREST) as soon as possible.**

## 13. Settlement and share certificates

Subject to the Scheme becoming Effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected within 14 days of the Effective Date in the manner set out below.

Except with the consent of the Panel or as provided by the terms of the Scheme, settlement of consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented

in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against such Scheme Shareholder.

### **13.1 Consideration where Scheme Shares are held in uncertificated form (that is, in CREST)**

A Scheme Shareholder who holds Scheme Shares at the Scheme Record Time in uncertificated form will receive any consideration to which it is entitled under the Scheme through CREST by Bidco procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the relevant Scheme Shareholder holds such uncertificated Scheme Shares in respect of the consideration due to him.

As at the close of trading on the last day of dealings in Haynes Shares prior to the Effective Date, there may be unsettled, open trades for the sale and purchase of Haynes Shares within CREST. Scheme Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Scheme Share registered in the name of the relevant seller under that trade. Consequently, those Scheme Shares will be transferred under the Scheme and the seller will receive the appropriate consideration in accordance with the terms of the Scheme.

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

Bidco reserves the right to pay all or any part of the consideration referred to above to all or any Scheme Shareholder(s) who hold(s) Scheme Shares in uncertificated form at the Scheme Record Time in the manner referred to in paragraph 13.2 of this Part 2 if, for any reason, it wishes to do so.

### **13.2 Consideration where Scheme Shares are held in certificated form**

Settlement of the consideration in respect of Scheme Shares held in certificated form at the Scheme Record Time shall be despatched by first-class post (or, if overseas, international standard post or by such other method as may be approved by the Panel) or by cheque drawn on a branch of a UK clearing bank.

All such cash payments shall be made in pounds sterling. Payments made by cheque shall be payable to the Scheme Shareholders concerned. Cheques shall be despatched as soon as practicable and within 14 days after the Effective Date to the persons entitled thereto at their respective addresses as appearing in the register of members of Haynes at the Scheme Record Time, or in the case of joint holders, at the address of that member that stands first in the register of members in respect of that holding. None of Haynes, Bidco or any of their respective nominees or agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled thereto.

On the Effective Date, each certificate representing a holding of Haynes Shares in the name of someone other than Bidco will cease to be valid. Following settlement of the consideration to which Scheme Shareholders are entitled under the Scheme, such Scheme Shareholder will be bound on the request of Haynes either (i) to destroy such certificate(s); or (ii) return such certificate(s) to Haynes, or to any person appointed by Haynes for cancellation.

## **14. Cancellation of admission to trading and re-registration**

An indicative timetable of principal events setting out, among other things, the expected date of the last day of trading of, and the suspension of dealings in, Haynes Shares on the Main Market of the London Stock Exchange is on page 7 of this document.

The last day of dealings in Haynes Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately following the Court Hearing and no transfers will be registered after 5.30 p.m. on that date. Haynes will make an application to the London Stock Exchange for the suspension of dealings in Haynes Shares on the Main Market with effect from 7.30 a.m. on 3 April 2020.

Prior to the Effective Date, Haynes will make an application (i) to the FCA for the cancellation of the listing of the Haynes Shares on the Official List and (ii) to the London Stock Exchange for the cancellation of the admission to trading of the Haynes Shares on the Main Market of the London Stock Exchange.

The Special Resolution contains a resolution to re-register Haynes as a private limited company, conditional on the Scheme becoming Effective.

Therefore, shortly after the Effective Date, it is also proposed that Haynes be re-registered as a private limited company.

#### **15. United Kingdom taxation**

Your attention is drawn to Part 7 of this document relating to United Kingdom taxation. Haynes Shareholders who are in any doubt about their taxation position or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom are strongly advised to contact an appropriate independent professional tax adviser immediately.

#### **16. Overseas Shareholders**

This document has been prepared in accordance with English law, the Code, the Market Abuse Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Neither this document nor any of the accompanying documents are intended to, and do not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

Copies of this document and any other formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise determined by Bidco and permitted by applicable law and regulation), the Takeover Offer may not be communicated, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or any facilities of a national, state or securities exchange of, any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or otherwise.

The Acquisition will be subject to the applicable requirements of the Code, the Panel and the FCA.

#### **17. Further information**

Your attention is drawn to the full text of the Scheme as set out in Part 6 (The Scheme of Arrangement) of this document.

Your attention is also drawn to the following parts of this document, which are deemed to form part of this explanatory statement: Part 3 (Conditions and further terms of the Acquisition and the Scheme); Part 4 (Financial and ratings information); Part 5 (Additional Information); Part 9 (Notice of Court Meeting); and Part 10 (Notice of General Meeting).

Yours faithfully,

**Europa Partners**

2 March 2020

## PART 3

### CONDITIONS AND FURTHER TERMS OF THE ACQUISITION AND THE SCHEME

#### Part A: Conditions of the Scheme and the Acquisition

1. The Scheme is conditional on:
  - (a) (i) its approval by a majority in number representing not less than 75 per cent. in value of Haynes Shareholders who are on the register of members of Haynes at the voting record time, present and voting, either in person or by proxy, at the Court Meeting and (ii) such Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course or such later date (if any) as Bidco and Haynes may agree with the consent of the Panel, and, if required, the Court may allow;
  - (b) (i) the resolutions required to implement the Scheme being duly passed at the General Meeting and (ii) such General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course or such later date (if any) as Bidco and Haynes may agree with the consent of the Panel, and, if required, the Court may allow;
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco and Haynes)); (ii) the hearing by the Court being held on or before the 22nd day after the expected date of such hearing to be set out in the Scheme Document in due course or such later date (if any) as Bidco and Haynes may agree with the consent of the Panel, and, if required, the Court may allow; and (iii) the delivery of the office copy of the Court Order for registration to the Registrar of Companies; and
  - (d) the Scheme becoming unconditional and effective, subject to the Code, by no later than 11.59 p.m. on the Long Stop Date or such later date (if any) as Bidco and Haynes may agree and the Panel and the Court may allow.
2. Haynes and Bidco have agreed that, subject to the provisions of Part B below and the requirements of the Panel in accordance with the Code, the Scheme is also conditional upon the satisfaction (and their continuing to be satisfied pending commencement of the hearing to sanction the Scheme) or (where applicable) waiver of the following Conditions:

#### **(a) Third Party clearances**

no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision or order or change to published practice and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:

- (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Haynes Group by any member of the Wider Bidco Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise materially interfere with the implementation of, or impose additional material conditions or obligations with respect to, the Acquisition or the acquisition of any shares or other securities in, or control or management of, any member of the Wider Haynes Group by any member of the Wider Bidco Group or require material adverse amendment of the Scheme;

- (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group or by any member of the Wider Haynes Group of all or any material part of their businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Haynes Group taken as a whole or the Wider Bidco Group taken as a whole or in the context of the Acquisition (as the case may be);
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Haynes (or any member of the Wider Haynes Group) or on the ability of any member of the Wider Haynes Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Haynes Group to an extent which is material in the context of the Wider Haynes Group taken as a whole or the Wider Bidco Group taken as a whole or in the context of the Acquisition (as the case may be);
- (iv) other than pursuant to the implementation of the Scheme, require any member of the Wider Bidco Group or the Wider Haynes Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Haynes Group owned by any third party which is material in the context of the Wider Haynes Group or the Wider Bidco Group, in either case taken as a whole;
- (v) require, prevent or materially delay a divestiture or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Haynes Group which is material in the context of the Wider Haynes Group taken as a whole or in the context of the Acquisition (as the case may be);
- (vi) result in any member of the Wider Haynes Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Haynes Group taken as a whole or in the context of the Acquisition;
- (vii) impose any limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Haynes Group to conduct, integrate or co-ordinate all or any material part of their respective businesses with all or any material part of the business of any other member of the Wider Bidco Group and/or the Wider Haynes Group in a manner which is materially adverse to the Wider Bidco Group and/or the Wider Haynes Group, in either case, taken as a whole or in the context of the Acquisition;
- (viii) otherwise adversely affect any or all of the business, assets, profits, or financial or trading position of any member of the Wider Haynes Group or any member of the Wider Bidco Group in each case in a manner which is adverse to and material in the context of the Wider Haynes Group taken as a whole or of the obligations of any members of the Wider Bidco Group taken as a whole in connection with the financing of the Acquisition;
- (ix) all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Haynes Shares or otherwise intervene having expired, lapsed, or been terminated;

- (x) no undertakings or assurances being sought from Bidco, any member of the Wider Bidco Group or any member of the Wider Haynes Group by any Third Party, except on terms satisfactory to Bidco;
- (xi) all material notifications, filings or applications which are deemed by Bidco (acting reasonably) to be necessary or appropriate having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Bidco (acting reasonably) to be necessary or appropriate in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Haynes by any member of the Wider Bidco Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Haynes Group or the Wider Bidco Group has entered into material contractual arrangements and all such Authorisations which are deemed by Bidco (acting reasonably) to be necessary or appropriate to carry on the business of any member of the Wider Haynes Group in any jurisdiction having been obtained in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Haynes Group, any member of the Bidco Group or the ability of Bidco to implement the Acquisition and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice of an intention to revoke, suspend, restrict, materially modify or not to renew such Authorisations;
- (xii) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider Haynes Group by any member of the Wider Bidco Group, or the implementation of either of them, void, voidable, illegal and/or enforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing or materially restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Acquisition or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Haynes Group by any member of the Wider Bidco Group;

**(b) Confirmation of absence of adverse circumstances**

except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Haynes Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Haynes or because of a change in the control or management of any member of the Wider Haynes Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Haynes Group taken as a whole:

- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Haynes Group being or becoming repayable, or capable of being declared repayable, immediately or

prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Haynes Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Haynes Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or materially and adversely modified or affected or any material onerous obligation or liability arising or any material adverse action being taken or arising thereunder;
- (iii) any member of the Wider Haynes Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Haynes Group taken as a whole or in the context of the Acquisition;
- (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Haynes Group 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 or could cease to be available to any member of the Wider Haynes Group otherwise than in the ordinary course of business;
- (v) the creation (save in the ordinary and usual course of business) or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Haynes Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position or profits, prospects or operational performance of any member of the Wider Haynes Group being materially prejudiced or materially and adversely affected;
- (vii) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Haynes Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (viii) any liability of any member of the Wider Haynes Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

**(c) No material transactions, claims or changes in the conduct of the business of the Haynes Group**

except as Disclosed, no member of the Wider Haynes Group having since 31 May 2019:

- (i) save as between Haynes and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of Haynes Shares on the exercise of options or vesting of awards granted before the date of the Announcement in the ordinary course, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Haynes Shares out of treasury;
- (ii) 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) other than to Haynes or one of its wholly-owned subsidiaries;



- (iii) save as between Haynes and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, 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, proposed or announced any intention to do so;
- (iv) save as between Haynes and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (v) issued, authorised, proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Haynes and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Haynes Group or in the context of the Acquisition;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the Haynes Group or in the context of the Acquisition, or which is or is reasonably likely to be materially restrictive on the business of any member of the Wider Haynes Group to an extent which is or is likely to be material to the Wider Haynes Group taken as a whole or in the context of the Acquisition;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider Haynes Group which are material in the context of the Wider Haynes Group and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed the entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Haynes Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified in any material respect the terms of any share plan, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider Haynes Group which, taken as a whole, are material in the context of the Wider Haynes Group taken as a whole;
- (x) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider Haynes Group taken as a whole or in the context of the Acquisition;
- (xi) 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 of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of Haynes) is material in the context of the Wider Haynes Group;

- (xii) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Haynes Group taken as a whole or in the context of the Acquisition;
- (xiii) made any material alteration to its articles of association or other constitutional documents;
- (xiv) (other than in respect of a member which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xv) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xvi) entered into any material contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xvii) terminated or varied the terms of any material agreement or arrangement between any member of the Wider Haynes Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Haynes Group taken as a whole;
- (xviii) except in relation to changes made or agreed as a result of, or arising from changes to legislation, made or agreed or consented to any significant change to the following in a way that is material in the context of the Wider Haynes Group taken as a whole or in the context of the Acquisition:
  - (A) the terms of the governing documents constituting the pension scheme(s) established by any member of the Wider Haynes Group for its directors, employees or their dependants;
  - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to, to an extent which is in any such case material in the context of the Wider Haynes Group taken as a whole; or
- (xix) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Haynes Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

**(d) No material adverse change**

- (i) since 31 May 2019 and except as Disclosed:
  - (A) there having been no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, financial or trading position or profits or operational performance of any member of the Haynes Group to an extent which is material to the Wider Haynes Group taken as a whole or in the context of the Acquisition or in the obligations of any member of the Bidco Group in connection with the Acquisition;
  - (B) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Haynes Group or to which any member of the Wider Haynes Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Haynes Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Haynes Group which, in any such case, might be expected to have a material adverse effect on the Haynes Group taken as a whole or in the context of the Acquisition;
  - (C) no contingent or other liability having arisen, increased or become apparent which might be likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Haynes Group to an extent which is material to the Wider Haynes Group taken as a whole or in the context of the Acquisition; and
  - (D) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Haynes Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to have an adverse effect on the Haynes Group taken as a whole or in the context of the Acquisition;
- (ii) since 31 May 2019 and except as Disclosed, Bidco not having discovered:
  - (A) that any financial, business or other information concerning the Wider Haynes Group publicly announced or disclosed to any member of the Wider Bidco Group at any time by or on behalf of any member of the Wider Haynes Group or to any of their advisers is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Haynes Group taken as a whole or in the context of the Acquisition;
  - (B) that any member of the Wider Haynes Group is subject to any liability (actual or contingent) and which is material in the context of the Haynes Group or in the context of the Acquisition;
  - (C) any information which affects the import of any information disclosed to Bidco at any time by or on behalf of any member of the Wider Haynes Group which is material in the context of the Wider Haynes Group;

**(e) Environmental liabilities**

in relation to any release, emission, accumulation, discharge, disposal or other fact or circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco systems, no past or present member of the Wider Haynes Group, in a manner or to an extent which is material in the context of the Haynes Group, (i) having committed any violation of any applicable laws, statutes, regulations, authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, notices or other requirements of any Third Party; and/or (ii) having incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any liability (whether actual or contingent), or being required, to make good, remediate, repair, re instate or clean up the environment (including any property);

**(f) Anti-corruption, sanctions and criminal property**

except as Disclosed, since 31 May 2019, Bidco not having discovered:

- (i) any:
  - (A) past or present member, director, officer or employee of the Wider Haynes Group; or
  - (B) person that performs or has performed services on behalf of the Wider Haynes Group,  
  
has at any time engaged in an activity, practice or conduct which would constitute an offence under the UK Bribery Act 2010, the US Foreign Practices Act of 1977 or any other applicable anti-corruption legislation;
- (ii) any asset of any member of the Wider Haynes Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
- (iii) any past or present member, director, officer or employee of the Wider Haynes Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, or made any payments or assets available to or received any funds or asset from:
  - (A) any government, entity, or individual with which US persons or European Union persons (or persons operating in those territories) are prohibited from engaging in activities, 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, United States or the European Union or any of its member states;
- (iv) a member of the Wider Haynes Group has engaged in any behaviour which would cause the Bidco Group to be in breach of any law or regulation on completion of the offer, including the economic sanctions administered by the United States Office of Foreign Assets Control, HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states;
- (v) any past or present member of the Wider Haynes Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;

- (vi) any member of the Wider Haynes Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended); or
- (vii) any past or present member of the Wider Haynes Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction.

## Part B: Certain further terms of the Acquisition

1. Subject to the requirements of the Panel in accordance with the Code, or if required, by the Court, Bidco reserves the right to waive, in whole or in part, all or any of the above Conditions, except Conditions 1(a), 1(b), 1(c) and 1(d) which cannot be waived.
2. Conditions 2(a) to (f) (inclusive) must each be fulfilled, determined by Bidco to be or to remain satisfied or (where applicable) be waived by Bidco by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing to sanction the Scheme, failing which the Acquisition will lapse.
3. The Acquisition will lapse if the Scheme does not become effective by 11.59 p.m. on the Long Stop Date (or such later date as may be agreed between Bidco and Haynes).
4. If Bidco is required by the Panel to make an offer for Haynes Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
5. The Acquisition will lapse if, before the Court Meeting, it is referred by the Competition and Markets Authority to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 pursuant to section 33 of the Enterprise Act 2002 (as amended).
6. Bidco reserves the right to elect to implement the Acquisition by way of takeover offer(s) (as defined in section 974 of the Companies Act) as an alternative to the Scheme. In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer(s) are received and/or sufficient Haynes Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of Part 28 of the Companies Act to acquire compulsorily any outstanding Haynes Shares to which such offer(s) relate.
7. Under Rule 13.5(a) of the Code, Bidco 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 Bidco in the context of the Acquisition. Conditions 1(a), 1(b), 1(c) and 1(d) are not subject to this provision of the Code.
8. The Acquisition is subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix I and those terms which are set out in the Scheme Document and such further terms as may be required to comply with the provisions of the Code.
9. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or treat as fulfilled any of Conditions 2(a) to 2(f) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition, notwithstanding that the other Conditions may at an earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any Condition may not be capable of fulfilment.
10. Haynes Shares will be acquired by Bidco with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after the date of the Announcement. If after the date of the Announcement and prior to the Effective Date, any dividend and/or other distribution and/or other return of value is declared, made or paid in respect of Haynes Shares, Bidco shall be entitled to reduce the amount of consideration payable for such Haynes Shares under the terms of the Acquisition by an amount equivalent to such dividend, other distribution or return of value in which case any reference in the Announcement to the consideration payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

11. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
12. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
13. The Acquisition will be governed by English law and subject to the jurisdiction of the English courts and to the Conditions set out above.

## **PART 4**

### **FINANCIAL AND RATINGS INFORMATION**

#### **PART A**

##### **Section 1: Financial information relating to Haynes**

The following information is incorporated into this document by reference pursuant to Rule 24.15 of the Code:

- the unaudited consolidated accounts of Haynes for the half-year ended 30 November 2019 set out in pages 7 to 11 (both inclusive) in the Company's half year report for the six months ended 30 November 2019 available from Haynes' website at [www.haynes.com/investor](http://www.haynes.com/investor);
- the audited consolidated accounts of Haynes for the financial year ended 31 May 2019 set out in pages 48 to 96 (both inclusive) in the Company's annual report for the financial year ended 31 May 2019 available from Haynes' website at [www.haynes.com/investor](http://www.haynes.com/investor); and
- the audited consolidated accounts of Haynes for the financial year ended 31 May 2018 set out in pages 50 to 99 (both inclusive) in the Company's annual report for the financial year ended 31 May 2018 available from Haynes' website at [www.haynes.com/investor](http://www.haynes.com/investor) .

##### **Section 2: Haynes ratings and outlooks**

There are no ratings or outlooks publicly accorded to Haynes.

##### **Section 3: Financial information relating to Infopro Digital**

For the twelve month period ended 30 September 2019, Infopro Digital generated approximately €447.9 million in revenue and €127.7 million in adjusted EBITDA. Infopro Digital does not publish accounts or other financial statements.

##### **Section 4: Infopro Digital ratings and outlooks**

During the Offer Period, Moody's affirmed its Long-Term Corporate Family Rating of B2, outlook Stable, and Standard & Poor's affirmed its issuer credit rating of B, outlook Stable. There is no other rating or outlook currently publicly accorded to Infopro Digital by any rating agency.

#### **PART B**

##### **Section 1: No incorporation of website information**

Save as expressly referred to herein, neither the contents of the websites referred to in this document nor the contents of any other website accessible from hyperlinks on such websites is incorporated into, or forms part of, this document.

##### **Section 2: Hard copies of documents incorporated by reference**

Please see the information under the heading "Publication on websites and availability of hard copies" on page 4 of this document for details of how to request a hard copy of any of the documents incorporated by reference into this document.



## PART 5

### ADDITIONAL INFORMATION

#### 1 Responsibility

- 1.1 The Haynes Directors whose names are set out in paragraph 2.1 below accept responsibility for the information contained in this document, other than the information for which responsibility is taken by others pursuant to paragraphs 1.2 and 1.3 below. To the best of the knowledge and belief of the Haynes Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.
- 1.2 The Infopro Digital Directors whose names are set out in paragraph 2.2 below accept responsibility for the information contained in this document relating to Infopro Digital, the Wider Bidco Group (including Bidco), the Infopro Digital Directors, the Bidco Directors and their respective close relatives, related trusts and connected persons, and persons deemed to be acting in concert with Infopro Digital (as such term is defined in the Code). To the best of the knowledge and belief of the Infopro Digital 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 that information.
- 1.3 The Bidco Directors, whose names are set out in paragraph 2.3 below, accept responsibility for the information contained in this document relating to Bidco, the Bidco Directors and their respective close relatives, related trusts and connected persons, and persons deemed to be acting in concert with Bidco (as such term is defined in the Code). To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of that information.

#### 2 Directors

- 2.1 The Haynes Directors and their respective functions are:

| <b>Name</b>          | <b>Position held</b>                         |
|----------------------|--|
| Edward Bell          | Chairman                                     |
| J Haynes             | Chief Executive Officer                      |
| James Bunkum         | Chief Operating Officer                      |
| Jeremy Yates-Round   | Managing Director – Haynes Consumer          |
| Alexander Kwarts     | Chief Technology Officer                     |
| Peter van der Galiën | Managing Director – Haynes Professional      |
| Richard Barker       | Group Finance Director and Company Secretary |
| Harvey Wolff         | Senior Vice President – Haynes North America |
| Stephen Daykin       | Non-Executive Director                       |
| Nina Wright          | Non-Executive Director                       |

Haynes is a public company limited by shares and incorporated in England with registration number 00659701. The registered office of Haynes, which is also the business address of each of the Haynes Directors, is Sparkford, Yeovil, Somerset BA22 7JJ.

2.2 The Infopro Digital Directors and their respective functions are:

| <b>Name</b>       | <b>Position held</b>   |
|-------------------|------------------------|
| Christophe Czajka | Executive Director     |
| Michel Warmerdam  | Executive Director     |
| Karim Saddi       | Non-Executive Director |
| José Arellano     | Non-Executive Director |
| Jean Rollier      | Non-Executive Director |
| Julien Elmaleh    | Non-Executive Director |
| Bruno Vinciguerra | Independent Director   |
| Gilles Venturi    | Independent Director   |

The registered office of Infopro Digital is WTC Schiphol, Tower F, Level 7, Schiphol Boulevard 441, 1118 BK Schiphol, The Netherlands.

2.3 The Bidco Directors are:

| <b>Name</b>       | <b>Position held</b> |
|-------------------|----------------------|
| Christophe Czajka | Executive Director   |
| Claire Hammond    | Executive Director   |

The registered office of Bidco is Fifth Floor, 133 Houndsditch, London, United Kingdom, EC3A 7BX. Bidco was incorporated in England and Wales as a private limited company on 3 February 2020 with registered number 12438721. Bidco is a wholly-owned subsidiary of Infopro Digital.

### **3 Haynes Shares**

- 3.1 At the close of business on the disclosure date, Haynes' issued share capital consisted of 9,000,000 A Ordinary Shares of 20 pence and 7,351,540 Ordinary Shares of 20 pence, giving a total number of shares outstanding of 16,351,540.
- 3.2 Both classes of shares carry one vote per share. The number of Ordinary Shares of 20 pence includes 1,229,054 Ordinary Shares of 20 pence held in treasury.
- 3.3 The Ordinary Shares of 20 pence are listed on the Official List of the FCA and admitted to trading on the Main Market of the London Stock Exchange. The A Ordinary Shares of 20 pence are not listed on any stock exchange.

### **4 Market quotations**

Set out below are the Closing Prices for the Haynes Shares on:

- 4.1 the first dealing day in each of the six months immediately before the date of this document;
- 4.2 14 November 2019 (being the last dealing day prior to the commencement of the Offer Period); and
- 4.3 28 February 2020 (being the Last Practicable Date prior to the publication of this document):

| <b>Date</b> | <b>Closing Price<br/>(pence per Haynes Share)</b> |
|-------------|---|
| 2 Sep 19    | 220   |
| 1 Oct 19    | 296   |
| 1 Nov 19    | 363   |
| 14 Nov 19   | 405   |
| 2 Dec 19    | 405   |
| 2 Jan 20    | 425   |
| 3 Feb 20    | 423   |
| 28 Feb 20   | 690   |

## 5 Interests and dealings

### 5.1 For the purposes of this paragraph 5.1:

**acting in concert** with a person means any other person acting or deemed to be acting in concert with that first person for the purposes of the Code;

**control** means an interest, or interests, in shares carrying in aggregate 30 per cent or more of the voting rights attributable to the capital of the company which are currently exercisable at a general meeting, irrespective of whether such interest or interests give de facto control;

**dealing** includes: (a) the acquisition or disposal of relevant securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to relevant securities, or of general control of relevant securities; (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any relevant securities; (c) subscribing or agreeing to subscribe for relevant securities; (d) the exercise or conversion, whether in respect of new or existing relevant securities, of any relevant securities carrying conversion or subscription rights; (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to relevant securities; (f) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and (g) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position;

**derivative** means any financial product whose value, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;

**disclosure date** means 28 February 2020, being the latest practicable date before publication of this document;

**disclosure period** means the period commencing 15 November 2018 (the date 12 months prior to the date of commencement of the Offer Period) and ending on the disclosure date;

a person has an **interest** or is **interested** in securities if he has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities). In particular a person will be treated as having an interest in securities if: (a) he owns them; (b) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them; (c) by virtue of any agreement to purchase, option or derivative, he: (i) has the right or option to acquire them or call for their delivery; or (ii) is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or (d) he is party to any derivative: (i) whose value is determined by reference to their price; and (ii) which results, or may result, in his having a long position in them;

**relevant securities** includes: (a) Haynes Shares and any other securities of Haynes conferring voting rights; (b) equity share capital of Haynes or, as the context requires, Bidco; and (c) securities of Haynes or as the context requires, Bidco carrying conversion or subscription rights into any of the foregoing;

If there is any inconsistency between the above definitions and the Code, those used in the Code shall prevail.

## 5.2 Persons acting in concert with Bidco

In addition to the Bidco Directors (together with their close relatives, related trusts and connected persons), and in addition to members of the Wider Bidco Group, the persons who are acting in concert with Bidco for the purposes of the offer and which are required to be disclosed are:

| Person acting in concert | Type of company | Relationship with Bidco | Address   |
|--------------------------|-----------------|-------------------------|---|
| Raymond James            | Private limited | Financial adviser       | Ropemaker Place,<br>25 Ropemaker St,<br>London EC2Y 9LY |

## 5.3 Interests in Haynes relevant securities by persons acting in concert with Haynes

The Haynes Directors (together with their close relatives, related trusts and connected persons) and the persons who are acting in concert with Haynes for the purposes of the offer and which are required to be disclosed are:

### 5.3.1 Interests in Haynes held by Directors and close family relatives:

| Name                    | Number of A Ordinary Shares | Number of Ordinary Shares | % of total issued share capital (excluding all Treasury Shares) |
|-------------------------|-----------------------------|---------------------------|---|
| <b>Directors</b>        |                             |                           |   |
| J Haynes <sup>(i)</sup> | —                           | 39,933                    | 0.26  |
| Alexander Kwarts        | —                           | 25,792                    | 0.17  |
| Edward Bell             | —                           | 10,946                    | 0.07  |
| <b>Close relatives</b>  |                             |                           |   |
| Annette Haynes          | —                           | 326,375                   | 2.16  |
| Christopher Haynes      | —                           | 9,513                     | 0.06  |
| June Bell               | —                           | 3,000                     | 0.02  |

- (i) J Haynes also has an interest in Haynes Shares as a beneficiary of the trusts set out in paragraph 5.3.2 below.

### 5.3.2 Interests in Haynes held by personal representatives and family and related trusts

| Name  | Number of A Ordinary Shares | Number of Ordinary Shares | Total Number of Shares | % of total issued share capital (excluding all Treasury Shares) |
|---|-----------------------------|---------------------------|------------------------|---|
| Personal representatives of the estate of John Harold Haynes deceased |                             |                           |                        |   |
| Haynes deceased   | 8,250,000 <sup>(i)</sup>    | 197,500 <sup>(ii)</sup>   | 8,447,500              | 55.86   |
| Family Trust - HSCMDH <sup>(iii)</sup>                                | 450,000                     | 163,500                   | 613,500                | 4.06  |
| Family Trust - HSJHCH <sup>(iv)</sup>                                 | 300,000                     | 109,000                   | 409,000                | 2.70  |
| Family Trust - JHHST72 <sup>(v)</sup>                                 | —                           | 679,720                   | 679,720                | 4.49  |
| Haynes International  |                             |                           |                        |   |
| Motor Museum <sup>(vi)</sup>  | —                           | 630,000                   | 630,000                | 4.17  |

#### (i) Notes in connection with 8,250,000 A Ordinary Shares

- Annette C Haynes, J Haynes, Christopher MD Haynes and Richard G Bugler on behalf of Albert Goodman Trust Corporation Limited (company number 10619350) as personal representatives of the estate of John Harold Haynes deceased.
- The discretionary beneficiaries are John Haynes deceased's immediate family and various charities.

#### (ii) Notes in connection with 197,500 Ordinary Shares

- Legal ownership as for (i) above.
- Shares held beneficially by Annette C Haynes.

- (iii) *Haynes Settlement for the children of Christopher MD Haynes*
  - The settlors are John Haynes (deceased) and Annette C Haynes.
  - The trustees are J Haynes and Christopher MD Haynes.
  - The life tenants are CVA Haynes, ERJ Haynes and NHW Haynes.
  - The discretionary beneficiaries are the life tenants, their children, parents or such persons added by the trustees.
- (iv) *Haynes Settlement for the children of J Haynes*
  - The settlors are John Haynes (deceased) and Annette C Haynes.
  - The trustees are J Haynes and Christopher MD Haynes.
  - The life tenants are ARD Haynes and FLC Haynes.
  - The discretionary beneficiaries are the life tenants, their children, parents or such persons added by the trustees.
- (v) *John Harold Haynes Settlement Trust of 1972*
  - The settlor is John Haynes (deceased).
  - The trustees are J Haynes and Christopher MD Haynes.
  - The beneficiaries are J Haynes and Christopher MD Haynes.
- (vi) *The Haynes International Motor Museum*
  - Shares are held legally by Annette C Haynes, NB Sanders, TM Marsh, M Penn and HEB Mayes as trustees of The Haynes International Motor Museum.

#### 5.4 *Haynes Long Term Incentive Plan awards held by Haynes Directors*

Awards have been granted to certain of the Haynes Directors and other members of senior management under the Haynes Long Term Incentive Plan on an annual basis and vest over a period of three years subject to continued service and the achievement of two key performance measures. Performance is measured based on an equally weighted combination of adjusted Earnings Per Share growth and adjusted Return on Average Capital Employed. Please see the Director's Remuneration Report on pages 37 – 46 of the 2019 Haynes Annual Reports & Accounts for further detail. Each of the participants in the Haynes Long Term Incentive Plan has agreed to the cancellation of all of their outstanding awards, subject to the Scheme being sanctioned.

Haynes has proposed to allocate the benefit of the 1,229,054 Ordinary Shares currently held in treasury to the Haynes Directors (other than J Haynes) and other members of senior management ("**Treasury Share Proposal**"). Subject to the Scheme being sanctioned, under the Treasury Share Proposal, the 1,229,054 Ordinary Shares currently held in treasury will be acquired by Bidco at the price of 700 pence per share under the terms of the Scheme with the cash proceeds from the disposal of those Ordinary Shares of approximately £8.6 million then being awarded to the Haynes Directors (other than J Haynes) and relevant members of senior management, on a non-pensionable basis. The implementation of the Treasury Share Proposal is subject to Haynes Shareholders approving by way of the Special Resolution at the General Meeting the disapplication of pre-emption rights relating to the transfer of the Treasury Shares out of treasury and, insofar as it relates to the Haynes Directors, approving by way of the Ordinary Resolution at the General Meeting an amendment to Haynes' directors' remuneration policy to permit payments to be made to those Haynes Directors in this way.

At the close of business on the disclosure date, the following awards in respect of Haynes Shares had been granted to the following Haynes Directors and remained outstanding under the Long Term Incentive Plan (but have been agreed to be cancelled as set out above):

| Name                 | Nil cost awards granted with a vesting date (subject to performance and employment conditions) of 31 May 2020<br>Outstanding | Nil cost awards granted with a vesting date (subject to performance and employment conditions) of 31 May 2021<br>Outstanding |
|----------------------|--|--|
| J Haynes             | 20,000   | 20,000   |
| James Bunkum         | 20,000   | 20,000   |
| Jeremy Yates-Round   | 20,000   | 20,000   |
| Alexander Kwarts     | 20,000   | 20,000   |
| Peter van der Galiën | 20,000   | 20,000   |
| Richard Barker       | 8,667  | 20,000   |

#### 5.5 Interests in Haynes relevant securities by the Offeror

5.5.1 As at the close of business on the disclosure date, neither Bidco, Infopro Digital, the Bidco Directors, the Infopro Digital Directors nor their directors nor their close relatives or related trusts and companies were interested in, had rights to subscribe or had short positions in any relevant securities in Haynes.

5.5.2 As at the close of business on the disclosure date, no person deemed to be acting in concert with Bidco or Infopro Digital was interested, had rights to subscribe or had short positions in any relevant securities of Haynes.

#### 5.6 Dealings in Haynes relevant securities

5.6.1 As at the close of business on the disclosure date, there have been no dealings in relevant securities of Haynes by Bidco, Infopro Digital, the Bidco Directors, the Infopro Digital Directors or their close relatives and related trusts and companies, persons acting in concert with Bidco or Infopro Digital and no persons with whom Bidco and Infopro Digital or any person acting in concert with Bidco or Infopro Digital has any arrangement, during the disclosure period.

5.6.2 There were no dealings during the period between the start of the Offer Period and the disclosure date in relevant securities of Haynes by the Haynes Directors nor by their respective close relatives, related trusts and connected persons nor by any person acting in concert with Haynes.

#### 5.7 Interests and dealings in relevant securities of Bidco or Infopro Digital

5.7.1 As at the close of business on the disclosure date, neither Haynes, the Haynes Directors nor their close relatives or related trusts and companies were interested in, had rights to subscribe or had short positions in any relevant securities in Bidco or Infopro Digital.

5.7.2 As at the close of business on the disclosure date, no person deemed to be acting in concert with Haynes was interested, had rights to subscribe or had short positions in any relevant securities of Bidco or Infopro Digital.

5.7.3 There were no dealings during the disclosure period in relevant securities of Bidco or Infopro Digital by Haynes nor by the Haynes Directors nor by their respective close relatives, related trusts and connected persons.

#### 5.8 *General*

5.8.1 Save as disclosed in this paragraph 5, as at the close of business on the disclosure date:

- (a) neither Bidco, Infopro Digital nor the Bidco Directors and Infopro Digital Directors (nor any of their respective close relatives, related trusts and connected persons), nor any person acting in concert with either Bidco or Infopro Digital,

- (i) held any interest in, or right to subscribe for, or any short position in respect of (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, any relevant securities of Haynes, nor
  - (ii) save for any borrowed shares which have either been on-lent or sold, had borrowed or lent any relevant securities of Haynes (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code);
- (b) none of the Haynes Directors (and their respective close relatives, related trusts and connected persons), nor any other person acting in concert with Haynes, held any interest in, or right to subscribe for, or any short position in respect of, 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, any relevant securities of Haynes;
  - (c) neither Haynes nor any person acting in concert with Haynes had borrowed or lent any relevant securities of Haynes (including for these purposes any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code), save for any borrowed shares which have either been on-lent or sold;
  - (d) neither Haynes nor any of the Haynes Directors (and their respective close relatives, related trusts and connected persons) had an interest in, or right to subscribe for, or any short position in respect of, 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, any relevant securities of Bidco.

## **6 Service contracts and remuneration of the Haynes Directors**

6.1 The following are details of the service contracts and/or letters of appointment of the executive Haynes Directors with Haynes:

In its meeting of 23 January 2019, the remuneration committee increased the maximum potential bonus entitlements of the executive directors (excluding Edward Bell), effective from 1 December 2018, by introducing (i) an additional discretionary bonus of 5% of the basic salary for each executive director in the event that Haynes achieves 110% or more of its budgeted profit before tax in the relevant financial year; and (ii) an additional discretionary bonus of (of 10% of the basic salary for James Bunkum, Jeremy Yates-Round and Richard Barker, 9.6 % for J Haynes and 15% for each of Alex Kwarts and Peter van der Galiën) if, in the opinion and at the discretion of the Remuneration Committee, the executive director has exceeded expectations as a mechanism to reward out-performance, resulting in a maximum bonus of 40% of basic salary. The bonus structure for Harvey Wolff, who joined the Board in July 2019, is similar to Alex Kwarts and Peter van der Galiën. Notwithstanding the above, there is no expectation that the additional discretionary bonus will be payable for the financial year ending 31 May 2020. The bonus entitlements for future financial periods may be amended by the remuneration committee at its discretion.

### 6.1.1 *J Haynes*

- (a) Mr Haynes is appointed Chief Executive Officer of Haynes. Pursuant to a service agreement with Haynes dated 15 February 2002 (as amended by a letter dated 7 June 2016), Mr Haynes receives a basic annual salary of £175,000 (which has since been increased to £202,337). Mr Haynes' service agreement is terminable by either party on not less than 12 months' written notice.
- (b) Mr Haynes is entitled to participate in the Haynes' senior executive commission plan (the terms of which vary between executives), pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:

- (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 10.4% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Executive Chairman of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr Haynes is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. Haynes bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.
  - (d) Mr Haynes receives pension contributions equalling 15% of his gross salary, which he has elected to be paid as cash in lieu of contributions.
  - (e) Mr Haynes receives private medical expenses under Haynes' insurance scheme for himself, his spouse and dependent children.
  - (f) Mr Haynes participates in the income protection scheme providing long term disability cover as well as receiving four times life cover.
  - (g) Mr Haynes is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) non-compete; (ii) non-dealing with customers and/or suppliers; (iii) non-solicitation of customers and/or suppliers; and (iv) non-solicit of senior employees. Mr Haynes is also subject to a confidentiality undertaking without limitation in time.

#### 6.1.2 *Edward Bell*

- (a) Mr Bell is appointed Executive Chairman of Haynes. Pursuant to a letter of appointment with Haynes dated 23 May 2016 (as amended by a letter dated 23 May 2018), Mr Bell receives a basic annual salary of £100,000 (which has since been increased to £108,202). Mr Bell's appointment is terminable by either party on not less than 12 months' written notice.
- (b) Mr Bell is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 30% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year; and
  - (ii) 30% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year.

One third of the total commission due will be payable in cash and Mr Bell has discretion whether to receive the remaining two thirds in shares in the Offeree.

- (c) Haynes reimburses Mr Bell 50% of the private medical expenses he incurs for himself and his spouse subject to production of receipts or other appropriate evidence of the expense incurred.
- (d) Mr Bell is subject to a non-compete restriction under his letter of appointment for the 12 months after the termination of his appointment: Mr Bell is also subject to a confidentiality undertaking without limitation in time.

#### 6.1.3 *James Bunkum*

- (a) Mr Bunkum is appointed Chief Operating Officer of Haynes. Pursuant to a service agreement with Haynes dated 7 June 2016 (as amended by a letter dated 5 October 2018), Mr Bunkum receives a basic annual salary of £175,000 (which has since been increased to £185,640). Mr Bunkum's service agreement is terminable by either party on not less than 12 months' written notice.



- (b) Mr Bunkum is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 10% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr Bunkum is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. Haynes bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.
- (d) Mr Bunkum receives pension contributions equalling 15% of his gross salary, which he has elected to be paid as cash in lieu of contributions.
- (e) Mr Bunkum receives private medical expenses under Haynes insurance scheme for himself, his spouse and dependent children.
- (f) Mr Bunkum participates in the income protection scheme providing long term disability cover as well as receiving four times life cover.
- (g) Mr Bunkum is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) non-compete; (ii) non-dealing with and non-solicitation of customers in competition with the Haynes Group business; and (iii) non-solicit of senior employees. Mr Bunkum is also subject to a confidentiality undertaking without limitation in time.

#### 6.1.4 *Jeremy Yates-Round*

- (a) Mr Yates-Round is appointed Managing Director (Haynes Consumer) of Haynes UK and Europe. Pursuant to a service agreement with J.H. Haynes & Co. Limited dated 2 September 2010 (as amended by letters dated 7 June 2016 and 10 October 2018), Mr Yates-Round receives a basic annual salary of £145,000 (which has since been increased to £178,880). Mr Yates-Round's service agreement is terminable by either party on not less than 12 months' written notice.
- (b) Mr Yates-Round is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 10% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr Yates-Round is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. Haynes bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.

- (d) Mr Yates-Round receives pension contributions equalling 15% of his gross salary, which he has elected to be paid as cash in lieu of contributions.
- (e) Mr Yates-Round receives private medical expenses under Haynes' insurance scheme for himself, his spouse and dependent children.
- (f) Mr Yates-Round participates in the income protection scheme providing long term disability cover as well as receiving four times life cover.
- (g) Mr Yates-Round is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) not holding a material interest in a competing business or a business which may result in the disclosure or use of confidential information by him; (ii) non-dealing with customers and/or prospective customers; (iii) non-solicit of customers and/or prospective customers; (iv) non-solicit of senior employees; and (v) non-dealing with and/or non-solicit of suppliers to the detriment of the Haynes Group. Mr Yates-Round is also subject to a confidentiality undertaking without limitation in time.

#### 6.1.5 *Alexander Kwarts*

- (a) Mr Kwarts is appointed Chief Technology Officer for HaynesPro Holding BV (previously known as Vivid Holding BV) (HaynesPro) and seconded as necessary to Haynes. Pursuant to a service agreement with HaynesPro dated 28 February 2008 governed by Dutch law (as amended by letters dated 24 February 2010 and 7 June 2016), Mr Kwarts receives a basic annual salary of €200,000 payable by HaynesPro (which has since been increased to €216,403 (including an 8% allowance for holiday pay)) and no additional remuneration is payable to him by Haynes for the performance of his role for that company. Mr Kwarts' service agreement is terminable by either party on not less than 12 months' written notice if initiated by HaynesPro or 6 months' written notice if initiated by Mr Kwarts.
- (b) Mr Kwarts is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 5% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr Kwarts is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. HaynesPro bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.
- (d) Mr Kwarts is entitled to participate in the HaynesPro money purchase pension scheme which is governed by the employment laws in the Netherlands.
- (e) Mr Kwarts is subject to non-compete restrictions under his service agreement for the 24 months after the termination of his appointment (including not holding shares in competing companies). Mr Kwarts is also subject to a confidentiality undertaking without limitation in time.
- (f) There are financial penalties payable for breaching the confidentiality, non-compete and exclusivity of employment restrictions in Mr Kwarts' service agreement.

#### 6.1.6 *Peter van der Galiën*

##### *Contract of employment with HaynesPro*

- (a) Mr van der Galiën is appointed Managing Director for HaynesPro. Pursuant to a service agreement with HaynesPro dated 23 September 2009 governed by Dutch law (as amended by letters dated 19 December 2016), Mr van der Galiën receives a basic annual salary of €185,000 payable by HaynesPro (which has since been increased to €230,000 (including an 8% allowance for holiday pay)). Mr van der Galiën's service agreement is terminable by either party on not less than 12 months' written notice if initiated by HaynesPro or 6 months' written notice if initiated by Mr van der Galiën.
- (b) Mr van der Galiën is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 5% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr van der Galiën is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. HaynesPro bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.
- (d) Mr van der Galiën is entitled to participate in the HaynesPro money purchase pension scheme which is governed by the employment laws in the Netherlands.
- (e) During the period of his employment and for a year thereafter, Mr van der Galiën is prohibited from being employed by or engaged in any way whatsoever with a competitor, or any company with activities which are equivalent to, similar, or otherwise competitive with, or with the activities of, the company or companies affiliated with the company (including HaynesPro B.V), including participating financially or otherwise, or having direct or indirect control over such undertaking, direct or indirect, for themselves or through a third party, without the written consent of HaynesPro.

##### *Letter of appointment with Haynes*

Mr van der Galiën is appointed as an executive board director of Haynes with the title of MD Haynes Professional. Pursuant to a letter of appointment with Haynes dated 1 February 2018, Mr van der Galiën receives no additional salary to that stated in paragraph 6.1.6(a).

#### 6.1.7 *Harvey Wolff*

##### *Contract of employment with Haynes North America, Inc. (Haynes USA)*

- (a) Mr Wolff is appointed Senior Vice President for Haynes USA. Pursuant to a service agreement with Haynes USA dated 18 July 2019 governed by Californian law, Mr Wolff receives a basic annual salary of \$275,000 payable by Haynes USA. Mr Wolff's contract of employment is terminable with no notice (without cause) by Haynes USA or with twelve months' notice by Mr Wolff. In the event of termination by Haynes USA without cause, Mr Wolff is entitled to a single lump sum payment equivalent to his base salary then in effect that would have otherwise been earned during the period of 12 months following the termination date, less all required withholdings.

- (b) Mr Wolff is entitled to participate in Haynes USA's retirement savings plan, to a company car, to paid vacation and in any insurance plan or other employee benefit plan (including life and medical insurance).
- (c) Until one year after the term of his employment, Mr Wolff is not permitted to encourage or solicit any employee of Haynes USA to leave Haynes USA. Mr Wolff is also subject to a confidentiality undertaking without limitation in time.

*Letter of appointment with Haynes*

- (d) Mr Wolff is appointed as an executive board director of Haynes pursuant to a letter of appointment with Haynes dated 18 July 2019. Mr Wolff receives no additional salary to that stated in paragraph 6.1.7(a) and his appointment is terminable by either party giving not less than three months' written notice. Mr Wolff's appointment as an executive board director with Haynes is a contract for services and does not represent a contract of employment with Haynes, as he is solely employed by Haynes USA (as set out in paragraphs 6.1.7(a) to 6.1.7(c)).
- (e) Mr Wolff is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 5% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.

6.1.8 *Richard Barker*

- (a) Mr Barker is appointed Group Finance Director and Group Company Secretary of Haynes. Pursuant to a service agreement with Haynes dated 11 October 2018, Mr Barker receives a basic annual salary of £115,000 (which has since been increased to £150,000). Mr Barker's service agreement is terminable by either party on not less than 12 months' written notice.
- (b) Mr Barker is entitled to participate in the Haynes' senior executive commission plan, pursuant to which, he is entitled to be paid the following commission sums for the 2019/2020 financial year upon satisfaction of the following conditions:
  - (i) 5% of his basic salary in the event that Haynes achieves 90% or more of its budgeted profit before tax in the relevant financial year;
  - (ii) 10% of his basic salary in the event that Haynes achieves 100% or more of its budgeted profit before tax in the relevant financial year; and
  - (iii) 10% of his basic salary in the event that he is deemed, in the opinion and at the sole discretion of the Chief Executive Officer of Haynes to have achieved his annual appraisal objectives for the relevant financial year.
- (c) Mr Barker is entitled either to a company car of a type appropriate to his position in the company or to an equivalent annual car allowance. Haynes bears all tax, insurance, maintenance and repair costs of the car, including the cost of fuel and oil attributable to both business and personal use.
- (d) Mr Barker receives pension contributions equalling 15% of his gross salary.
- (e) Mr Barker receives private medical expenses under Haynes' insurance scheme for himself, his spouse and dependent children.

- (f) Mr Barker participates in the income protection scheme providing long term disability cover as well as receiving four times life cover.
  - (g) Mr Barker is subject to the following restrictions under his service agreement for the 12 months after the termination of his appointment: (i) non-compete; (ii) non-dealing with and non-solicitation of customers in competition with the Haynes Group business; and (iii) non-solicit of senior employees. Mr Barker is also subject to a confidentiality undertaking without limitation in time.
- 6.2 The non-executive Haynes Directors have letters of appointment setting out the terms and conditions of their appointment, particulars of which are set out below:
- 6.2.1 *Stephen Daykin*
- (a) As non-executive director, Stephen Daykin is entitled to an annual fee of £25,000 (which has since been increased to £27,620) and £5,000 to chair Haynes' audit committee and be a member of Haynes' remuneration committee under a letter of appointment dated 13 June 2016. Mr Daykin's appointment was for an initial term of two years commencing on 1 August 2016 and is subject to re-election at Haynes' annual general meeting each year. Mr Daykin's appointment is otherwise terminable by either party on one month's prior written notice.
  - (b) Mr Daykin is subject to non-compete restrictions under his letter of appointment for the 6 months after the termination of his appointment (including not holding shares in competing companies). Mr Daykin is also subject to various restrictions on activities during his appointment and to a confidentiality undertaking without limitation in time.
- 6.2.2 *Nina Wright*
- (a) As non-executive director, Nina Wright is entitled to an annual fee of £25,000 (which has since been increased to £27,620) and £5,000 to chair Haynes' remuneration committee and be a member of Haynes' audit committee under a letter of appointment dated 17 June 2016. Ms Wright's appointment was for an initial term of two years commencing on 1 August 2016 and is subject to re-election at Haynes' annual general meeting each year. Ms Wright's appointment is otherwise terminable by either party on one month's prior written notice.
  - (b) Ms Wright is subject to non-compete restrictions under her letter of appointment for the 6 months after the termination of her appointment (including not holding shares in competing companies). Ms Wright is also subject to various restrictions on activities during her appointment and to a confidentiality undertaking without limitation in time.
- 6.3 Save as disclosed above, no Haynes Director participates in any commission or profit sharing arrangements.
- 6.4 Please see paragraph 5.4 above in respect of awards granted to Haynes executive directors under the Haynes Long Term Incentive Plan. The non-executive Haynes Directors are not entitled to participate in any of Haynes' shares, bonus or pension schemes or employee benefit arrangements save for the Treasury Share Proposal as set out in paragraph 8 of Part 2 of this document.
- 6.5 Haynes has entered into an indemnity with each non-executive Haynes Director against certain liabilities incurred in certain circumstances in connection with the execution of their duties and to provide funds to them to meet certain expenditure in connection with litigation.
- 6.6 Non-executive Haynes Directors are typically expected to serve two three-year terms, but the Haynes Directors at their discretion may invite them to serve an additional term.
- 6.7 The appointment of a non-executive Haynes Director will also terminate, *inter alia*, on that director:

- 6.7.1 vacating office under the articles of association;
- 6.7.2 being removed from office as a director under the articles of association; or
- 6.7.3 committing a material breach of his or her obligations under his or her letter of appointment.
- 6.8 Haynes maintains appropriate director's and officer's liability insurance up to an aggregate limit of £5,000,000 for the benefit of each Haynes Director and maintains such cover for any claims that might be lawfully brought against them during the policy period (including after they have ceased to be a Haynes Director).
- 6.9 Save as set out above in this paragraph 6:
- 6.9.1 there are no service agreements in force between any Haynes executive director or proposed Haynes executive director nor any letters of appointment in force between any Haynes non-executive director or proposed non-executive Haynes Director and Haynes or any member of the Haynes Group; and
- 6.9.2 there are no service agreements or letters of appointment which were entered into by Haynes or any member of the Haynes Group within the six month period prior to the date of this document nor have any amendments been made to any of such service agreements or letters of appointment during that period.

## 7 Financing arrangements and cash confirmation

- 7.1 The Scheme values the entire issued and to be issued share capital of Haynes at approximately £114.5 million in cash.
- 7.2 The cash consideration payable by Bidco to Haynes Shareholders under the Acquisition will be financed by existing cash resources of Infopro Digital.
- 7.3 Raymond James, financial adviser to Bidco, is satisfied that Bidco has sufficient resources available to it to satisfy in full the cash consideration payable by Bidco to Haynes Shareholders under the offer.

## 8 Irrevocable undertakings

Irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting have been received by Bidco from the following persons in respect of the following interests in Haynes Shares:

| Name  | Number of Haynes Shares | Percentage of existing share capital of Haynes (excluding all Treasury Shares) |
|---|-------------------------|--|
| <b>Haynes Directors</b>   |                         |  |
| J Haynes  | 39,933                  | 0.26   |
| Alexander Kwarts  | 25,792                  | 0.17   |
| Edward Bell   | 13,946                  | 0.09   |
| <b>Shareholders</b>   |                         |  |
| The estate of John Harold Haynes                                      | 8,447,500               | 55.86  |
| The John Harold Haynes Settlement Trust of 1972                       | 679,720                 | 4.49   |
| The Haynes International Motor Museum                                 | 630,000                 | 4.17   |
| The Haynes Settlement trust for the children of Christopher MD Haynes | 613,500                 | 4.06   |
| CriSeren Investments Ltd  | 533,666                 | 3.53   |
| The Haynes Settlement trust for the children of J Haynes              | 409,000                 | 2.70   |
| Annette Haynes  | 326,375                 | 2.16   |
| Stancroft Trust Ltd   | 195,000                 | 1.29   |
| Christopher Haynes  | 9,513                   | 0.06   |

All irrevocable commitments other than in respect of Stancroft Trust Ltd continue to be binding even if a higher competing offer is made for Haynes, but will cease to be binding if the Acquisition lapses or is otherwise withdrawn. The irrevocable undertaking given by Stancroft Trust Ltd shall lapse if a third party announces a firm intention to make a competing offer for Haynes on terms which represent an improvement of not less than 10 per cent. of the value of the consideration offered pursuant to the Acquisition which is not at least matched by Bidco.

## 9 Letters of Intent

The following Haynes Shareholder has given a letter of intent to vote in favour of the resolutions relating to the Acquisition at the Haynes Meetings in respect of their own beneficial holdings of Haynes Shares:

| Name                               | Number of Haynes Shares | Percentage of issued share capital of Haynes (excluding all Treasury Shares) |
|------------------------------------|-------------------------|--|
| AXA Investment Managers UK Limited | 450,000                 | 2.98   |

## 10 Obtaining hard copies of information incorporated by reference

The financial information set out in Part 4, Part A Section 1 is incorporated by reference in, and forms part of, this document.

You may request a hard copy of any information incorporated by reference in this document by contacting the Registrars, Link Asset Services on 0371 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 9.00am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. It is important that you note that unless you make such a request, a hard copy of any information incorporated into this document by reference will not be sent to you.

## 11 Material contracts

### 11.1 Haynes

Save as disclosed below, there have been no contracts entered into by Haynes or any member of the Haynes Group during the period commencing on 15 November 2017 (the date two years before the commencement of the Offer Period) and ending on the Last Practicable Date which are outside the ordinary course of business and which are or may be considered material.

11.1.1 On 17 December 2019 Haynes entered into a sale and leaseback arrangement (“the **Agreement**”), relating to the freehold property at Haynes’ Sparkford site, with Westcoast Developments (Projects) Limited (“the **Purchaser**”) and J. H. Haynes & Co. Limited (being a current occupier of the site). Immediately prior to exchange of the Agreement, part of the site (known as “the Old Creamery”) was transferred to Haynes from the Trustees of the Haynes 1972 Settlement for a purchase price of £300,000 (no VAT chargeable). The Agreement provides that Haynes will sell the Sparkford site to the Purchaser with vacant possession, for a purchase price of £2,500,000 (no VAT chargeable) plus contingent consideration. The Purchaser will be liable to pay the contingent consideration to Haynes if there is a Sale (as defined in the Agreement) during the 6-month period following contractual completion. Haynes must pay 12% of any contingent consideration received to the Trustees of the Haynes 1972 Settlement pursuant to the terms of the transfer of the Old Creamery. The contractual Completion Date is 16 June 2021, but this may be brought forward by agreement between the parties in certain specified circumstances.

11.1.2 On the Completion Date (as referenced to above), the Purchaser will grant a leaseback to Haynes of part of the site (known as “the Phase 2 Property”) at a peppercorn rent for a term ending on 16 December 2022 (“the Leaseback”). The Leaseback is excluded from the security of tenure provisions of the Landlord and Tenant Act 1954 and

contains a tenant-only rolling break right exercisable by Haynes on at least 6 months' notice. The Leaseback is subject to an agreement to surrender the part of the leaseback in certain circumstances where the Purchaser intends to take occupation of the part of the Phase 2 Property. The Leaseback contains typical events of default/forfeiture events, including failure to comply with obligations under the Leaseback and certain insolvency events, which will entitle the Purchaser to forfeit the Leaseback.

- 11.1.3 In connection with the latest Haynes Publishing Group Retirement Benefits Scheme triennial valuation, pursuant to an agreement dated 21 November 2018, Haynes and the Trustees agreed a recovery plan whereby, from 1 July 2018, past service deficit contributions of £1.1m per annum be made to the Scheme until 30 September 2029, increasing by 3.5% every 1 July. An additional contribution of £0.9m will be paid to the Scheme by no later than 30 June 2022. Separate to the recovery plan Haynes has committed that if the sale of the Sparkford site goes ahead before 30 June 2022 then an accelerated payment would be made in proportion to the proceeds received by Haynes.

## **11.2 Bidco**

There have been no contracts entered into by Bidco or any member of the Wider Bidco Group during the period commencing on 15 November 2017 (the date two years before the commencement of the Offer Period) and ending on the Last Practicable Date which are outside the ordinary course of business and which are or may be considered material.

## **12 Bases of calculations and sources of information**

- 12.1 For the purposes of the financial comparisons contained in this document, no account has been taken of any liability to taxation or the treatment of fractions under the Acquisition.
- 12.2 The existing issued share capital of Haynes as at the disclosure date was 16,351,540 Haynes Shares. This comprised 9,000,000 A Ordinary Shares and 7,351,540 Ordinary Shares (the latter including the 1,229,054 Treasury Shares currently in issue).
- 12.3 The Ordinary Shares are listed on the Official List. The international securities identification number for the Ordinary Shares is GB0004160833. The A Ordinary Shares are unlisted but, save for a restriction on transfer other than to Family members or Family Settlements, carry the same rights as the Ordinary Shares.
- 12.4 The value attributed to the existing issued and to be issued share capital of Haynes is based upon the 16,351,540 Haynes Shares in issue on the disclosure date (which includes the 1,229,054 Haynes Shares held as Treasury Shares on such date).
- 12.5 The fully diluted share capital of Haynes (being 16,351,540) is calculated on the basis of 16,351,540 Haynes Shares in issue on 28 February 2020 (being the Last Practicable Date prior to publication of this document and including, for the avoidance of doubt, Treasury Shares).
- 12.6 Unless otherwise stated, the financial information relating to Haynes is extracted or derived from the Haynes Group's consolidated financial statements for the 52 week period ended 31 May 2019.
- 12.7 The financial information relating to Infopro Digital is extracted from the unaudited consolidated financial statements of Infopro Digital for the period ended 30 September 2019.
- 12.8 The adjustments to the financial information of Infopro Digital over the last twelve months ending 30 September 2019 referred to in paragraph 4 of Part 2 are for the pro forma impact of an acquisition and IFRS 16.
- 12.9 Share prices have been derived from the Daily Official List of the London Stock Exchange and represent the closing middle market prices on the relevant date.



12.10 References to a percentage of issued Haynes Shares in the context of the irrevocable undertakings and letter of intent received from Haynes Shareholders are based on the number of Haynes Shares in issue as set out in paragraph 12.2 above minus the 1,229,054 Treasury Shares (being 15,122,486 Haynes Shares in total).

### **13 General**

13.1 Except as disclosed in this document, no agreement, arrangement or understanding (including any compensation or incentivisation arrangement) exists between Bidco or any party acting in concert with Bidco for the purposes of the Acquisition and any of the directors, recent directors, shareholders or recent shareholders of Haynes having any connection with or dependence on, or which is conditional on the outcome of, the Acquisition.

13.2 Except as disclosed in this document, there is no agreement, arrangement or understanding by which the beneficial ownership of any of the shares which are the subject of the Acquisition acquired by Bidco will be transferred to any other person, but Bidco reserves the right to transfer any such shares to any other member of the Bidco Group or any joint venture, partnership, firm or company in which it has a substantial interest and the right to assign any such shares by way of security or grant any other security interest over such shares.

13.3 Save as disclosed in this document, there are no agreements to which the Bidco is a party which relate to the circumstances in which it may or may not invoke a condition to the Acquisition.

13.4 Raymond James has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

13.5 Europa Partners has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

13.6 The Haynes Directors are not aware of any significant change in the financial or trading position of the Haynes Group since 30 January 2020, being the date to which the last interim update for the Company was published.

### **14 Fees and expenses**

14.1 The estimated aggregate fees and expenses expected to be incurred by Bidco in connection with the Acquisition will be approximately £2,780,000<sup>(1)</sup> (excluding applicable VAT). This aggregate number consists of the following categories:

14.1.1 accounting and tax advice: approximately £400,000;

14.1.2 financial advice: approximately £1,540,000;

14.1.3 legal advice: approximately £610,000;

14.1.4 public relations fees: approximately £20,000; and

14.1.5 other professional services: approximately £210,000.

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<sup>(1)</sup> Figures are given in sterling equivalents and have been subject to rounding adjustments. Where the underlying fee or expense is given in US dollars, the exchange rate of £1 = \$1.29348 has been used. Where the underlying fee or expense is given in Euros, the exchange rate of £1 = €1.18839 has been used. These exchange rates reflect the spot exchange rates as at 12.00 p.m. on 26 February 2020. The actual amount of fees and expenses incurred on a sterling basis may vary depending on foreign exchange movements during the course of the Offer Period.

In addition, stamp duty at a rate of 0.5 per cent. on the purchase price of the Scheme Shares to be acquired by Bidco pursuant to the Scheme will be payable by Bidco.

14.2 The estimated aggregate fees and expenses expected to be incurred by Haynes in connection with the Acquisition will be approximately £2,687,000 (excluding applicable VAT). This aggregate number consists of the following categories:

14.2.1 financial advice: approximately £1,817,000;

14.2.2 legal advice: approximately £625,000;

14.2.3 public relations fees: approximately £25,000;

14.2.4 other professional services including registrar fees and printing fees: approximately £60,000; and

14.2.5 other costs and expenses: approximately £160,000.

## **15 Documents on display**

Copies of the following documents will be available free of charge at the websites of either Haynes or Bidco at [www.haynes.com/investor](http://www.haynes.com/investor) and <https://www.infopro-digital.com/group/finance> until the end of the Offer Period:

15.1 this document, the Form of Proxy and the Announcement;

15.2 the articles of association of Haynes;

15.3 the articles of association of Bidco;

15.4 the draft of the articles of association of Haynes in the form as proposed to be amended by the Special Resolution;

15.5 the irrevocable undertakings referred to in paragraph 8 above and the letter of intent referred to in paragraph 9 above;

15.6 the confidentiality agreement made between Haynes and Infopro Digital International B.V. on 16 January 2020;

15.7 the consolidated annual report and accounts of Haynes referred to in Part 4 (Financial Ratings and Information) of this document;

15.8 the material contracts described in paragraph 11 above; and

15.9 the written consents referred to in paragraphs 13.4 and 13.5 above.

**For the avoidance of doubt, save for the financial information referred to at paragraph 15.7 above which is incorporated by reference into this document, the contents of Haynes' and Bidco's websites are not incorporated into and do not form part of this document.**

2 March 2020

## PART 6

### THE SCHEME OF ARRANGEMENT

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

NO. CR-2020-001123

IN THE MATTER OF HAYNES PUBLISHING GROUP P.L.C.

AND

IN THE MATTER OF THE COMPANIES ACT 2006

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SCHEME OF ARRANGEMENT

*(under Part 26 of the Companies Act 2006) BETWEEN*

HAYNES PUBLISHING GROUP P.L.C.

AND

INFOPRO DIGITAL (HOLDCO) LTD

*(as hereinafter defined)*

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#### PRELIMINARY

A In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

|   |   |
|---|---|
| “ <b>Announcement Date</b> ”                                  | 13 February 2020;   |
| “ <b>Business Day</b> ”                                       | a day, other than a Saturday, Sunday, public holiday or bank holiday, on which banks are generally open for normal business in the City of London;  |
| “ <b>Bidco</b> ”  | Infopro Digital (Holdco) Ltd incorporated in England and Wales with registered number 12438721, whose registered office is at Fifth Floor, 133 Houndsditch, London, United Kingdom, EC3A 7BX;       |
| “ <b>Bidco Group</b> ”  | Bidco and its subsidiary undertakings and, where the context permits, each of them;   |
| “ <b>certificated</b> ” or<br>“ <b>in certificated form</b> ” | not in uncertificated form (that is, not in CREST);   |
| “ <b>Companies Act</b> ”                                      | the Companies Act 2006, as amended from time to time;   |
| “ <b>Company</b> ”  | Haynes Publishing Group P.L.C., a company incorporated in England and Wales with registered number 00659701;  |
| “ <b>Court</b> ”  | the High Court of Justice in England and Wales;   |
| “ <b>Court Hearing</b> ”                                      | the hearing by the Court to sanction the Scheme and, if such hearing is adjourned, references to the commencement of any such hearing shall mean the commencement of the final adjournment thereof; |

|  |  |
|--|--|
| <b>“Court Meeting”</b>                   | the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification); |
| <b>“Court Order”</b>                     | the order of the Court sanctioning the Scheme;   |
| <b>“CREST”</b>                           | the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form;   |
| <b>“Effective”</b>                       | the Scheme having become effective in accordance with its terms, upon the delivery of the court order to the Registrar of Companies;   |
| <b>“Effective Date”</b>                  | the date upon which the Scheme becomes Effective;  |
| <b>“Euroclear”</b>                       | Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738;   |
| <b>“Excluded Shares”</b>                 | any Haynes Shares beneficially owned by Bidco or any other member of the Bidco Group;  |
| <b>“holder”</b>                          | a registered holder and includes any person(s) entitled by transmission;   |
| <b>“Haynes Group”</b>                    | Haynes and its subsidiaries and subsidiary undertakings;   |
| <b>“Haynes Long Term Incentive Plan”</b> | the Haynes Long Term Incentive Plan dated 18 July 2017;  |
| <b>“Haynes Shares”</b>                   | A Ordinary Shares of 20 pence and Ordinary Shares of 20 pence each in the capital of Haynes;   |
| <b>“Infopro Digital”</b>                 | Infopro Digital Group B.V. incorporated in The Netherlands, whose registered office is at WTC Schipol, Tower F, Level 7, Schipol Boulevard 441, 118 BK Schipol, The Netherlands;   |
| <b>“Link Asset Services”</b>             | the trading name of Link Market Services Limited;  |
| <b>“members”</b>                         | members of the Company on the register of members at any relevant date or time;  |
| <b>“Panel”</b>                           | the Panel on Takeovers and Mergers;  |
| <b>“Scheme”</b>                          | this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by the Company and Bidco;  |
| <b>“Scheme Record Time”</b>              | 6.00 p.m. on the Business Day immediately after the Court Hearing;   |
| <b>“Scheme Shareholders”</b>             | holders of Scheme Shares;  |
| <b>“Scheme Shares”</b>                   | Haynes Shares:<br><br>(a) in issue as at the date of this Scheme (including, for the avoidance of doubt, Treasury Shares);   |

- (b) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and
- (c) (if any) issued on or after the Voting Record Time but at or before the Scheme Record Time in respect of which original or any subsequent holder thereof is bound by the Scheme or shall by such time have agreed in writing to be bound by the Scheme,
- in each case other than the Excluded Shares;
- “subsidiary” and “subsidiary undertaking”** have the meanings given in the Companies Act;
- “Treasury Shares”** any Haynes Shares which are for the time being held by Haynes as treasury shares (within the meaning of the Companies Act);
- “uncertificated” or “in uncertificated form”** in relation to a Scheme Share, recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
- “Voting Record Time”** 6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the second Business Day before the date of such adjourned meeting;
- “£”, or pence** the lawful currency of the United Kingdom.
- B References to Clauses are to Clauses of this Scheme, and references to time are to London time.
- C The share capital of the Company as at the close of business on 28 February 2020 (being the latest practicable date prior to the date of this Scheme) consisted of 9,000,000 A ordinary shares of 20 pence and 7,351,540 ordinary shares of 20 pence, of which 1,229,054 ordinary shares are held as Treasury Shares.
- D Each of the participants in the Haynes Long Term Incentive Plan has agreed to the cancellation of all of their outstanding awards under the Haynes Long Term Incentive Plan, subject to the Scheme being sanctioned. In exchange, Haynes has proposed to allocate the benefit of the 1,229,054 ordinary shares currently held in treasury to certain of the executive and non-executive directors of Haynes and other members of senior management.
- E As at the close of business on 28 February 2020 (being the latest practicable date prior to the date of this Scheme), no Haynes Shares were registered in the name of or beneficially owned by Bidco or Infopro Digital.
- F Bidco has agreed to appear by Counsel at the hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

## THE SCHEME

### 1. Transfer of the Scheme Shares

- 1.1 Upon and with effect from the Effective Date, Bidco and/or its nominee(s) shall acquire all of the Scheme Shares with full title guarantee, fully paid and free from all liens, equitable interests, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or attaching or accruing to them after the Announcement Date, including (without limitation) voting rights and the right to receive and retain in full all dividends and other distributions (if any), and any other return of capital (whether by way of reduction of share capital or share premium account or otherwise), declared, made or paid on or after the Announcement Date in respect of the Scheme Shares.
- 1.2 For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco and/or its nominee(s) by means of a form of transfer or other instrument or instruction of transfer, or by means of CREST and, to give effect to such transfers, any person may be appointed by Bidco as attorney and/or agent and/or otherwise and is hereby authorised as such attorney and/or agent and/or otherwise on behalf of the relevant Scheme Shareholder to execute and deliver as transferor an instrument of transfer of, or give any instructions to transfer, or to procure the transfer by means of CREST of, any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred. Such instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Bidco and/or its nominee(s), together with the legal interest in such Scheme Shares, pursuant to such instruction or instrument or transfer, or by means of CREST.
- 1.3 Pending the registration of Bidco or its nominee(s) as the holder of any Scheme Share to be transferred pursuant to this Scheme, upon and with effect from the Effective Date, each Scheme Shareholder irrevocably appoints Bidco (and/or its nominee(s)) as its attorney or, failing that, agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares, and any or all rights and privileges attaching to the Scheme Shares, to sign any consent to short notice of any general or separate class meetings, to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco to attend any general and separate class meetings of the Company and authorises the Company to send to Bidco and/or its nominee(s) any notice, circular, warrant or other document or communication which may be sent to it as a member of the Company, such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares.
- 1.4 The Company shall register, or procure the registration of, any transfer(s) of Scheme Shares effected in accordance with Clause 1.1 and Clause 1.2 of this Scheme.

### 2. Consideration for the transfer of the Scheme Shares

- 2.1 In consideration for the transfer of the Scheme Shares, Bidco shall (subject to the remaining provisions of this Clause 2) pay to or for the account of the Scheme Shareholders (as appearing in the register of members of the Company at the Scheme Record Time):

**For each Scheme Share: 700 pence in cash**

- 2.2 If any dividend or other distribution in respect of the Haynes Shares is declared, paid or made on or after the Announcement Date, Bidco reserves the right to reduce the consideration payable for each Haynes Share by the amount per Haynes Share of such dividend or distribution.
- 2.3 If Bidco reduces the consideration in accordance with Clause 2.2, the exercise of such rights shall be the subject of an announcement, and shall not constitute a revision or variation of the terms of this Scheme.

- 2.4 If Bidco exercises its right under Clause 2.2 to reduce the offer consideration by all or part of the amount of a dividend (or other distribution) that has not been paid, Haynes Shareholders will be entitled to receive and retain any such subsequent dividend (or part thereof).

### **3. Settlement of consideration**

- 3.1 As soon as practicable on or after the Effective Date, and in any event no later than 14 days after the Effective Date, Bidco shall satisfy the consideration due to Scheme Shareholders pursuant to Clause 2 as follows:
- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch to the persons entitled thereto of cheques drawn on a branch of a UK clearing bank for the sums payable to them respectively; and
  - (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled thereto in accordance with the CREST assured payment arrangements for the sums payable to them respectively, provided that Bidco reserves the right to make payment of the said sums by cheque as set out in Clause 3.1(a) if, for any reason, it wishes to do so.
- 3.2 All deliveries of cheques pursuant to this Scheme shall be effected by sending the same by first class post (or, if overseas, international standard post or such other method as may be approved by the Panel) in envelopes addressed to the persons entitled thereto at their respective addresses as appearing in the register of members of the Company at the Scheme Record Time, and none of Bidco, Infopro Digital, the Company or their respective nominees or agents shall be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this Clause 3.2 which shall be sent at the risk of the persons entitled thereto.
- 3.3 All cheques shall be made payable to the persons respectively entitled to the moneys represented thereby (except that, in the case of joint holders, Bidco reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the Company in respect of such joint holding), and the encashment of any such cheque, or the creation of any such assured payment obligation as is referred to in Clause 3.1(b) shall be a complete discharge to Bidco for the moneys represented thereby.
- 3.4 Settlement of the consideration payable to Scheme Shareholders under this Scheme shall, except with the consent of the Panel, be implemented in full without regard to any lien, right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against such Scheme Shareholder.
- 3.5 In the case of Scheme Shareholders that have not encashed cheques within six months from the Effective Date, the consideration due to such Scheme Shareholders under the Scheme will be held by Link Asset Services for a period of 12 years from the Effective Date, in a separate UK bank account established solely for that purpose, and such Scheme Shareholders may claim the consideration due to them upon request to Link Asset Services at any time during the period of 12 years from the Effective Date.
- 3.6 The provisions of this Clause 3 shall be subject to any condition or prohibition imposed by law.

### **4. Share certificates and transfer of entitlements**

- 4.1 With effect from and including the Effective Date:
- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein and every Scheme Shareholder shall be bound at the request of the Company to deliver up their share certificate(s) to the Company or to destroy the same; and

(b) Euroclear shall be instructed to cancel or transfer the entitlements to Scheme Shares of Scheme Shareholders in uncertificated form.

4.2 Appropriate entries shall be made in the register of members of the Company with effect from the Effective Date to reflect the transfer of the Scheme Shares.

#### **5. Mandates**

All mandates and other instructions to the Company in force at the Scheme Record Time relating to Scheme Shares shall cease to be valid and effective on the Effective Date.

#### **6. Effective Date**

6.1 This Scheme shall become Effective as soon as the order of the Court sanctioning this Scheme under section 899 of the Companies Act shall have been delivered to the Registrar of Companies in England and Wales.

6.2 Unless this Scheme shall have become Effective on or before 11.59 pm on 30 June 2020, or such later date, if any, as the Company and Bidco may agree and the Court may allow, this Scheme shall never become Effective.

#### **7. Modification**

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

#### **8. Governing Law**

This Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts.

Dated: 2 March 2020



## PART 7

### UNITED KINGDOM TAXATION

The following information is intended only as a general guide to current UK tax legislation in force and published HMRC practice (which may not be binding on HMRC) as at the date of this document as it applies to disposing of Haynes Shares. It is intended only for Haynes Shareholders who are resident in the United Kingdom for tax purposes and who hold Haynes Shares beneficially as investments. The comments do not address the position of certain classes of shareholder such as dealers in securities and do not apply to shareholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, or shareholders who are or will be officers or employees of a group forming part of the Haynes Group or the Bidco Group.

This section is not intended, and shall not be construed to be, legal or taxation advice to any particular Haynes Shareholder. Any Haynes Shareholder who is in any doubt as to their tax position, or who is subject to tax in a jurisdiction other than the United Kingdom, should consult their professional adviser.

#### **1. UK Taxation of Chargeable Gains**

A Haynes Shareholder resident for tax purposes in the UK and whose Haynes Shares are subject to the Scheme will be treated as making a disposal of such Haynes Shares for the purposes of the UK taxation of chargeable gains (“**UK CGT**”). Such a disposal may, depending upon the Haynes Shareholder’s circumstances and subject to available exemptions or reliefs, give rise to a chargeable gain or allowable loss for UK CGT purposes.

For UK resident individual Haynes Shareholders, any chargeable gain arising after taking account of reliefs and exemptions will generally be subject to capital gains tax at the rate of 10 per cent. or, for higher or additional rate taxpayers, 20 per cent.

The capital gains annual exemption (£12,000 for 2019/2020) may be available for UK resident individual Haynes Shareholders to offset any chargeable gain (to the extent it has not already been utilised).

For UK resident Haynes Shareholders within the charge to corporation tax, any chargeable gains arising after taking into account of reliefs, exemptions and allowances will generally be subject to corporation tax at the rate of 19 per cent for profits in the financial year commencing 1 April 2019.

An indexation allowance may be available for the period of ownership up to 31 December 2017 to reduce the amount of the chargeable gain (but not to create or increase an allowable loss) realised on a disposal of the Haynes Shares. Indexation allowance is not available for the period of ownership from 1 January 2018.

#### **2. Stamp Duty and Stamp Duty Reserve Tax**

No UK stamp duty or stamp duty reserve tax should be payable by Haynes Shareholders as a result of the disposal of Haynes Shares held by them under the Acquisition.

## PART 8

### DEFINITIONS

The following definitions apply throughout this document, other than in Part 6 of this document and the notices of the Haynes Meetings, unless the context requires otherwise.

|   |   |
|---|---|
| <b>“A Ordinary Shares”</b>                      | the “A” ordinary shares of 20 pence each in the Company, which are unlisted (and, for the avoidance of doubt, not including the Ordinary Shares);   |
| <b>“Acquisition”</b>                            | the proposed recommended acquisition by Bidco of the entire issued and to be issued share capital of Haynes by means of the Scheme, on the terms and subject to the conditions set out in this document (or the Takeover Offer, under certain circumstances as described in this document); |
| <b>“Announcement”</b>                           | the joint announcement of the Acquisition by Bidco and Haynes under Rule 2.7 of the Code, released on the Announcement Date;  |
| <b>“Announcement Date”</b>                      | 13 February 2020;   |
| <b>“Authorisations”</b>                         | regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;   |
| <b>“Bidco”</b>                                  | InfoPro Digital (Holdco) Ltd, a company incorporated in England with registered number 12438721, whose registered office address is at Fifth Floor, 133 Houndshitch, London, United Kingdom EC3A 7BX;   |
| <b>“Bidco Directors”</b>                        | the directors of Bidco as at the date of this document whose names appear in paragraph 2.3 of Part 5 of this document or, where the context so requires, the directors of Bidco from time to time;  |
| <b>“Bidco Group”</b>                            | Bidco and its subsidiaries and subsidiary undertakings;   |
| <b>“Business Day”</b>                           | a day, other than a Saturday, Sunday, public holiday or bank holiday, on which banks are generally open for normal business in the City of London;  |
| <b>“CAGR”</b>                                   | compound annual growth rate;  |
| <b>“certificated” or “in certificated form”</b> | not in uncertificated form (that is, not in CREST);   |
| <b>“Closing Price”</b>                          | the closing middle market quotation for a Haynes Share at the close of business on the day to which such price relates, as derived from the Daily Official List;  |
| <b>“Code”</b>                                   | the City Code on Takeovers and Mergers issued from time to time by the Panel;   |
| <b>“Companies Act”</b>                          | the Companies Act 2006, as amended from time to time;   |
| <b>“Condition(s)”</b>                           | the conditions of the Acquisition and the Scheme, as set out in Part 3 of this document;  |
| <b>“connected person”</b>                       | in relation to person A, any person whose interests in shares person A is taken to be interested in pursuant to Part 22 of the Companies Act and related regulations;   |

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| <b>“Court”</b>                   | the High Court of Justice in England and Wales;   |
| <b>“Court Hearing”</b>           | the hearing by the Court to sanction the Scheme and, if such hearing is adjourned, references to the commencement of any such hearing shall mean the commencement of the final adjournment thereof;   |
| <b>“Court Meeting”</b>           | the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification), notice of which is set out in Part 9 of this document;   |
| <b>“Court Order”</b>             | the order of the Court sanctioning the Scheme;  |
| <b>“CREST”</b>                   | the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertified form;   |
| <b>“CREST Manual”</b>            | the rules governing the operation of CREST, consisting of the CREST Reference Manual, the CREST International Manual, the CREST Rules, the Registrars Service Standards, the Settlement Discipline Rules, the CCSS Operations Manual, the Daily Timetable, the CREST Application Procedure and the CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996);  |
| <b>“CREST Proxy Instruction”</b> | a proxy appointment or instruction made using the CREST service, by way of the appropriate CREST message, which must be properly authenticated in accordance with Euroclear’s specifications and must contain the information required for such instructions, as described in the CREST Manual;   |
| <b>“Daily Official List”</b>     | the Daily Official List of the London Stock Exchange;   |
| <b>“Dealing Disclosure”</b>      | has the same meaning as in Rule 8 of the Code;  |
| <b>“Disclosed”</b>               | information which has been either: <ul style="list-style-type: none"> <li>(a) fairly disclosed by, or on behalf of, Haynes to Bidco (or its advisers) in the data room established by Haynes for the purposes of the Acquisition, on or before 5.30 p.m. on 13 February 2020;</li> <li>(b) disclosed in the annual report and accounts for Haynes for the financial period ended 31 May 2019 or the unaudited interim results for Haynes for the six months ended 30 November 2019;</li> <li>(c) disclosed in any announcement to a regulatory information service by, or on behalf of, Haynes, prior to the Announcement Date;</li> <li>(d) disclosed in the Announcement; or</li> </ul> |

- (e) fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) in writing on or before the Business Day prior to the Announcement Date (including all matters fairly disclosed in the written replies, correspondence, documentation and information provided in an electronic data room or sent to any member of the Bidco Group or their affiliates or any of their professional advisers during the due diligence process and whether or not in response to any specific request for information made by any member of the Bidco Group or their affiliates or any of their professional advisers);

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| <b>“Disclosure Guidance and Transparency Rules”</b> | the Disclosure Guidance and Transparency Rules of the FCA under FSMA and contained in the FCA’s publication of the same name (as amended from time to time);   |
| <b>“Disclosure Table”</b>                           | the disclosure table on the Panel’s website at <a href="http://www.thetakeoverpanel.org.uk">www.thetakeoverpanel.org.uk</a> ;  |
| <b>“Effective”</b>                                  | the Scheme having become effective in accordance with its terms, upon delivery of the Scheme Court Order to the Registrar of Companies;  |
| <b>“Effective Date”</b>                             | the date upon which the Scheme becomes Effective;  |
| <b>“Enlarged Group”</b>                             | the Infopro Digital Group and the Haynes Group;  |
| <b>“Europa Partners”</b>                            | Europa Partners Limited, Rule 3 Adviser to Haynes;   |
| <b>“Excluded Shares”</b>                            | any Haynes Shares beneficially owned by Bidco or any other member of the Bidco Group;  |
| <b>“Family”</b>                                     | any holder of A Ordinary Shares and any spouse, ex-spouse, common law spouse, child, stepchild or grandchild of such holder of A Ordinary Shares;  |
| <b>“Family Settlements”</b>                         | any settlement or trust under which the only beneficiaries are members of the Family of a holder of A Ordinary Shares;   |
| <b>“FCA” or “Financial Conduct Authority”</b>       | the UK Financial Conduct Authority or its successor from time to time;   |
| <b>“Formal Sale Process”</b>                        | the formal sale process announced by Haynes on 15 November 2019 under the Code;  |
| <b>“Forms of Proxy”</b>                             | the WHITE form of proxy for use by Scheme Shareholders in connection with the Court Meeting and the YELLOW Form of proxy for use by Haynes Shareholders in connection with the General Meeting, both of which accompany this document; |
| <b>“FSMA”</b>                                       | the Financial Services and Markets Act 2000, as amended;   |
| <b>“General Meeting”</b>                            | the general meeting (or any adjournment, postponement or reconvention thereof) of Haynes Shareholders to be convened in connection with the Acquisition, notice of which is set out in Part 10 of this document;                       |

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| <b>“Haynes” or the “Company”</b>            | Haynes Publishing Group P.L.C., a company incorporated in England and Wales with registered number 00659701, whose registered office is at Sparkford, Yeovil, Somerset, BA22 7JJ;                                      |
| <b>“Haynes Articles”</b>                    | Haynes’ Articles of Association currently adopted and filed with Companies House;  |
| <b>“Haynes Directors” or “Haynes Board”</b> | the directors of Haynes as at the date of this document named in paragraph 2.1 of Part 5 of this document or, where the context so requires, the directors of Haynes from time to time;                                |
| <b>“Haynes Group”</b>                       | Haynes and its subsidiaries and subsidiary undertakings;   |
| <b>“Haynes Long Term Incentive Plan”</b>    | the Haynes Long Term Incentive Plan dated 18 July 2017;  |
| <b>“Haynes Meetings”</b>                    | the General Meeting and the Court Meeting;   |
| <b>“Haynes Shareholders”</b>                | the holders of Haynes Shares;  |
| <b>“Haynes Shares”</b>                      | the A Ordinary Shares and the Ordinary Shares;   |
| <b>“HMRC”</b>                               | HM Revenue and Customs;  |
| <b>“holder”</b>                             | a registered holder and includes any person entitled by transmission;  |
| <b>“Infopro Digital”</b>                    | Infopro Digital Group B.V. incorporated in The Netherlands, whose registered office is at WTC Schipol, Tower F, Level 7, Schipol Boulevard 441, 118 BK Schipol, The Netherlands;                                       |
| <b>“Infopro Digital Directors”</b>          | the directors of Infopro Digital as at the date of this document whose names appear in paragraph 2.2 of Part 5 of this document or, where the context so requires, the directors of Infopro Digital from time to time; |
| <b>“Infopro Digital Group”</b>              | Infopro Digital and its subsidiaries and subsidiary undertakings;  |
| <b>“Last Practicable Date”</b>              | means 28 February 2020 (being the last Business Day prior to the date of this document);   |
| <b>“Link Asset Services”</b>                | the trading name of Link Market Services Limited;  |
| <b>“Listing Rules”</b>                      | the Listing Rules published by the FCA, as amended from time to time;  |
| <b>“London Stock Exchange”</b>              | London Stock Exchange plc;   |
| <b>“Long Stop Date”</b>                     | 30 June 2020 or such later date (if any) as Bidco and Haynes may, with the consent of the Panel, agree and (if required) the Court may allow;  |
| <b>“Market Abuse Regulation”</b>            | Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;  |
| <b>“Offer Period”</b>                       | the offer period (as defined by the Code) relating to Haynes, which commenced on 15 November 2019;   |
| <b>“Opening Position Disclosure”</b>        | has the same meaning as in Rule 8 of the Code;   |

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| <b>“Ordinary Resolution”</b>     | the ordinary resolution to approve the amendment to the directors’ remuneration policy of Haynes in order to facilitate the Treasury Share Proposal;   |
| <b>“Ordinary Shares”</b>         | the ordinary shares of 20 pence each in the Company, which are listed on the Official List and trade on the main market of the London Stock Exchange (and, for the avoidance of doubt, not including the A Ordinary Shares);   |
| <b>“Overseas Shareholders”</b>   | shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;  |
| <b>“Panel”</b>                   | the Panel on Takeovers and Mergers;  |
| <b>“Raymond James”</b>           | Raymond James Financial International Limited, a company incorporated in England with registered number 03127076, whose registered office address is at Ropemaker Place, 25 Ropemaker Street, London, England, EC2Y 9LY;   |
| <b>“Registrar of Companies”</b>  | the Registrar of Companies in England and Wales;   |
| <b>“Regulations”</b>             | the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);   |
| <b>“relevant securities”</b>     | unless otherwise specified, shall be construed in accordance with the Code   |
| <b>“Resolutions”</b>             | the Special Resolution and the Ordinary Resolution to be considered at the General Meeting;  |
| <b>“Restricted Jurisdiction”</b> | any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction;  |
| <b>“RIS”</b>                     | a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange’s website;  |
| <b>“Scheme”</b>                  | this scheme of arrangement in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Bidco and Haynes;   |
| <b>“Scheme Record Time”</b>      | 6.00 p.m. on the Business Day immediately after the Court Hearing;   |
| <b>“Scheme Shareholders”</b>     | holders of Scheme Shares;  |
| <b>“Scheme Shares”</b>           | Haynes Shares: <ul style="list-style-type: none"> <li>(a) in issue as at the date of this Scheme (including, for the avoidance of doubt, Treasury Shares);</li> <li>(b) (if any) issued after the date of this Scheme and prior to the Voting Record Time; and</li> <li>(c) (if any) issued on or after the Voting Record Time but at or before the Scheme Record Time in respect of which original or any subsequent</li> </ul> |

holder thereof is bound by the Scheme or shall by such time have agreed in writing to be bound by the Scheme,

in each case other than the Excluded Shares;

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| <b>“SEC”</b>  | the United States Securities and Exchange Commission;   |
| <b>“Securities Act”</b>   | the United States Securities Act of 1933, as amended;   |
| <b>“Significant Interest”</b>   | in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (ii) the relevant partnership interest;   |
| <b>“Special Resolution”</b>   | the special resolution to approve, amongst other matters, the implementation of the Scheme to be considered at the General Meeting;   |
| <b>“Takeover Offer”</b>   | should the Acquisition be implemented by way of a takeover offer(s) as defined in Chapter 3 of Part 28 of the Companies Act, the offer(s) to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Haynes and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer(s);                          |
| <b>“Third Party”</b>  | each of a central bank, government or governmental, quasigovernmental, supranational, statutory, regulatory, professional or investigative body or authority (including any antitrust or merger control authority), court, trade agency, professional association, institution, works council, employee representative body or any other similar body or person whatsoever in any jurisdiction; |
| <b>“TowerBrook”</b>   | TowerBrook Capital Partners L.P.;   |
| <b>“Treasury Share Proposal”</b>                                      | the proposal regarding the treatment of Treasury Shares set out in paragraph 8 of Part 2 of this document;  |
| <b>“Treasury Shares”</b>  | any Haynes Shares which are for the time being held by Haynes as treasury shares (within the meaning of the Companies Act);   |
| <b>“UK” or “United Kingdom”</b>                                       | the United Kingdom of Great Britain and Northern Ireland;   |
| <b>“uncertificated” or “in uncertified form”</b>                      | a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;   |
| <b>“US” or “United States” or “USA” or “United States of America”</b> | the United States of America, its territories and possessions, all areas subject to its jurisdiction or any subdivision thereof, any state of the United States of America and the District of Columbia;  |
| <b>“VAT”</b>  | value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature;  |

**“Voting Record Time”**

6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the second Business Day before the date of such adjourned meeting;

**“Wider Bidco Group”**

Bidco and its subsidiaries, subsidiary undertakings, associated undertakings, holding companies, and their respective subsidiaries, subsidiary undertakings, associated undertakings, holding companies and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest or which have a Significant Interest in Bidco or any other member of the Wider Bidco Group, in each case other than any member of the Wider Haynes Group;

**“Wider Haynes Group”**

Haynes and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Haynes and all such undertakings (aggregating their interests) have a Significant Interest;

For the purposes of this document, “**subsidiary**”, “**subsidiary undertaking**” and “**undertaking**” have the meanings given by the Companies Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted.

All the times referred to in this document are London times unless otherwise stated.



## PART 9

### NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (CHD)  
DEPUTY INSOLVENCY AND COMPANIES COURT JUDGE BARNETT

NO. CR-2020-001123

IN THE MATTER OF HAYNES PUBLISHING GROUP P.L.C.

AND

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an order dated 28 February 2020 made in the above matters (“**Order**”) the Court has given permission for a meeting to be convened of the holders of the Scheme Shares (as defined in the scheme of arrangement referred to below), for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made between Haynes Publishing Group P.L.C. (“**Company**”) and the holders of the Scheme Shares, and that such meeting shall be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.00 a.m. on 25 March 2020, at which place and time all holders of Scheme Shares are requested to attend.

At the meeting, the following resolution will be proposed:

“That the scheme of arrangement dated 2 March 2020, between the Company and the Scheme Shareholders (as defined in the scheme of arrangement), a print of which has been produced to this meeting and, for the purposes of identification, signed by the Chairman hereof, in its original form or with or subject to any modification, addition or condition which may be agreed in writing by the Company and Bidco and approved or imposed by the Court be approved”.

Voting on the resolution to approve the scheme of arrangement will be by poll, which shall be conducted as the Chairman may determine. A copy of the said scheme of arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

**Holders of Scheme Shares entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, as their proxy to attend and vote in their stead. A proxy need not be a member of the Company. A WHITE form of proxy for use at the meeting is enclosed with this notice. Completion of the form of proxy shall not prevent a holder of Scheme Shares from attending and voting at the meeting.**

Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 23 March 2020 or, if the meeting is adjourned, on the day which is two Business Days before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

By the said Order, the Court has appointed Edward Bell, or failing him, James Bunkum, or failing him, Richard Barker to act as Chairman of the meeting and has directed the Chairman to report the result of the meeting to the Court.

The said scheme of arrangement shall be subject to the subsequent sanction of the Court.

**Fieldfisher LLP**  
*Solicitors for the Company*

Dated: 2 March 2020

#### Further notes:

- (1) A WHITE form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (2) It is requested that WHITE forms of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received by Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the meeting (in other words, by 10.00 a.m. on 23 March 2020) or, as the case may be, the adjourned meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. Forms of proxy not returned by that time may be handed to the Chairman before the commencement of the Court Meeting and will still be valid.
- (3) You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (4) If you wish to appoint multiple proxies, you may: (a) photocopy a WHITE form of proxy, fill in each copy in respect of different shares and send the multiple forms together to: Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or alternatively (b) call Link Asset Services on the number in paragraph 19 below who will then issue you with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
- (5) Subject to the following principles where more than one proxy is appointed, where a WHITE form of proxy does not state the number of shares to which it applies (“**blank proxy**”) then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (“**member’s entire holding**”). In the event of a conflict between a blank proxy and a proxy which does state the number of shares to which it applies (“**specific proxy**”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
- (6) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (7) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (8) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (9) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata* (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
- (10) Where the application of paragraph 9 above gives rise to fractions of shares, such fractions will be rounded down.
- (11) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
- (12) In relation to paragraph 11 above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (13) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 23 March 2020 or, if the meeting is adjourned, on the day which is two days before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.
- (14) Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (15) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The appointment must, in order to be valid, be transmitted so as to be received by (CREST Participant ID RA10) at least 48 hours prior to the meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (16) CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time in this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (17) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (18) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (19) If you are in any doubt about completing the WHITE form of proxy please telephone Link Asset Services on 0371 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 9.00am - 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- (20) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting.
- (21) You may alternatively submit your question in advance by way of a letter addressed to the Chairman.
- (22) Voting on the resolution at this meeting will be conducted on a poll rather than a show of hands.

## PART 10

### NOTICE OF GENERAL MEETING

# Haynes Publishing Group P.L.C.

(Incorporated in England and Wales with registered number 00659701)

**NOTICE IS HEREBY GIVEN** that a general meeting of Haynes Publishing Group P.L.C. (“**Company**”) shall be held at Fieldfisher LLP, Riverbank House, 2 Swan Lane, London EC4R 3TT at 10.15 a.m. on 25 March 2020 (or as soon thereafter as the Court Meeting has concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, which shall be proposed as to resolution 1 as a special resolution and as to resolution 2 as an ordinary resolution (terms defined in the document of which this notice forms part shall have the same meaning in this notice unless otherwise expressly defined):

#### SPECIAL RESOLUTION

##### 1. THAT:

- A. The Directors be authorised pursuant to section 573(2) of the Companies Act 2006 (the “**Act**”) to allot, sell or otherwise transfer treasury shares (within the meaning of Part 18 of the Act) as if section 561 of the Act did not apply to any such allotment, sale or transfer and this power shall, unless previously revoked by resolution of the Company, expire on 30 June 2020;
- B. For the purpose of giving effect to the scheme of arrangement dated 2 March 2020 (the “**Scheme**”) between the Company and the holders of Scheme Shares, a print of which has been produced to this meeting and for the purposes of identification signed by the Chairman of the Company, in its original form or subject to any modification, addition or condition agreed in writing by the Company and Bidco and approved or imposed by the Court, the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
- C. With effect from the passing of this resolution, the articles of association of the Company be amended by the deletion of article 5.1 and the inclusion of the following new article 5.1:

##### “5.1 Rights generally

The Ordinary Shares and the “A” Ordinary Shares shall rank *pari passu* in all respects (including ranking equally for any distribution by way of dividend and on a return of capital) PROVIDED that the holders of “A” Ordinary Shares may convert such shares into Ordinary Shares in accordance with Article 5.2 below.”

- D. With effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 5A:

##### “5A Scheme of Arrangement

5A1 In this Article 5A, references to “Scheme” are to the scheme of arrangement dated 2 March 2020 between the Company and the holders of Scheme Shares under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition agreed by the Company and Bidco approved or imposed by the Court in accordance with its terms. Expressions defined in the Scheme shall have the same meanings in this Article 5A (save as expressly defined in these Articles).

5A2 Notwithstanding any other provision of these Articles, if the Company issues any Ordinary Shares or “A” Ordinary Shares (in each case other than to Bidco or its nominee(s)) at or after the Voting Record Time and at or before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or subsequent holders of such shares shall be bound by the Scheme accordingly.

- 5A3 Subject to the implementation of the Scheme and notwithstanding any other provisions of these Articles, if any Ordinary Shares or “A” Ordinary Shares are issued or transferred to any person or his nominee (“**New Member**”) (other than under the Scheme to Bidco or its nominee(s)) after the Scheme Record Time (“**Post-Scheme Shares**”) they shall be immediately transferred to Bidco (or as it may direct in writing) who shall be obliged to acquire all Post-Scheme Shares in consideration for, and conditional on, the payment by Bidco of an amount in cash for each Post-Scheme Share as that New Member would have been entitled to under the Scheme for those Post-Scheme Shares had they been Scheme Shares.
- 5A4 To give effect to any transfer of Post-Scheme Shares required by this Article 5A, the Company may appoint any person as attorney or agent for the New Member to transfer the Post-Scheme Shares to Bidco and/or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney be necessary or desirable to vest the Post-Scheme Shares in Bidco or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as Bidco may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of Bidco) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by Bidco. The attorney or agent shall be empowered to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer on behalf of the New Member (or any subsequent holder) in favour of Bidco or its nominees and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register Bidco or its nominees as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares.
- 5A5 Bidco shall settle or procure the settlement of the consideration due under paragraph 5A3 of this Article within 14 days after the transfer of the Post-Scheme Shares to Bidco and/or its nominee(s).
- 5A6 Notwithstanding any other provision of these Articles, neither the Company nor the Directors shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date other than to Bidco or its nominee(s).”.
- E. Subject to and conditional on the Scheme becoming Effective (as such term is defined in the Scheme), pursuant to the provisions of section 97 of the Act, the Company be re-registered as a private limited company under the name of “Haynes Publishing Group Limited” with effect from the date it is registered at Companies House.

## **ORDINARY RESOLUTION**

### **2. THAT:**

In accordance with section 226(B)(1)(b) of the Act, the directors’ remuneration policy of the Company be amended in order to facilitate the Treasury Share Proposal on the terms set out in paragraph 8 of Part 2 of the circular to shareholders dated 2 March 2020 of which this notice forms a part.

#### **By order of the Haynes Directors**

*Richard Barker*  
Company Secretary

Dated: 2 March 2020

#### **Registered Office**

Sparkford  
Yeovil  
Somerset  
BA22 7JJ

## Notes:

- (1) Members of the Company entitled to attend and vote at the meeting may vote in person at the said meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend and vote in their stead. A proxy need not be a member of the Company.
- (2) A YELLOW form of proxy is enclosed with this notice. Instructions for use are shown on the form. Completing and returning a form of proxy will not prevent the shareholder from attending and voting at the meeting (or any adjournment of the meeting) in person, should he subsequently decide to do so.
- (3) To be valid, a YELLOW form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, must be received at the offices of Link Asset Services at PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the meeting (in other words, by 10.15 a.m. on 23 March 2020) or, as the case may be, the adjourned meeting. A reply-paid envelope has been provided for this purpose for use in the United Kingdom only. Forms of proxy not returned by that time will be invalid.
- (4) You may appoint more than one proxy provided that each proxy is appointed to exercise rights attaching to different shares.
- (5) If you wish to appoint multiple proxies, you may: (a) photocopy a YELLOW form of proxy, fill in each copy in respect of different shares and send the multiple forms together to Link Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or alternatively (b) call Link Asset Services on the number in paragraph 22 below who will then issue you with multiple proxy forms. In each case, please ensure that all of the multiple proxy forms in respect of one registered holding are sent in the same envelope if possible.
- (6) Subject to the following principles where more than one proxy is appointed, where a YELLOW form of proxy does not state the number of shares to which it applies (a “**blank proxy**”) then that proxy is deemed to have been appointed in relation to the total number of shares registered in your name (the “**member’s entire holding**”). In the event of a conflict between a blank proxy and YELLOW form of proxy which does state the number of shares to which it applies (“**specific proxy**”), the specific proxy shall be counted first, regardless of the time it was sent or received (on the basis that as far as possible, the conflicting forms of proxy should be judged to be in respect of different shares) and remaining shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
- (7) Where there is more than one proxy appointed and the total number of shares in respect of which proxies are appointed is no greater than your entire holding, it is assumed that proxies are appointed in relation to different shares, rather than that conflicting appointments have been made in relation to the same shares.
- (8) If two or more valid but different instruments of proxy are received in respect of the same share for use at the same meeting or on the same poll, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the others as regards that share and if the Company is unable to determine which was the last received, none of them shall be treated as valid in respect of that share.
- (9) If conflicting proxies are sent or received at the same time in respect of (or deemed to be in respect of) your entire holding, none of them shall be treated as valid.
- (10) Where the aggregate number of shares in respect of which proxies are appointed exceeds your entire holding and it is not possible to determine the order in which they were sent or received (or they were all sent or received at the same time), the number of votes attributed to each proxy will be reduced *pro rata* (on the basis that as far as possible, conflicting forms of proxy should be judged to be in respect of different shares).
- (11) Where the application of paragraph 10 above gives rise to fractions of shares, such fractions will be rounded down.
- (12) If you appoint a proxy or proxies and then decide to attend the meeting in person and vote using your poll card, then your vote in person will override the proxy vote(s). If your vote in person is in respect of your entire holding then all proxy votes will be disregarded. If, however, you vote at the meeting in respect of less than your entire holding, if you indicate on your polling card that all proxies are to be disregarded, that shall be the case; but if you do not specifically revoke proxies, then your vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding your entire holding.
- (13) In relation to paragraph 12 above, in the event that you do not specifically revoke proxies, it will not be possible for the Company to determine your intentions in this regard. However, in light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.
- (14) Entitlement to attend and vote at the meeting or any adjournment thereof and the number of votes which may be cast thereat shall be determined by reference to the register of members of the Company at 6.00 p.m. on 23 March 2020 or, if the meeting is adjourned, on the day which is two days before the date of such adjourned meeting. In each case, changes to the register of members of the Company after such time shall be disregarded.

- (15) Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (16) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The appointment must, in order to be valid, be transmitted so as to be received by Link Asset Services (CREST Participant ID RA10) at least 48 hours prior to the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (17) CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- (18) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (19) A shareholder which is a company (a corporation) and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a corporate representative) must appoint such a person by resolution of its directors. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company.
- (20) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
- (21) If you are in any doubt about completing the YELLOW form of proxy please telephone Link Asset Services on 0371 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 9.00am - 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
- (22) Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting.
- (23) You may alternatively submit your question in advance by way of a letter addressed to the Chairman.
- (24) Voting on the resolution at this meeting will be conducted on a poll rather than a show of hands.
- (25) For the purposes of Section 226B of the Act, a memorandum as required by Section 226D of the Act is available for inspection by the members of the Company at the Company's registered office and will be available at the meeting.

