

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR A PROSPECTUS EXEMPT DOCUMENT AND HARWOOD WEALTH MANAGEMENT GROUP PLC SHAREHOLDERS SHOULD NOT MAKE ANY DECISION IN RELATION TO THE BIDCO B PREFERENCE SHARES AND/OR BIDCO B ORDINARY SHARES EXCEPT ON THE BASIS OF THE INFORMATION TO BE CONTAINED IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

23 December 2019

RECOMMENDED CASH ACQUISITION

of

Harwood Wealth Management Group PLC ("Harwood")

by

Hurst Point Topco Limited ("Bidco")

**a newly formed company indirectly controlled by
funds managed by Carlyle**

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

Summary

- The boards of Harwood and Bidco are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco shall acquire the entire issued share capital of Harwood. The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, Harwood Shareholders will be entitled to receive:

for each Harwood Share:	145 pence in cash (the "Cash Offer")
--------------------------------	---
- The Cash Offer values the entire issued share capital of Harwood at approximately £90.7 million.
- The Acquisition:
 - values Harwood at a multiple of 16.3x its unaudited adjusted earnings for the 12 months to 30 April 2019;
 - values Harwood at a multiple of 12.9x its unaudited adjusted EBITDA for the 12 months to 30 April 2019;
 - represents an opportunity for all Harwood Shareholders to realise an immediate and attractive cash sum for all of their Harwood Shares; and

- has the irrevocable support of Harwood Shareholders representing approximately 68.7 per cent. of Harwood's total issued share capital.
- As an alternative to the Cash Offer, eligible Harwood Shareholders may elect to receive a combination of cash and unlisted securities in the capital of Bidco ("**Bidco Units**") for each Harwood Share under either the First Alternative Offer or the Second Alternative Offer (as defined in sections 12 and 13 of this announcement respectively). The terms and conditions of the First Alternative Offer and the Second Alternative Offer (as applicable) are detailed in those sections.
- Subject to the Scheme becoming Effective, Harwood does not intend to pay any final or other dividend in respect of the financial year ended 31 October 2019. The Cash Offer, the First Alternative Offer and the Second Alternative Offer (as applicable) each assume that Harwood Shareholders will not receive a final dividend in respect of Harwood's financial year ended 31 October 2019. If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Harwood, the Cash Offer (and, as the case may be, the consideration due under the First Alternative Offer or the Second Alternative Offer) shall be reduced accordingly (in the case of the First Alternative Offer or the Second Alternative Offer, as the case may be, initially from the cash part thereof). In such circumstances, Harwood Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

Harwood Recommendation

- The Harwood Board believes that the Acquisition represents an opportunity for Harwood Shareholders to realise an immediate and attractive cash sum for all of their Harwood Shares in the context of the challenging market environment for organic growth, upward pressure on costs, the need for further funding to support ongoing acquisitions, as well as investment in the cost base, and the desire of certain major Harwood Shareholders, including senior management and their connected persons, representing approximately 68.7 per cent. of the share capital of Harwood, to sell some or all of their Harwood Shares.
- The Harwood Directors, who have been so advised by Evercore and N+1 Singer as to the financial terms of the Cash Offer, consider the Cash Offer to be fair and reasonable. In providing their advice to the Harwood Directors, Evercore and N+1 Singer have each taken into account the commercial assessments of the Harwood Directors. Evercore and N+1 Singer are each providing independent financial advice to the Harwood Directors for the purposes of Rule 3 of the Takeover Code.
- **Accordingly, the Harwood Directors intend to recommend unanimously that Harwood Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), as the Harwood Directors (and their connected persons) who hold Harwood Shares have each irrevocably undertaken to do in respect of their own beneficial holdings of 41,792,095 Harwood Shares representing, in aggregate, approximately 66.8 per cent. of the share capital of Harwood in issue on 20 December 2019 (being the latest practicable date prior to this announcement).**
- In considering the terms of the Alternative Offers, the Harwood Directors, Evercore and N+1 Singer considered that the Bidco Units will be unlisted and will represent a minority investment in a company controlled by Carlyle. They will not be admitted to trading on any stock exchange and will therefore be illiquid. The Bidco Units will not carry any right to attend or vote at any general meeting of Bidco and will not be transferrable except in

limited circumstances. The value of Bidco Units will be uncertain and there can be no assurance that they will be capable of being sold in the future.

- For the reasons set out above, together with the risk factors and other investment considerations set out in section 14 of this announcement, Evercore and N+1 Singer are unable to advise the Harwood Directors as to whether or not the terms of the Alternative Offers are fair and reasonable.
- Accordingly, the Harwood Directors cannot form an opinion as to whether or not the terms of the Alternative Offers are fair and reasonable and are not making any recommendation to Harwood Shareholders as to whether or not they should elect for either of the Alternative Offers.
- Harwood Shareholders should also ascertain whether acquiring or holding Bidco Units is affected by the laws of the relevant jurisdiction in which they reside and consider whether Bidco Units are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for either of the Alternative Offers. Any decision to elect for either of the Alternative Offers should be based on independent financial, tax and legal advice and full consideration of this announcement and the Scheme Document (when published).

Irrevocable undertakings

- Pursuant to the irrevocable undertakings referred to above, the Harwood Group CEO, Alan Durrant, has irrevocably undertaken to elect to receive the First Alternative Offer and Mark Howard, the Harwood Group CCO, Neil Dunkley, Head of Financial Planning, and Neil Dunkley's wife, Sian Dunkley, have each irrevocably undertaken to elect to receive the Second Alternative Offer, in each case in respect of their individual holdings of Harwood Shares, subject to the terms and conditions of the First Alternative Offer and the Second Alternative Offer (as applicable) detailed in sections 12 and 13 respectively below.
- Christopher Mills, a non-executive Harwood Director, and various of his connected persons, have irrevocably undertaken to accept the Cash Offer (and not to elect to receive the First Alternative Offer or the Second Alternative Offer) in respect of all of their respective holdings of Harwood Shares.
- In addition, Richard Philbin, Wellian's Chief Investment Officer, has irrevocably undertaken to elect to receive the First Alternative Offer in respect of his Harwood Shares, subject to the terms and conditions of the First Alternative Offer detailed in section 12 below.
- **Bidco has therefore received irrevocable undertakings in respect of a total of 42,992,095 Harwood Shares representing, in aggregate, approximately 68.7 per cent. of Harwood's share capital in issue on 20 December 2019 (being the latest practicable date prior to this announcement).**
- Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

Information on Bidco, Carlyle and Hurst Point

- Bidco is a newly incorporated company registered in Jersey which was formed for the purposes of the Acquisition. Bidco is indirectly controlled by Carlyle Global Financial Services Partners III, L.P. (with two other Carlyle funds also indirectly having minority investments in Bidco (being CGFSP III Coinvestment, LP and Carlyle Direct Alternative Opportunities Fund, L.P)). These funds, together with their affiliates ("**Carlyle**"), do business as 'The Carlyle Group'.

- Carlyle is a global investment firm with US\$222 billion of assets under management across 365 investment vehicles as of 30 September 2019. Carlyle invests across four segments - Corporate Private Equity, Global Credit, Real Assets and Investment Solutions - in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: financial services, aerospace, defence & government services, consumer and retail, energy and power, healthcare, industrial, real estate, technology and business services, telecommunications and media and transportation. Carlyle employs more than 1,775 people in 33 offices across six continents.
- In investigating the Acquisition, Carlyle has been working with Hurst Point Capital Limited ("**Hurst Point**"). Hurst Point is an investment advisory company set up by Ian Gladman and certain other former executives of Old Mutual in early 2019 to identify and facilitate investments in the UK retail wealth management sector with private equity backing. Hurst Point and Carlyle (the "**Partners**") began to work together in early 2019, having agreed a joint strategy to investigate opportunities in the UK wealth management sector, and consider Harwood an attractive initial investment. It is intended that Ian Gladman will become Executive Chairman of the Bidco Group and that he, together with certain other Hurst Point executives, will subscribe for Bidco Units.

Information on Harwood

- Harwood is a financial planning and investment business. Through its financial advisers, the Harwood Group offers a broad range of financial planning and investment services to clients ranging from affluent retail investors to larger companies.

Timetable and Conditions

- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with an indicative timetable for implementation of the Scheme, will be published as soon as reasonably practicable and, in any event (save with the consent of the Panel), within 28 days of this announcement.
- Completion of the Acquisition will be conditional, amongst other things, on the following matters:
 - the approval of the Scheme by a majority in number of the Harwood Shareholders who are present and vote at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Harwood Shares voted;
 - the approval by Harwood Shareholders of the resolutions required to implement the Scheme representing at least 75 per cent. of votes cast at the General Meeting;
 - the sanction of the Scheme by the Court;
 - the Scheme becoming Effective by no later than the Long Stop Date;
 - approval of the change of control of certain members of the Harwood Group by the FCA (or it otherwise being regarded under FSMA as having approved the same); and
 - satisfaction of the other Conditions listed in Appendix I to this announcement.

Commenting on the Acquisition, Peter Mann, Non-Executive Chairman of Harwood, said:

"We are pleased to announce this recommended Acquisition by Carlyle and Hurst Point. The Harwood management team has demonstrated a strong execution track record, undertaking multiple acquisitions, growing profits and achieving a significant increase in the share price since our IPO in March 2016 at 81p.

Looking ahead, the Board believes that Carlyle and Hurst Point will be excellent partners to Harwood, providing the capital backing, strategic support and additional resources and investment needed for the business to continue to grow. We therefore believe the Acquisition is in the best interests of all our stakeholders. We are committed to maintaining the very highest quality of service to our clients and our partners going forward. The Harwood Board therefore unanimously recommends that shareholders vote in favour of the resolutions relating to the Acquisition."

Commenting on the Acquisition, Ian Gladman, Executive Chairman of Bidco, said:

"We greatly admire what the founding shareholders and management team at Harwood have achieved since setting up the business over 18 years ago and since its IPO. Carlyle and Hurst Point believe the next phase of Harwood's development would be best conducted in the private domain and intend to provide the capital backing, investment, strategic support and global expertise to facilitate future growth. We are pleased that the Harwood Board has recommended our proposal and are looking forward to supporting management in the future as they continue to grow the business."

This summary should be read in conjunction with, and is subject to, the full text of this announcement (including its Appendices). The Acquisition will be subject to the Conditions and further terms set out in Appendix I to this announcement and to the full terms and conditions which shall be set out in the Scheme Document. Appendix II to this announcement contains the sources of information and bases for calculations of certain information contained in this announcement, Appendix III contains a summary of the irrevocable undertakings received in relation to the Acquisition, Appendix IV contains details on the Bidco Group and the Bidco Units and Appendix V contains definitions of certain expressions used in this summary and in this announcement.

Enquiries:

Alma PR (Harwood's PR Adviser): +44 (0) 79 6107 5844

Rebecca Sanders-Hewett
Susie Hudson

Bidco

Sami Dodangeh +44 (0) 20 7894 3561
Christa Zipf +1 212 813 4578

RBC Capital Markets (Bidco and Carlyle's Financial Adviser) +44 (0) 20 7653 4000

Oliver Hearsey
Kristian Triggler
Paul Lim

Harwood +44 (0) 23 9355 2004

Alan Durrant

Evercore (Harwood's Financial Adviser) +44 (0) 20 7653 6000

Ollie Clayton
Ed Banks
Demetris Efthymiou
Tariq Ennaji

N+1 Singer (Harwood's Financial Adviser, NOMAD and broker) +44 (0) 20 7496 3000

Shaun Dobson

Ben Farrow
Rachel Hayes

Linklaters LLP is providing legal advice to Carlyle and Bidco. Blake Morgan LLP is providing legal advice to Harwood.

Important Notices

RBC Capital Markets is the trading name for RBC Europe Limited, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority and is a subsidiary of Royal Bank of Canada. RBC Capital Markets is acting exclusively for Bidco and Carlyle and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco and/or Carlyle for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Evercore, which is authorised and regulated by the FCA in the UK, is acting exclusively as financial adviser to Harwood and no one else in connection with the Acquisition and will not be responsible to anyone other than Harwood for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this announcement, any statement contained herein, the Acquisition or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Harwood or the matters described in this announcement. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement or any statement contained therein.

N+1 Singer is authorised and regulated in the United Kingdom by the Financial Conduct Authority. N+1 Singer is acting as financial adviser, nominated adviser and broker exclusively for Harwood and no one else in connection with the Acquisition, will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Harwood for providing the protections afforded to clients of N+1 Singer, nor for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and is not intended to and does not constitute or form part of an offer or inducement to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.

The Acquisition shall be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) which, together with the Forms of Proxy and Form of Election (or forms of acceptance), shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

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

Harwood and Bidco shall prepare the Scheme Document to be distributed to Harwood Shareholders. Harwood and Bidco urge Harwood Shareholders to read

the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

This announcement is an advertisement and not a prospectus or a prospectus exempt document.

Overseas Shareholders

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition to Harwood Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

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

Additional information for US investors

The Acquisition relates to shares of a UK incorporated company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.

Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules.

However, if Bidco were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.

In the event that the Acquisition is implemented by way of a takeover offer, in accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Harwood outside of the US, other than pursuant to such takeover offer, during the period in which such takeover offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its Harwood Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Harwood Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Financial information relating to Harwood included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Harwood is organised under the laws of England and Wales and Bidco is organised under the laws of Jersey. Some or all of the officers and directors of Bidco and Harwood, respectively, are residents of countries other than the United States. In addition, most of the assets of Bidco and Harwood are located outside the United States. As a result, it may be difficult for US shareholders of Harwood to effect service of process within the United States upon Bidco or Harwood or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom.

Forward Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Harwood, Bidco or any member of the Bidco Group contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Bidco or any member of the Bidco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Bidco or any member of the Bidco Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, any member of the Bidco Group or Harwood's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, any member of the Bidco Group's or Harwood's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances include changes in the global political, economic, business and competitive environments and in market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Harwood nor any of Bidco or any member of the Bidco Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events

expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Harwood Group, there may be additional changes to the Harwood Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Bidco Group or the Harwood Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Harwood, the Bidco Group and Bidco expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

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

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic communications

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

Publication on website and availability of hard copies

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Harwood's website at www.harwoodwealth.co.uk by no later than 12 noon (London time) on 24 December 2019. For the avoidance of doubt, neither the contents of this website nor the content of any website accessible from hyperlinks is incorporated into or forms part of this announcement.

You may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by contacting Computershare Investor Services PLC on +44 (0) 370 707 1836 between 8:30 a.m. to 5:30 p.m. Monday to Friday or by submitting a request in writing to Computershare (The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom). Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Rounding

Certain figures included in this announcement 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.

Rule 2.9 Disclosure

In accordance with Rule 2.9 of the Takeover Code, Harwood confirms that as at the date of this announcement, it has in issue and admitted to trading on AIM 62,542,927 ordinary shares of 0.25 pence each. Harwood does not hold any Harwood Shares in treasury. The International Securities Identification Number (ISIN) of the Harwood Shares is GB00BYYWB172.

General

If the Acquisition is effected by way of a Takeover Offer, such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Harwood Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Harwood Shares otherwise than under any Takeover Offer or the Scheme such as pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent

financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND NOT A PROSPECTUS OR A PROSPECTUS EXEMPT DOCUMENT AND HARWOOD WEALTH MANAGEMENT GROUP PLC SHAREHOLDERS SHOULD NOT MAKE ANY DECISION IN RELATION TO THE BIDCO B PREFERENCE SHARES AND/OR BIDCO B ORDINARY SHARES EXCEPT ON THE BASIS OF THE INFORMATION TO BE CONTAINED IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

23 December 2019

RECOMMENDED CASH ACQUISITION

of

Harwood Wealth Management Group PLC ("Harwood")

by

Hurst Point Topco Limited ("Bidco")

**a newly formed company indirectly controlled by
funds managed by Carlyle**

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

1 Introduction

The boards of Harwood and Bidco are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition pursuant to which Bidco shall acquire the entire issued share capital of Harwood (the "**Acquisition**"). The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

2 The Acquisition

Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document, Harwood Shareholders will be entitled to receive:

**for each Harwood 145 pence in cash (the "Cash
Share: Offer")**

The Cash Offer values the entire issued share capital of Harwood at approximately £90.7 million. The Acquisition:

- values Harwood at a multiple of 16.3x its unaudited adjusted earnings for the 12 months to 30 April 2019;
- values Harwood at a multiple of 12.9x its unaudited adjusted EBITDA for the 12 months to 30 April 2019;

- represents an opportunity for all Harwood Shareholders to realise an immediate and attractive cash sum for all of their Harwood Shares; and
- has the irrevocable support of Harwood Shareholders representing approximately 68.7 per cent. of Harwood's total issued share capital.

As an alternative to the Cash Offer, eligible Harwood Shareholders may elect to receive either:

- 117.450 pence in cash and 2.755 Bidco Units (comprising 272.745 Bidco B Preference Shares and 2.755 Bidco B Ordinary Shares) for each Harwood Share (the "**First Alternative Offer**"); or
- 100.050 pence in cash and 4.495 Bidco Units (comprising 445.005 Bidco B Preference Shares and 4.495 Bidco B Ordinary Shares) for each Harwood Share (the "**Second Alternative Offer**"),

in each case subject to the terms and conditions of the First Alternative Offer or the Second Alternative Offer (as applicable) detailed in sections 12 and 13 below.

The Bidco Units will be independently valued and an estimate of the value of the Bidco Units will be included in the Scheme Document. Further information about the Bidco Units is set out in section 14 and will also be included in the Scheme Document.

Subject to the Scheme becoming Effective, Harwood does not intend to pay any final or other dividend in respect of the financial year ended 31 October 2019. The Cash Offer, the First Alternative Offer and the Second Alternative Offer (as applicable) each assume that Harwood Shareholders will not receive a final dividend in respect of Harwood's financial year ended 31 October 2019. If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Harwood, the Cash Offer (and, as the case may be, the consideration due under the First Alternative Offer or the Second Alternative Offer) shall be reduced accordingly (in the case of the First Alternative Offer or the Second Alternative Offer, as the case may be, initially from the cash part thereof). In such circumstances, Harwood Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with an indicative timetable for implementation of the Scheme, will be published as soon as reasonably practicable and, in any event (save with the consent of the Panel), within 28 days of this announcement.

3 Information on Carlyle

Carlyle Global Financial Services Partners III, L.P., together with its affiliates, does business as 'The Carlyle Group'. Carlyle is a global investment firm with US\$222 billion of assets under management across 365 investment vehicles as of 30 September 2019. Carlyle invests across four segments - Corporate Private Equity, Global Credit, Real Assets and Investment Solutions - in Africa, Asia, Australia, Europe, the Middle East, North America and South America. Carlyle has expertise in various industries, including: financial services, aerospace, defence & government services, consumer and retail, energy and power, healthcare, industrial, real estate, technology and business services, telecommunications and media and transportation. Carlyle employs more than 1,775 people in 33 offices across six continents.

4 Information on Hurst Point

Hurst Point was set up in early 2019 by Ian Gladman and certain other former executives of Old Mutual to identify and facilitate investments in the UK retail wealth management sector with private equity backing. The

Partners began to work together in early 2019, having agreed a joint strategy to investigate opportunities in the UK wealth management sector, and consider Harwood an attractive initial investment. It is intended that Ian Gladman will become Executive Chairman of the Bidco Group and that he, together with certain other Hurst Point executives, will subscribe for Bidco Units.

5 Information on Bidco and the Bidco Group

Bidco is a newly incorporated company registered in Jersey which was formed for the purposes of the Acquisition. Bidco is indirectly controlled by Carlyle Global Financial Services Partners III, L.P. (with two other Carlyle funds also indirectly having minority investments in Bidco (being CGFSP III Coinvestment, LP and Carlyle Direct Alternative Opportunities Fund, L.P)). These funds, together with their affiliates ("**Carlyle**"), do business as 'The Carlyle Group'.

As described below, the Bidco Group intends to seek to acquire other businesses (potentially prior to the Effective Date), and certain additional possible opportunities are presently being evaluated by the Bidco Group, although there is no guarantee that such opportunities will ultimately come to fruition.

6 Background to and reasons for the Acquisition

As described above, Hurst Point was set up to identify and facilitate investments in the UK retail wealth management sector. Carlyle had previously identified the UK wealth management sector as a potentially attractive area for investment. As a result of their common interest, the Partners began to work together to develop an investment thesis and identify opportunities in the UK wealth management sector. To date, the Partners have reviewed a number of opportunities.

The Partners believe that the founders and management team of Harwood have built an attractive business that provides a platform to execute their investment thesis, which focuses on combining various elements of the wealth management value chain (including financial planning advice, investment solutions and, where relevant, platform solutions) with a view to delivering attractive propositions for clients, employees and other key stakeholders. The Partners aim to build on this solid foundation to continue to grow the business both organically and by acquisition by providing capital backing, investment, strategic support and their global expertise as needed.

7 Information on Harwood

Harwood is a financial planning and investment business. Through its financial advisers, the Harwood Group offers a broad range of financial planning and investment services to clients ranging from affluent retail investors to larger companies.

8 Background to and reasons for the Recommendation

Trading Update

The Harwood Directors expect Harwood to report total revenue of £33.6m for the year ended 31 October 2019, a modest increase relative to the total revenue of £32.7m reported for the year ended 31 October 2018, and adjusted EBITDA which is broadly in line with management's expectations.

As a leading consolidator in the financial advisory and wealth management industry, Harwood has built a profitable and cash generative business with a strong track record of strategy execution and an established platform for growth. Since 31 October 2015, it has completed or announced 43 acquisitions.

Harwood's three-pronged strategy of pursuing organic growth, acquiring financial advisory or wealth management businesses and increasing operational efficiency has, over the long term, delivered attractive revenue growth and increased profitability.

However, notwithstanding these achievements, the Harwood Board is mindful of three key factors as it considers the outlook for the Harwood Group:

- the challenging market environment, in particular for organic growth;
- the need for further funding to support ongoing acquisitions of greater scale as well as additional investment in the cost base; and
- the desire of certain major Harwood Shareholders to realise their investments in Harwood Shares.

Market Environment

The market environment remains challenging, with macro-economic uncertainty impacting new business flows across the industry, pressure on fees (in particular in investment management), and rising regulatory and compliance related costs which are likely to impact profit margins.

As a consequence of the increased cost of insurance in the financial advisory market, the Harwood Board has taken the decision to instruct each of the appointed representatives engaged by its network subsidiary, Network Direct Limited ("**NDL**"), to cease advising clients with respect to defined benefit pension transfers. While this decision is not expected to have a material impact on the Harwood Group's financial performance in the short term, it is indicative of increasing regulatory and compliance related costs in the financial services industry.

Further Funding

The Harwood Directors recognise that, in order for the Harwood Group to continue making acquisitions of greater scale, it would be likely to need to raise additional funding on a regular basis, the availability of which could be challenging given the current market environment, taking account also of the desire of certain major Harwood Shareholders to sell some or all of their Harwood Shares. The Harwood Directors also recognise that additional investment in the Harwood cost base is likely to be required to reflect the increased size of the business. As a consequence, the Harwood Directors believe that Harwood is likely to be better placed to achieve its investment objectives as a private company with greater flexibility and enhanced access to debt and equity capital to support ongoing investment in the business.

Desire of Certain Shareholders for Liquidity

In recent months, certain major Harwood Shareholders, including senior management, who (together with their connected persons) hold approximately 68.7 per cent. of Harwood's issued share capital, have indicated to the Harwood Board their desire for a full or partial sale of their Harwood Shares. Neil Dunkley has also indicated to the Harwood Board his desire to step back from a full time executive role in the Harwood Group, subject to an appropriate handover period.

Such Harwood Shareholders wish to realise their investment in the business in a timely and appropriate manner and in a way that delivers value to all Harwood Shareholders. The limited liquidity in Harwood Shares is likely to limit the ability of those shareholders to realise their investment through the public markets without a significant adverse effect on the Harwood share price.

In light of this and the factors set out above, the Harwood Board has therefore explored various possible alternatives, including holding

discussions with a number of parties, both trade operators and private equity-backed businesses, who might be interested in acquiring Harwood.

Following a period of interaction with a number of different parties, the Harwood Board entered into advanced discussions and a period of due diligence with Hurst Point and Carlyle. Following these discussions and after due consideration, the Harwood Board concluded that the Acquisition is in the best interests of all Harwood Shareholders.

In considering the financial terms of the Acquisition, the Harwood Directors are conscious of the limited trading liquidity in Harwood Shares, with very small traded volumes often having a significant impact on the Harwood share price.

The Harwood Directors believe that the recent increase in Harwood's share price has been driven primarily by small volumes of retail purchases, with the total volume of trading in Harwood Shares over the last three months representing only 0.43 per cent. of Harwood's issued share capital. The Harwood Directors, having consulted with N+1 Singer, have concluded that the current Harwood Share price is not reflective of a price at which any significant volume of Harwood Shares could be sold in the market.

Whilst the Cash Offer represents a discount of 7.9 per cent. to the Closing Price of 157.5 pence on 20 December 2019 (the latest practicable date prior to this announcement), it represents a premium of 19.9 per cent. to the six month volume-weighted average price of 120.9 pence per Harwood Share to 20 December 2019 (being the latest practicable date prior to this announcement).

Conclusion

In reaching its decision to unanimously recommend the Cash Offer to Harwood Shareholders, the Harwood Board has taken into account the recent and prospective performance of the Harwood Group as well as the factors set out above.

Notably, the Acquisition:

- represents an opportunity for all Harwood Shareholders to realise an immediate and attractive cash sum for all of their Harwood Shares;
- values Harwood at a multiple of 16.3x its unaudited adjusted earnings for the 12 months to 30 April 2019;
- values Harwood at a multiple of 12.9x its unaudited adjusted EBITDA for the 12 months to 30 April 2019, which the Harwood Directors believe represents an attractive valuation that reflects the quality of Harwood's business and its likely future prospects; and
- has the irrevocable support of Harwood Shareholders representing approximately 68.7 per cent. of Harwood's total issued share capital.

The Harwood Directors also welcome Bidco's stated intentions concerning Harwood management and employees, locations of business and strategic plans (further details of which are set out in section 11 below). In particular, the Harwood Directors are pleased that Bidco intends to develop the business through organic initiatives and by acquisitions. The Harwood Directors also welcome Bidco's confirmation that, following completion of the Acquisition the existing contractual and statutory employment rights and pension entitlements of all Harwood's management and employees will be fully safeguarded.

9 Recommendation

The Harwood Directors, who have been so advised by Evercore and N+1 Singer as to the financial terms of the Cash Offer, consider the Cash Offer to

be fair and reasonable. In providing their advice to the Harwood Directors, Evercore and N+1 Singer have each taken into account the commercial assessments of the Harwood Directors. Evercore and N+1 Singer are each providing independent financial advice to the Harwood Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Harwood Directors intend to recommend unanimously that Harwood Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) as the Harwood Directors (and their connected persons) who hold Harwood Shares have each irrevocably undertaken to do in respect of their own beneficial holdings of 41,792,095 Harwood Shares representing, in aggregate, approximately 66.8 per cent. of the share capital of Harwood in issue on 20 December 2019 (being the latest practicable date prior to this announcement).

In considering the terms of the Alternative Offers, the Harwood Directors, Evercore and N+1 Singer considered that the Bidco Units will be unlisted and will represent a minority investment in a company controlled by Carlyle. They will not be admitted to trading on any stock exchange and will therefore be illiquid. The Bidco Units will not carry any right to attend or vote at any general meeting of Bidco and will not be transferrable except in limited circumstances. The value of Bidco Units will be uncertain and there can be no assurance that they will be capable of being sold in the future.

For the reasons set out above, together with the risk factors and other investment considerations set out in section 14 of this announcement, Evercore and N+1 Singer are unable to advise the Harwood Directors as to whether or not the terms of the Alternative Offers are fair and reasonable.

Accordingly, the Harwood Directors cannot form an opinion as to whether or not the terms of the Alternative Offers are fair and reasonable and are not making any recommendation to Harwood Shareholders as to whether or not they should elect for either of the Alternative Offers.

Harwood Shareholders should also ascertain whether acquiring or holding Bidco Units is affected by the laws of the relevant jurisdiction in which they reside and consider whether Bidco Units are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice in light of their own particular circumstances and investment objectives before deciding whether to elect for either of the Alternative Offers. Any decision to elect for either of the Alternative Offers should be based on independent financial, tax and legal advice and full consideration of this announcement and the Scheme Document (when published).

10 Irrevocable undertakings

Pursuant to the irrevocable undertakings referred to above, the Harwood Group CEO, Alan Durrant, has irrevocably undertaken to elect to receive the First Alternative Offer and Mark Howard, the Harwood Group CCO, Neil Dunkley, Head of Financial Planning, and Neil Dunkley's wife, Sian Dunkley, have each irrevocably undertaken to elect to receive the Second Alternative Offer, in each case in respect of their individual holdings of Harwood Shares, subject to the terms and conditions of the First Alternative Offer and the Second Alternative Offer (as applicable) detailed in sections 12 and 13 respectively below.

Christopher Mills, a non-executive Harwood Director, and various of his connected persons, have irrevocably undertaken to accept the Cash Offer (and not to elect to receive the First Alternative Offer or the Second Alternative Offer) in respect of all of their respective holdings of Harwood Shares.

In addition, Richard Philbin, Wellian's Chief Investment Officer, has irrevocably undertaken to elect to receive the First Alternative Offer in

respect of his Harwood Shares, subject to the terms and conditions of the First Alternative Offer detailed in section 12 below.

The irrevocable undertakings given by the relevant Harwood Group Directors (and their connected persons) prevent those Harwood Group Directors (and their connected persons) from selling all or any part of their Harwood Shares prior to any lapse or withdrawal of the Acquisition and remain binding even in the event of a higher competing offer.

Bidco has therefore received irrevocable undertakings in respect of a total of 42,992,095 Harwood Shares representing, in aggregate, approximately 68.7 per cent. of Harwood's share capital in issue on 20 December 2019 (being the latest practicable date prior to this announcement).

Further details of these irrevocable undertakings are set out in Appendix III to this announcement.

11 Strategy, directors, management, employees and locations

Bidco's strategic plans for Harwood

Bidco holds in high regard the reputation of Harwood's management and staff, its strong competitive position and its track record. The Partners see Harwood as a central part of their plans to develop a broader wealth management business, focused primarily on the provision of financial planning advice and investment solutions. The Partners intend to support the existing management of Harwood to grow the business, both organically and through acquisitions. Harwood has a long track record of acquiring and integrating smaller advisory businesses and the Partners intend to continue this activity, while working with the Harwood management team to evaluate larger acquisition opportunities that the Partners have developed independently.

The Partners may also develop the Bidco Group into complementary adjacent financial planning markets or channels and into a broader range of investment solutions, which may include the provision of bespoke discretionary portfolios and specialist multi-manager and multi-asset funds. Such initiatives may be developed organically or by acquisition and, if the latter, may be managed as part of the Harwood business or, more likely, as separate divisions of the Bidco Group.

At the time of this announcement, the Partners are engaged in certain discussions relating to one such acquisition (the valuation of which would be material in the context of this Acquisition) which, subject to agreement of commercial terms, may be entered into prior to the Effective Date. However, this transaction is still subject, *inter alia*, to due diligence and there can therefore be no guarantee that it will occur, either before the Effective Date or at all.

Employees and management

The Partners attach great importance to the skills, experience and continued commitment of Harwood's management and employees, and believe that they will benefit from greater opportunities as a result of the Acquisition. The Partners intend to develop the business through organic initiatives and by acquisitions and, as such, do not expect any material change to the operations of the business as a result of the Acquisition (save in relation to NDL as described below). The Partners will continue to support the Harwood management in the continuous review of their operations to ensure efficiency in the ordinary course of business.

Following the Acquisition, it is intended that Ian Gladman will become Executive Chairman of the Bidco Group and executives of Hurst Point may become directors or employees of the Bidco Group to assist its future development. As the Bidco Group expands, certain business support activities may therefore be developed at the Bidco Group level over time.

The Partners recognise the limited economic contribution that NDL currently makes to the Harwood Group and the commercial challenges that it faces. In light of this, they intend to work with the management of Harwood to develop an agreed strategy for NDL going forward, including conducting a strategic review of the business.

Following completion of the Acquisition, Bidco intends to put in place incentivisation arrangements for certain managers and employees of Harwood. Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangement with any member of Harwood management or with any Harwood employee, and no such discussions are intended to take place prior to completion of the Acquisition.

Bidco understands that Neil Dunkley has indicated to the Harwood Board his desire to step back from a full-time executive role in the Harwood Group, subject to an appropriate handover period. However, Neil intends to retain an ongoing involvement with the business after stepping back from his current role.

Save as described above, Bidco does not intend to make any material reduction to the head count, or any material change to the conditions of employment or to the balance of skills and functions, of the Harwood Group's employees or management.

Existing rights and pension schemes

Harwood and certain of its subsidiaries make contributions to various defined contribution pension schemes on behalf of a number of qualifying employees and Bidco intends that these arrangements would remain in place.

No member of the Harwood Group participates in a defined benefit pension scheme.

Following completion of the Acquisition, the existing employment rights, including pension rights, of the management and employees of the Harwood Group will be fully safeguarded.

Locations and headquarters

The Partners have no plans to change the location where a significant majority of people who presently work for Harwood are employed, which is currently also the Harwood Group's headquarters. The Bidco Group may choose to locate its headquarters in another location within the United Kingdom. In addition, the Bidco Group intends to continue to work with Harwood to review the location and appropriateness of some of its regional offices on an ongoing basis.

There are no plans to redeploy the fixed assets of Harwood. Harwood does not currently have a research and development function and Bidco has no plans in this regard.

Trading Facilities

Harwood is currently listed on AIM and, as set out in section 18 below, following the Effective Date a request will be made to the London Stock Exchange to cancel trading in Harwood Shares and to de-list Harwood from AIM, following which Harwood would be re-registered as a private limited company.

No statements contained in this section 11 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

12 The First Alternative Offer

Under the First Alternative Offer, Harwood Shareholders may elect, in respect of all but not some of their Harwood Shares, to receive the following

combination of cash and Bidco Units in lieu of the Cash Offer to which they are otherwise entitled:

for each Harwood Share: 117.450 pence in cash and 2.755 Bidco Units (comprising 2.755 Bidco B Ordinary Shares and 272.745 Bidco B Preference Shares)

The fractional entitlements of each Harwood Shareholder to Bidco B Preference Shares and Bidco B Ordinary Shares under the First Alternative Offer will be rounded down to the nearest whole number of Bidco B Preference Shares and Bidco B Ordinary Shares per Harwood Shareholder and will not be allotted or issued to such Harwood Shareholder but will be disregarded.

Accordingly, if a Harwood Shareholder with 1,000 Harwood Shares validly elects to accept the First Alternative Offer, it would be entitled to receive £1,174.50 in cash, 2,755.0 Bidco B Ordinary Shares and 272,745.0 Bidco B Preference Shares.

The First Alternative Offer is not being offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction.

The issue of any Bidco Units pursuant to the First Alternative Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document. Further details of the First Alternative Offer and the rights of the Bidco Units are set out in section 14 and in Appendix IV.

For the purposes of Rule 24.11 of the Takeover Code, RBC will provide an estimate of the value of a Bidco Unit, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter to be included in the Scheme Document.

13 The Second Alternative Offer

Under the Second Alternative Offer, Harwood Shareholders may elect, in respect of all but not some of their Harwood Shares, to receive the following combination of cash and Bidco Units in lieu of the Cash Offer to which they are otherwise entitled:

for each Harwood Share: 100.050 pence in cash and 4.495 Bidco Units (comprising 4.495 Bidco B Ordinary Shares and 445.005 Bidco B Preference Shares)

The fractional entitlements of each Harwood Shareholder to Bidco B Preference Shares and Bidco B Ordinary Shares under the Second Alternative Offer will be rounded down to the nearest whole number of Bidco B Preference Shares and Bidco B Ordinary Shares per Harwood Shareholder and will not be allotted or issued to such Harwood Shareholder but will be disregarded.

Accordingly, if a Harwood Shareholder with 1,000 Harwood Shares validly elects to accept the Second Alternative Offer, it would be entitled to receive £1,000.50 in cash, 4,495.0 Bidco B Ordinary Shares and 445,005.0 Bidco B Preference Shares.

The Second Alternative Offer is not being offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction.

The issue of any Bidco Units pursuant to the Second Alternative Offer will be subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document. Further details of the Second Alternative Offer and the rights of the Bidco Units are set out in section 14 and in Appendix IV.

For the purposes of Rule 24.11 of the Takeover Code, RBC will provide an estimate of the value of a Bidco Unit, together with the assumptions, qualifications and caveats forming the basis of its estimate of value, in a letter to be included in the Scheme Document.

14 The Alternative Offers, the Bidco Group and the Bidco Units

Harwood Shareholders who do not validly elect for the First Alternative Offer or the Second Alternative Offer will automatically receive the full amount of the Cash Offer for their entire holding of Harwood Shares.

On or around completion of the Acquisition, Bidco will issue up to 586,872,442 ordinary shares (comprising Bidco A Ordinary Shares and Bidco B Ordinary Shares) and up to 58,100,371,709 preference shares (comprising Bidco A Preference Shares and Bidco B Preference Shares). These shares comprise the aggregate of (i) the B Preference Shares and B Ordinary Shares to be issued to Harwood Shareholders pursuant to the Alternative Offers, and (ii) the Bidco A Ordinary Shares and Bidco A Preference Shares required to be subscribed for by Carlyle to part fund the cash consideration payable in respect of the Acquisition.

In addition, within the three months following the Effective Date, Carlyle has the right to subscribe for up to a further 150,000,000 Bidco A Ordinary Shares plus up to 14,850,000,000 Bidco A Preference Shares to fund costs and expenses incurred in connection with the Acquisition and to allow flexibility to provide the Bidco Group with the financing necessary to implement its proposed strategy during and shortly after the Acquisition.

Any Bidco A Ordinary Shares and Bidco A Preference Shares for which Carlyle subscribes in accordance with the above will be issued at a subscription price which is equal to the subscription price at which Bidco Units will be issued pursuant to the Alternative Offers, assuming the value of the Alternative Offers were equal in aggregate to the Cash Offer.

It is also expected that, on or around the Effective Date, Hurst Point and/or its partners, directors or employees are likely to subscribe for up to: (i) 13,000,000 Bidco B Ordinary Shares and (ii) 1,287,000,000 Bidco B Preference Shares (of which most would be likely to be subscribed for by Ian Gladman). Any such additional subscriptions would be at a subscription price which is equal to the subscription price at which Bidco Units will be issued pursuant to the Alternative Offers, assuming the value of the Alternative Offers were equal in aggregate to the Cash Offer.

If all of the above mentioned subscriptions for shares were to be made, Bidco would have a total issued share capital of: (i) 749,872,442 ordinary shares (comprised of Bidco A Ordinary Shares and Bidco B Ordinary Shares), and (ii) 74,237,371,709 preference shares (comprised of Bidco A Preference Shares and Bidco B Preference Shares).

The Bidco B Ordinary Shares and Bidco B Preference Shares to be issued to Hurst Point (or its partners, directors or employees) and to eligible Harwood Shareholders who elect for the First Alternative Offer or the Second Alternative Offer (as applicable) will be issued credited as fully paid and will rank economically *pari passu* with the Bidco A Ordinary Shares and Bidco A Preference Shares respectively being issued to Carlyle at or around the time the Bidco Units are issued pursuant to the Acquisition as described above, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of this announcement.

Harwood Shareholders who elect to receive the First Alternative Offer or the Second Alternative Offer (as applicable) will not have pre-emption rights in respect of any of the above additional share issues by Bidco.

In addition, as described below, Harwood Shareholders should note that additional shares, loan notes or other securities may be issued by Bidco or its subsidiaries from time to time following the Effective Date and that Harwood Shareholders will not always be entitled to participate in any such issue, so that their percentage interests in Bidco may be diluted over time, potentially significantly.

Risk factors and other investment considerations

Eligible Harwood Shareholders who elect for the First Alternative Offer or the Second Alternative Offer (as applicable) will, pursuant to a power of attorney to be included in the Form of Election or the Scheme, deliver a fully executed deed of adherence pursuant to which they will be bound by the Investment Agreement. A summary of the key rights of the Bidco Units and the principal terms of the Investment Agreement is set out in Appendix IV.

In addition, the attention of eligible Harwood Shareholders who may be considering electing for either the First Alternative Offer or the Second Alternative Offer is drawn to certain risk factors and other investment considerations relevant to such an election. These will be set out in full in the Scheme Document and include, inter alia, the following:

- The Bidco Units are unquoted and there is no current expectation that they will be listed or admitted to trading on any exchange or market for the trading of securities.
- The Bidco Units will not carry any right to attend or vote at any general meeting of Bidco and Harwood Shareholders who elect for the First Alternative Offer or the Second Alternative Offer (as applicable) will have no influence over decisions made by Bidco in relation to its investment in Harwood or in any other business.
- The Bidco Units will not be transferable in any circumstances save in accordance with customary drag-along or tag-along provisions (and other very limited circumstances) or otherwise with the prior consent of Carlyle.
- The value of the Bidco Units will be uncertain and there can be no assurance that any such securities will be capable of being sold in the future or that they will be capable of being sold at the value estimated by RBC.
- Payments in respect of Bidco Units will not be guaranteed or secured and, for so long as the Bidco Group has any secured debt outstanding, it is not anticipated that Bidco will declare or pay any dividends on any of the Bidco Units.
- Upon the Scheme becoming Effective, the Bidco Group will be controlled by Carlyle.
- Pursuant to the Investment Agreement, the Bidco Group will be required to pay to Carlyle (or its designee): (i) a one-off transaction fee equal to the aggregate of £900,000 and any fees and expenses incurred by Carlyle in connection with the Acquisition; and (ii) an annual monitoring fee equal to £60,000 per annum (in each case, plus VAT if applicable).
- It is also expected that, following the Effective Date and in connection with the Acquisition, the Bidco Group will pay (i) to Hurst Point (or its partners, directors or employees) a fee of up to £225,000 and (ii) advisory costs and expenses incurred by Hurst Point (or its partners, directors or employees) up to a maximum of £145,000 (plus VAT if applicable).
- Further issues of securities by the Bidco Group may occur given that Carlyle and Hurst Point intend to seek to expand the business (although there can be no guarantee that this will occur).
- As described above, holders of Bidco Units will have no pre-emption rights on new issuances of: (i) up to 13,000,000 Bidco B Ordinary Shares and 1,287,000,000 Bidco B Preference Shares to Hurst Point (or its partners, directors or employees); (ii) those A Ordinary Shares and A Preference Shares to be issued to Carlyle to fund the cash consideration payable pursuant to the Acquisition; or (iii) up to 150,000,000 Bidco A Ordinary Shares and 14,850,000,000 Bidco A Preference Shares to be issued to Carlyle within the three months following the Effective Date. Thereafter, holders of Bidco

Units will only have customary pre-emption rights on new issues of securities by the Bidco Group if any such issue is for cash.

- The right of holders of Bidco Units to participate in future issues of securities by the Bidco Group will also be subject to other important exceptions. These exceptions may be particularly relevant in practice, given Carlyle's plans for the Bidco Group's business. As a result, holders of Bidco Units may well suffer dilution, not only in their percentage ownership but also in the value of their Bidco Units since such further issues may reduce any net return derived by the Bidco Units when compared to any such net return that might otherwise have been derived had the Bidco Group not issued those securities. This dilution and reduction may be significant.
- For example, holders of Bidco Units will not be entitled to participate in any issues of securities to actual or potential employees, directors, officers or consultants of the Bidco Group (whether of the same or different classes to the Bidco Units). This is important since, common to many Carlyle acquisitions, Carlyle intends to introduce one or more management incentive plans for actual or potential employees, directors, officers and consultants of the Bidco Group after the Effective Date.
- These incentive plans are likely to provide participants with a significant interest in securities in the Bidco Group, as a result potentially significantly diluting the Bidco Units. In addition, the Bidco Group may not receive material cash sums on the issue of such securities and the returns on those securities may potentially be structured to increase their proportionate interest in the value of the Bidco Group as it increases in value (whether pursuant to a ratchet mechanism or otherwise). These issues of securities may occur initially following the Acquisition, but further issues are likely in the future as the Bidco Group expands (whether as a result of further acquisitions or organic growth or otherwise).
- Similarly, holders of Bidco Units will not be entitled to participate in issues of securities by the Bidco Group in consideration for, or in connection with, its acquisition of other assets, companies or all or part of any other businesses or undertakings (for example, as part of the planned expansion of the Bidco Group).
- In relation to those issues of securities in which holders of Bidco Units are entitled to participate, if they wish to avoid their percentage interest in Bidco being reduced by any such issue, they will need to invest further cash sums in the Bidco Group.
- The precise numbers of securities that may be issued by the Bidco Group from time to time cannot be ascertained at the date of this announcement and will depend on a variety of factors including those described above. However, the Partners' planned expansion of the Bidco Group would be likely to result in future issues of securities (although there can be no guarantee that this will occur).

Further details on the Bidco Group and the principal rights of the Bidco Units are summarised in Appendix IV and will be summarised in the Scheme Document.

15 Financing

The amount of the Cash Offer payable under the Acquisition is being financed by a combination of:

- funds to be invested indirectly by Carlyle (subject to elections made to accept the First Alternative Offer or the Second Alternative Offer (as applicable) in excess of those in respect of which irrevocable undertakings have been received); and

- £32 million of debt (less fees) to be provided under a new credit facility that has been arranged by Investec Bank plc.

Under the facilities agreement entered into between (among others) Hurst Point Group Limited, a subsidiary of Bidco, (as borrower), and Investec Bank plc (as lender) on or about the date hereof (the "**Facilities Agreement**"), no obligor under the Facilities Agreement shall amend or waive any material term or condition of the Scheme Document or this announcement or, as the case may be, any offer document or offer press release if any such amendment or waiver would be materially prejudicial to the interests of the lender(s) under the Facilities Agreement (taken as a whole), other than any amendment or waiver of any term or condition:

- required by the Panel, the Court or by any other applicable law, regulation or regulatory body (including any applicable waivers by the Panel);
- permitted pursuant to the Facilities Agreement;
- required to be made in connection with, and in order to take account of, an election to effect the Acquisition by means of a Takeover Offer (in accordance with section 22 below);
- made with the consent of both Hurst Point Midco Limited, an indirect subsidiary of Bidco, and Investec Bank plc;
- relating to any increase in the price to be paid for the Harwood Shares; or
- relating to any extension of the period within which holders of Harwood Shares may approve the terms of the Scheme or, as the case may be, accept any Takeover Offer (including (i) in relation to an extension to any date for any meeting or Court hearing and/or (ii) by reason of the adjournment of any meeting or Court hearing, in each case, in connection with the Scheme or, as the case may be, such Takeover Offer, provided that any such extension shall not extend beyond the period specified in the Facilities Agreement during which the borrower shall have certainty of funding).

RBC, in its capacity as financial adviser to Bidco and Carlyle, is satisfied that sufficient resources are available to Bidco to enable it to satisfy, in full, the maximum amount due under the Cash Offer (and, as the case may be, the cash consideration due to Harwood Shareholders under the First Alternative Offer or the Second Alternative Offer (as applicable)) under the terms of the Acquisition.

16 Offer-related arrangements

Confidentiality Agreement

Hurst Point and Harwood entered into a confidentiality and standstill agreement dated 22 July 2019 (the "**Confidentiality Agreement**") pursuant to which each party has undertaken, subject to certain limited exceptions, (i) to keep certain information relating to, inter alia, the Acquisition and Harwood confidential and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) to use such confidential information only in connection with the Acquisition.

These confidentiality obligations remain in force for a period of 18 months from the date of the Confidentiality Agreement. Hurst Point also agreed to certain standstill undertakings, all of which ceased to apply upon the release of this announcement.

This agreement also includes customary non-solicitation obligations on the Wider Bidco Group.

Co-operation Agreement

Bidco and Harwood have also entered into a Co-operation Agreement dated 23 December 2019 (the "**Co-operation Agreement**"), pursuant to which they have agreed to certain undertakings to co-operate to ensure the satisfaction of the regulatory conditions to which the Acquisition is subject as soon as practicable. The Co-operation Agreement will terminate in the following circumstances:

- (a) with immediate effect, in the event that: (i) a competing proposal is recommended by the Harwood Directors or effected; (ii) the Scheme is not approved by the requisite majority of Harwood Shareholders at the Court Meeting or if the necessary resolutions are not passed by the requisite majority of Harwood Shareholders at the General Meeting (unless the Acquisition switches to being effected by way of a Takeover Offer); (iii) the Acquisition lapses, terminates or is withdrawn in accordance with its terms on or prior to the Long Stop Date (other than where such lapse or withdrawal: (a) is as a result of the exercise of Bidco's right to effect the Acquisition by way of a Takeover Offer); or (b) it is otherwise followed within five Business Days by an announcement under Rule 2.7 of the Takeover Code made by Bidco or a person acting in concert with Bidco to implement the Acquisition by a different offer or scheme on substantially the same or improved terms); or (iv) the Effective Date has not occurred by the Long Stop Date (unless otherwise agreed by the parties in writing); and
- (b) immediately upon service of written notice by Bidco where: (i) any Condition not otherwise waived, or any condition incapable of waiver, is considered by Bidco to be incapable of satisfaction (where such invocation has also been permitted by the Panel), (ii) the Court Meeting or General Meeting is not held by the 22nd day after the expected date of each such meeting as set out in the Scheme Document, or the Court Hearing is not held by the 22nd day after the expected date of such hearing as set out in the Scheme Document (unless the Acquisition is being implemented by way of a Takeover Offer); or (iii) the Harwood Directors otherwise withdraw, adversely modify or adversely qualify the recommendation provided in this announcement.

The Co-operation Agreement also records Bidco's and Harwood's intentions to implement the Acquisition by way of the Scheme, subject to Bidco having the right to implement the Acquisition by way of a Takeover Offer (with the consent of the Panel) in certain circumstances in accordance with section 22 below.

Deed of Indemnity

Certain of the Harwood Directors have entered into a separate deed with Hurst Point Group Limited dated 23 December 2019 (the "**Deed of Indemnity**"), effective from (and conditional upon) completion of the Acquisition, pursuant to which such Harwood Directors have agreed to provide a limited indemnity in respect of certain contingent liabilities of the Harwood Group identified during the due diligence process undertaken by Bidco prior to the date of this announcement.

Investment Agreement

Prior to the Effective Date, Carlyle and the Bidco Group will enter into an Investment Agreement (the "**Investment Agreement**") and Bidco will adopt new articles of association (the "**Bidco Articles**") each in the form to be made available to Harwood Shareholders in accordance with section 23 below, subject to such amendments as may be agreed between Bidco and Harwood on or prior to the Court Meeting. Harwood Shareholders who wish to accept the First Alternative Offer or the Second Alternative Offer (as applicable) will be required to execute a deed of adherence to the Investment Agreement as Acquisition Participating Investors (as defined in the Investment Agreement) pursuant to a power of attorney to be included in the Form of Election or the Scheme. The key features and terms of the

proposed Investment Agreement and the Bidco Articles are set out in Appendix IV to this announcement.

17 Structure of and Conditions to the Acquisition

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between Harwood and the Harwood Shareholders under Part 26 of the Companies Act although Bidco reserves the right to implement the Acquisition by means of a Takeover Offer (subject to Panel consent and the terms of the Co-operation Agreement).

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued share capital of Harwood. This is to be achieved by the transfer of the Harwood Shares to Bidco, in consideration for which the Harwood Shareholders shall receive consideration on the basis set out in this announcement.

The Acquisition shall be subject to the Conditions and further terms set out below and in Appendix I to this announcement and to be set out in the Scheme Document and shall only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- (i) the approval of the Scheme by a majority in number of the Harwood Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent at least 75 per cent. in value of the Harwood Shares voted by those Harwood Shareholders;
- (ii) the resolutions required to approve and implement the Scheme being duly passed by Harwood Shareholders representing at least 75 per cent. of votes cast at the General Meeting;
- (iii) the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Harwood and Bidco);
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies; and
- (v) approval being received from the Financial Conduct Authority in respect of the change of control of certain members of the Harwood Group (or it otherwise being regarded under FSMA as having approved the same) either unconditionally or on terms acceptable to the relevant controllers.

The Scheme shall lapse if:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such Court Meeting and General Meeting to be set out in the Scheme Document in due course (or such later date (if any) as may be agreed by Bidco and Harwood and, if required, the Court may allow);
- the Court Hearing is not held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as may be agreed by Bidco and Harwood and, if required, the Court may allow); or
- the Scheme does not become Effective by the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing as set out above may be waived by Bidco, and the deadline for the Scheme to become Effective may be extended by agreement between Harwood and Bidco.

Upon the Scheme becoming Effective, it shall be binding on all Harwood Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, shall be set out in the Scheme Document, which is expected to be despatched to Harwood Shareholders as soon as reasonably practicable and, in any event (save with the consent of the Panel), within 28 days of this announcement.

18 De-listing and re-registration

Prior to the Scheme becoming Effective, Harwood shall make an application to the London Stock Exchange for the cancellation of trading of Harwood Shares on AIM to take effect following the Effective Date. The last day of dealings in Harwood Shares on AIM is expected to be the Business Day immediately prior to the Effective Date and no transfers of Harwood Shares shall be registered after 6.00p.m. on that date.

On the Effective Date, share certificates in respect of Harwood Shares shall cease to be valid and entitlements to Harwood Shares held within the CREST system shall be cancelled.

It is also proposed that, following the Effective Date, Harwood shall be re-registered as a private limited company.

19 Dividends

Subject to the Scheme becoming Effective, Harwood does not intend to pay any final or other dividend in respect of the financial year ended 31 October 2019. The Cash Offer, the First Alternative Offer and the Second Alternative Offer (as applicable) each assume that Harwood Shareholders will not receive a final dividend in respect of Harwood's financial year ended 31 October 2019. If, on or after the date of this announcement and prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Harwood, the Cash Offer (and, as the case may be, the consideration due under the First Alternative Offer or the Second Alternative Offer) shall be reduced accordingly (in the case of the First Alternative Offer or the Second Alternative Offer, as the case may be, initially from the cash part thereof). In such circumstances, Harwood Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

20 Disclosure of Interests

Save in respect of the irrevocable undertakings referred to in section 10 above, as at the close of business on 20 December 2019 (being the latest practicable date prior to the date of this announcement) neither Bidco, nor any of its directors nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it has either (i) any interest in or right to subscribe for any relevant securities of Harwood; (ii) any short positions in respect of relevant Harwood Shares (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; (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code, in relation to Harwood Shares or in relation to any securities convertible or exchangeable into Harwood Shares; or (iv) borrowed or lent any relevant Harwood Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person shall be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

21 Related Party Transaction

On 22 December 2019, Harwood entered into an agreement with Mr Peter Mann, the non-executive Chairman of Harwood, under which (in recognition of his contribution to the creation of shareholder value since his appointment in 2015 and with respect to his assistance in relation to successfully achieving the Acquisition) he will receive a one-off cash bonus of £906,872, equating to 1 per cent. of Harwood's market value as implied by the Cash Offer, in the event that the Acquisition becomes Effective (the "**Chairman's Bonus**").

The Chairman's Bonus constitutes a transaction with a related party under Rule 13 of the AIM Rules. The Harwood Directors (with the exception of Mr Mann who has abstained from all relevant discussions as he is a related party) consider, having consulted with N+1 Singer (as Harwood's nominated adviser for the purposes of the AIM Rules), that the terms of the Chairman's Bonus are fair and reasonable in so far as Harwood Shareholders are concerned.

The Chairman's Bonus has (for the purposes of Rule 21.1 of the Takeover Code) also been approved in writing by each of Alan Durrant, Neil Dunkley, Mark Howard and Christopher Mills, as the holders of more than 50 per cent. of the voting rights of Harwood (see Rule 21.1(c)(iii)).

22 General

Bidco reserves the right to elect (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer for the Harwood Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including, in circumstances where Bidco's election to implement the Acquisition by way of a Takeover Offer has been agreed in writing by Harwood, but otherwise without limitation, an acceptance condition set at 75 per cent. (or such lesser number as Bidco may decide and the Panel may permit) of the Harwood Shares to which such Takeover Offer relates.

The Acquisition shall be made subject to the Conditions and further terms set out in Appendix I to this announcement and to be set out in the Scheme Document. The bases of and sources for certain financial information contained in this announcement are set out in Appendix II to this announcement. A summary of the irrevocable undertakings given in relation to the Acquisition and details of the Bidco Group and the Bidco Units are contained in Appendices III and IV to this announcement respectively. Certain terms used in this announcement are defined in Appendix V to this announcement.

It is expected that the Scheme Document itself and the Forms of Proxy and Form of Election accompanying the Scheme Document shall each be published as soon as practicable and, in any event (save with the consent of the Panel), within 28 days of this announcement. The Scheme Document, Forms of Proxy and Form of Election shall be made available to all Harwood Shareholders at no charge to them.

RBC (as Bidco and Carlyle's financial adviser), Evercore (as Harwood's financial adviser) and N+1 Singer (as Harwood's financial adviser, NOMAD and broker) have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

23 Documents available on website

Copies of the following documents shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Harwood's website at www.harwoodwealth.co.uk until the Effective Date:

- the irrevocable undertakings referred to in section 10 above and summarised in Appendix III to this announcement;
 - the Facilities Agreement relating to the financing of part of the cash payable under the Scheme referred to in section 15 above;
 - an equity commitment letter provided by Carlyle Global Financial Services Partners III, L.P. to Bidco on 23 December 2019;
 - the Confidentiality Agreement;
 - the Co-operation Agreement;
 - the proposed Investment Agreement and Bidco Articles each referred to in section 16 above;
 - the Deed of Indemnity; and
- this announcement.

Enquiries:

Alma PR (Harwood's PR Adviser): +44 (0) 79 6107 5844

Rebecca Sanders-Hewett
Susie Hudson

Bidco

Sami Dodangeh +44 (0) 20 7894 3561
Christa Zipf +1 212 813 4578

RBC Capital Markets (Bidco and Carlyle's Financial Adviser) +44 (0) 20 7653 4000

Oliver Hearsey
Kristian Triggle
Paul Lim

Harwood

Alan Durrant +44 (0) 23 9355 2004

Evercore (Harwood's Financial Adviser) +44 (0) 20 7653 6000

Ollie Clayton
Ed Banks
Demetris Efthymiou
Tariq Ennaji

N+1 Singer (Harwood's Financial Adviser, NOMAD and broker) +44 (0) 20 7496 3000

Shaun Dobson
Ben Farrow
Rachel Hayes

Linklaters LLP is providing legal advice to Carlyle and Bidco. Blake Morgan LLP is providing legal advice to Harwood.

Important Notices

RBC Capital Markets is the trading name for RBC Europe Limited, which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority and is a subsidiary of Royal Bank of Canada. RBC Capital Markets is acting

exclusively for Bidco and Carlyle and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco and Carlyle for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition or any other matters referred to in this announcement.

Evercore, which is authorised and regulated by the FCA in the UK, is acting exclusively as financial adviser to Harwood and no one else in connection with the Acquisition and will not be responsible to anyone other than Harwood for providing the protections afforded to clients of Evercore nor for providing advice in connection with the matters referred to herein. Neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Evercore in connection with this announcement, any statement contained herein, the Acquisition or otherwise. Apart from the responsibilities and liabilities, if any, which may be imposed on Evercore by FSMA, or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its affiliates accepts any responsibility or liability whatsoever for the contents of this announcement, and no representation, express or implied, is made by it, or purported to be made on its behalf, in relation to the contents of this announcement, including its accuracy, completeness or verification of any other statement made or purported to be made by it, or on its behalf, in connection with Harwood or the matters described in this announcement. To the fullest extent permitted by applicable law, Evercore and its affiliates accordingly disclaim all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement or any statement contained therein.

N+1 Singer is authorised and regulated in the United Kingdom by the Financial Conduct Authority. N+1 Singer is acting as financial adviser, nominated adviser and broker exclusively for Harwood and no one else in connection with the Acquisition, will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Harwood for providing the protections afforded to clients of N+1 Singer, nor for providing advice in relation to any matter referred to herein.

This announcement is for information purposes only and is not intended to and does not constitute or form part of an offer or inducement to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise.

The Acquisition shall be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) which, together with the Forms of Proxy and Form of Election (or forms of acceptance), shall contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition.

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

Harwood shall prepare the Scheme Document to be distributed to Harwood Shareholders. Harwood and Bidco urge Harwood Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

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

Overseas Shareholders

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to the laws of other jurisdictions should inform themselves of, and observe, any applicable requirements.

Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

The availability of the Acquisition to Harwood Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements.

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

Additional information for US investors

The Acquisition relates to shares of a UK incorporated company and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act.

Accordingly, the Acquisition is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules.

However, if Bidco were to elect to implement the Acquisition by means of a takeover offer, such takeover offer shall be made in compliance with all applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act. Such a takeover would be made in the United States by Bidco and no one else.

In the event that the Acquisition is implemented by way of a takeover offer, in accordance with normal United Kingdom practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Harwood outside of the US, other than pursuant to such takeover offer, during the period in which such takeover offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com.

The receipt of consideration by a US holder for the transfer of its Harwood Shares pursuant to the Scheme shall be a taxable transaction for United States federal income tax purposes. Each Harwood Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them, including under

applicable United States state and local, as well as overseas and other, tax laws.

It is expected that any Bidco Units to be issued pursuant to the Acquisition would be issued in reliance upon the exemption from the registration requirements under the US Securities Act provided by Section 3(a)(10) thereof and would not be registered under the US Securities Act. Securities issued pursuant to the Acquisition will not be registered under any laws of any state, district or other jurisdiction of the United States, and may only be issued to persons resident in such state, district or other jurisdiction pursuant to an exemption from the registration requirements of such laws.

Financial information relating to Harwood included in this announcement and the Scheme Document has been or shall have been prepared in accordance with accounting standards applicable in the United Kingdom and may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Harwood is organised under the laws of England and Wales and Bidco is organised under the laws of Jersey. Some or all of the officers and directors of Bidco and Harwood, respectively, are residents of countries other than the United States. In addition, most of the assets of Bidco and Harwood are located outside the United States. As a result, it may be difficult for US shareholders of Harwood to effect service of process within the United States upon Bidco or Harwood or their respective officers or directors or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom.

Forward Looking Statements

This announcement (including information incorporated by reference in this announcement), oral statements made regarding the Acquisition, and other information published by Harwood, Bidco or any member of the Bidco Group contain statements which are, or may be deemed to be, "forward looking statements". Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Bidco or any member of the Bidco Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this announcement relate to Bidco or any member of the Bidco Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects" "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, any member of the Bidco Group or Harwood's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, any member of the Bidco Group's or Harwood's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances include changes in the global political, economic, business and competitive environments and in market and regulatory forces, future exchange and interest rates, changes in tax

rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Harwood nor any of Bidco or any member of the Bidco Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward looking statements.

Specifically, statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Harwood Group, there may be additional changes to the Harwood Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.

The forward-looking statements speak only at the date of this announcement. All subsequent oral or written forward-looking statements attributable to any member of the Bidco Group or the Harwood Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Harwood, the Bidco Group and Bidco expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

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

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree

company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic communications

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

Publication on website and availability of hard copies

A copy of this announcement shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Harwood's website at www.harwoodwealth.co.uk by no later than 12 noon (London time) on 24 December 2019. For the avoidance of doubt, neither the contents of this website nor the content of any website accessible from hyperlinks is incorporated into or forms part of this announcement.

You may request a hard copy of this announcement (and any information incorporated by reference in this announcement) by contacting Computershare Investor Services PLC on +44 (0) 370 707 1836 between 8:30 a.m. to 5:30 p.m. Monday to Friday or by submitting a request in writing to Computershare (The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom). Please note that Computershare cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

Rounding

Certain figures included in this announcement 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.

Rule 2.9 Disclosure

In accordance with Rule 2.9 of the Takeover Code, Harwood confirms that as at the date of this announcement, it has in issue and admitted to trading

on AIM 62,542,927 ordinary shares of 0.25 pence each. Harwood does not hold any Harwood Shares in treasury. The International Securities Identification Number (ISIN) of the Harwood Shares is GB00BYYWB172.

General

If the Acquisition is effected by way of a Takeover Offer, such offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining Harwood Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase Harwood Shares otherwise than under any Takeover Offer or the Scheme such as pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

APPENDIX I

CONDITIONS AND FURTHER TERMS OF THE ACQUISITION

Part A: Conditions of the Scheme and the Acquisition

The Acquisition is conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, by not later than the Long Stop Date or such later date (if any) as Bidco and Harwood may, with the consent of the Panel, agree and, if required, the Court may allow.

1 The Scheme shall be subject to the following conditions:

1.1

- (i) its approval by a majority in number of the Harwood Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Harwood Shares voted by those Harwood Shareholders; 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 may be agreed by Bidco and Harwood and, if required, the Court may allow);

1.2

- (i) the resolutions required to implement the Scheme being duly passed by Harwood Shareholders representing 75 per cent. or more of votes cast 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 may be agreed by Bidco and Harwood and, if required, the Court may allow);

1.3

- (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Harwood and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date (if any) as may be agreed by Bidco and Harwood and, if required, the Court may allow).

2 In addition, subject as stated in Part B below and to the requirements of the Panel and in accordance with the Takeover Code, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Financial Conduct Authority

- (a) in respect of each notice under section 178 of FSMA which Bidco or any other person who has decided to acquire or increase control over any member of the Wider Harwood Group which is a UK authorised person (as such term is defined in section 191G of FSMA) is under a duty to give in connection with the proposed implementation of the Acquisition:
 - (i) the FCA having given notice in writing pursuant to section 189(4)(a) of FSMA that it has determined unconditionally to

approve each such acquisition or increase in control pursuant to section 185 of FSMA;

- (ii) in relation to such acquisition or increase in control, the FCA having given notice in writing pursuant to section 189(7) of FSMA subject to condition(s) specified in the decision notice and such condition(s) being satisfactory to Bidco and any other proposed controllers; or
- (iii) the FCA being treated, under section 189(6) of FSMA, as having approved each such acquisition or increase in control;

Notifications, waiting periods and Authorisations

- (b) all material notifications, filings or applications which are necessary or considered appropriate or desirable by Bidco having been made in connection with the Acquisition and all necessary waiting 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 in each case in respect of the Acquisition and all Authorisations deemed reasonably necessary or appropriate by Bidco in any jurisdiction for or in respect of the Acquisition and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Harwood or any other member of the Wider Harwood Group 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 Harwood Group or the Wider Bidco Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider Harwood Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

Regulatory

- (c) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Harwood Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any material part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
 - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Harwood Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any

member of the Wider Harwood Group or any asset owned by any Third Party (other than in the implementation of the Acquisition);

- (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, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Harwood or on the ability of any member of the Wider Harwood Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Harwood Group;
- (iv) otherwise materially and adversely affect any or all of the business, assets, profits or prospects of any member of the Wider Harwood Group or any member of the Wider Bidco Group;
- (v) result in any member of the Wider Harwood Group or any member of the Wider Bidco Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is or would be material in the context of the Wider Harwood Group taken as a whole;
- (vi) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Harwood by any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, Harwood by any member of the Wider Bidco Group;
- (vii) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Harwood Group or any member of the Wider Bidco Group;
or
- (viii) impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Harwood Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Harwood Group,

and 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 the acquisition or proposed acquisition of any Harwood Shares or otherwise intervene having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement, etc.

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Harwood 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 acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in Harwood or because of a change in the control or management of any member of the Wider Harwood Group or otherwise, could or might reasonably be expected to result in:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Harwood 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 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 Harwood Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Harwood Group being materially and adversely modified or materially and adversely affected or any material obligation or liability arising or any materially adverse action being taken or arising thereunder;
 - (iv) any liability of any member of the Wider Harwood Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
 - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Harwood 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 Harwood Group or any member of the Wider Bidco Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or materially and adversely modified or affected or any onerous obligation or material liability arising or any materially adverse action being taken thereunder;
 - (vi) any member of the Wider Harwood Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is or would be material in the context of the Wider Harwood Group taken as a whole;
 - (vii) the value of, or the financial or trading position or prospects of, any member of the Wider Harwood Group being materially prejudiced or materially and adversely affected; or
 - (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Harwood Group

other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Harwood Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions (d)(i) to (viii);

Certain events occurring since 31 October 2018

- (e) except as Disclosed, no member of the Wider Harwood Group having since 31 October 2018:
- (i) 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, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Harwood Shares out of treasury;
 - (ii) except for the interim dividend for the six months ended 30 April 2019, 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 dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Harwood to Harwood or any of its wholly owned subsidiaries;
 - (iii) other than pursuant to the Acquisition (and except for transactions between Harwood and its wholly owned subsidiaries or between the wholly owned subsidiaries of Harwood and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any material merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings;
 - (iv) (except for transactions between Harwood and its wholly owned subsidiaries or between the wholly owned subsidiaries of Harwood and except for transactions in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
 - (v) (except for transactions between Harwood and its wholly owned subsidiaries or between the wholly owned subsidiaries of Harwood) issued, authorised or 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 become subject to any contingent liability or incurred or increased any indebtedness (in each case, to an extent which is or would be material in the context of the Wider Harwood Group taken as a whole);
 - (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which

is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Harwood Group;

- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Harwood Group;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Harwood Group;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) (except in the ordinary course of business) waived, compromised or settled any material claim;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Harwood Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position of the Wider Harwood Group taken as a whole;
- (xii) (except as disclosed on publicly available registers) made any alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) 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 material change to:
 - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Harwood 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;
- (xiv) 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;
- (xv) (other than in respect of a member of the Wider Harwood Group which is dormant and was solvent at the relevant time) taken or proposed any steps or 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 a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (xvi) (except for transactions between Harwood and its wholly owned subsidiaries or between the wholly owned subsidiaries of Harwood), made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (xviii) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Harwood Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.2 of the Takeover Code; or
- (xix) entered into any agreement, arrangement, commitment or contract 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 (e);

No adverse change, litigation, regulatory enquiry or similar

- (f) except as Disclosed, since 31 October 2018:
 - (i) there having been no material adverse change, and no circumstance having arisen which would or might be expected to result in any material adverse change, in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Harwood Group which is material in the context of the Wider Harwood Group taken as a whole;
 - (ii) no material litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Harwood Group or to which any member of the Wider Harwood Group is or may become a party (whether as claimant, defendant or otherwise), in each case which might reasonably be expected to have a material adverse effect on the Wider Harwood Group taken as a whole or in the context of the Acquisition;
 - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Harwood Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Harwood Group, in each case which might reasonably be expected to have a material adverse effect on the Wider Harwood Group taken as a whole or in the context of the Acquisition;

- (iv) no material contingent or other liability having arisen or become apparent to Bidco or increased other than in the ordinary course of business which is reasonably likely to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider Harwood Group to an extent which is material in the context of the Wider Harwood Group taken as a whole or in the context of the Acquisition; and
- (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any material licence held by any member of the Wider Harwood Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider Harwood Group taken as a whole or in the context of the Acquisition;

No discovery of certain matters regarding information, liabilities and environmental issues

- (g) except as Disclosed, Bidco not having discovered that:
 - (i) any financial, business or other information concerning the Wider Harwood Group publicly announced prior to the date of this announcement or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Harwood Group prior to the date of this announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading in any such case to a material extent in the context of the Wider Harwood Group taken as a whole or in the context of the Acquisition;
 - (ii) any member of the Wider Harwood Group or any partnership, company or other entity in which any member of the Wider Harwood Group has a significant economic interest and which is not a subsidiary undertaking of Harwood is, otherwise than in the ordinary course of business, subject to any liability, contingent or otherwise, which is material in the context of the Wider Harwood Group taken as a whole;
 - (iii) any past or present member of the Wider Harwood Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or to harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Harwood Group;
 - (iv) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or to harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would

be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Harwood Group;

- (v) there is or is reasonably likely to be any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Harwood Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
- (vi) circumstances exist (whether as a result of making the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider Harwood Group would be likely to be required to institute), an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Harwood Group (or on its behalf) or by any person for which a member of the Wider Harwood Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider Harwood Group taken as a whole;

Anti-corruption

- (vii) any member of the Wider Harwood Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation;
- (viii) any member of the Wider Harwood Group has engaged in any transaction which would cause any member of the Wider Bidco Group to be in breach of applicable law or regulation upon completion of the Acquisition, including with regard to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or

No criminal property

- (ix) any asset of any member of the Wider Harwood Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part B: Certain further terms of the Acquisition

- 1 Subject to the requirements of the Panel, Bidco reserves the right in its sole discretion to waive:

- (i) the deadlines set out in Condition 1 for the timing of the Court Meeting, General Meeting and/or the Court Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Harwood to extend the deadline in relation to the relevant Condition; and
- (ii) (if capable of waiver) in whole or in part, all or any of the above Conditions set out in paragraphs 2(a) to (g) (inclusive).

2 If Bidco is required by the Panel to make an offer for Harwood Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.

3 The Scheme shall not become Effective if:

- (i) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of Council Regulation (EC) 139/2004 (the "**Regulation**"), the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
- (ii) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference,

in each case, before the date of the Court Meeting.

4 Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions set out in paragraphs 2(a) to (g) (inclusive) by a date earlier than the latest date for the fulfilment or waiver of that Condition specified above, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

5 The Harwood Shares acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this announcement and before the Effective Date.

6 If, on or after the date of this announcement and prior to or on the Effective Date, any dividend, distribution or other return of value is declared, paid or made or becomes payable by Harwood with a record date prior to or on the Effective Date, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke the Condition set out in paragraph 2(e)(ii) of Part A of this Appendix I) to reduce the consideration payable under the Acquisition to reflect the aggregate amount of such dividend, distribution or other return of value (with the reduction being initially from the cash part in respect of elections for the First Alternative Offer or the Second Alternative Offer (as applicable)). In such circumstances, Harwood Shareholders would be entitled to receive and retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made on or prior to the Effective Date and Bidco exercises its rights under this paragraph 6 to reduce the consideration payable under the Acquisition, any reference in this announcement to the consideration

payable under the terms of the Acquisition shall be deemed to be a reference to the consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled, the consideration payable under the terms of the Acquisition shall not be subject to change in accordance with this paragraph 6.

Any exercise by Bidco of its rights referred to in this paragraph 6 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

Bidco reserves the right to elect (with the consent of the Panel, and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the Harwood Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms and conditions, so far as applicable, and subject to the terms of the Co-operation Agreement, as those which would apply to the Scheme, subject to appropriate amendments, including, in circumstances where Bidco's election to implement the Acquisition by way of a Takeover Offer has been agreed in writing by Harwood, but otherwise without limitation, an acceptance condition set at 75 per cent. (or such lesser number as Bidco may decide and the Panel may permit) of the Harwood Shares to which such Takeover Offer relates.

- 7** The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 8** The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 9** The Acquisition is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in due course in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the AIM Rules, the London Stock Exchange and the Financial Conduct Authority.
- 10** Under Rule 13.5(a) of the Takeover 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. Condition 1 of Part A of this Appendix I is not subject to this provision of the Takeover Code.
- 11** Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX II

SOURCES OF INFORMATION AND BASES FOR CALCULATIONS

- (i) As at 20 December 2019 (being the latest practicable date prior to this announcement), there were 62,542,927 Harwood Shares in issue. The International Securities Identification Number for the Harwood Shares is GB00BYYWB172.
- (ii) Any references to the issued share capital of Harwood, and to the value of the Acquisition, are each based on the Cash Offer of 145 pence per Harwood Share and are calculated on the basis of the issued share capital of Harwood (as set out in paragraph (i) above).
- (iii) Historical Harwood Share prices are sourced from the AIM Appendix to the Daily Official List and represent Closing Prices on the relevant dates.
- (iv) Volume weighted average prices and trading volume data have been derived from Bloomberg and, in the case of volume weighted average prices, have been rounded to the nearest single decimal place.
- (v) Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation and separately disclosed items. It is a non-IFRS measure which the Harwood Group uses to assess its performance. Adjusted earnings per share are calculated on post-tax adjusted EBITDA.
- (vi) Unless otherwise stated, the financial information (including adjusted financial information) relating to Harwood is extracted or derived (without any further adjustment) from the audited consolidated financial statements of Harwood for the financial year to 31 October 2018 and the unaudited interim results of the Harwood Group for the six months to 30 April 2019, each prepared in accordance with IFRS.
- (vii) The Acquisition multiple of 16.3x unaudited adjusted earnings for the 12 months to 30 April 2019 is calculated on the basis of:
- the Cash Offer of 145 pence per share;
 - adjusted basic and diluted earnings per share for the 12 months to 30 April 2019 of 8.89 pence, which is calculated on the basis of:
 - adjusted basic and diluted earnings per share for the 12 months to 31 October 2018 of 7.92 pence;
 - less: adjusted basic and diluted earnings per share for the six months to 30 April 2018 of 3.51 pence;
 - plus: adjusted basic and diluted earnings per share for the six months to 30 April 2019 of 4.48 pence.
- (viii) The Acquisition multiple of 12.9x unaudited adjusted EBITDA for the 12 months to 30 April 2019 is calculated on the basis of:
- the Cash Offer of 145 pence per share multiplied by the 62,542,927 Harwood Shares in issue;
 - less: free cash of approximately £2.2m, as mentioned in the unaudited interim results of the Harwood Group for the six months to 30 April 2019;
 - adjusted EBITDA for the 12 months to 30 April 2019 of £6.9m, which is calculated on the basis of:
 - adjusted EBITDA for the 12 months to 31 October 2018 of £6.1m;
 - less: adjusted EBITDA for the six months to 30 April 2018 of £2.7m;
 - plus: adjusted EBITDA for the six months to 30 April 2019 of £3.5m.

APPENDIX III IRREVOCABLE UNDERTAKINGS

Part A - Harwood Group Directors' and their connected persons' Irrevocable Undertakings

- (a) The following holders or controllers of Harwood Shares have given irrevocable undertakings to vote (and, if applicable, procure the vote) in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting or, if Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, to accept or procure acceptance of any such offer:
- (b) **Cash Offer**
- (c) Each of Christopher Mills, and the following further holders or controllers of Harwood Shares who are connected persons of Mr Mills, have given irrevocable undertakings to accept or procure acceptance of the Cash Offer:

Person giving Irrevocable Undertaking	Number of Harwood Shares in respect of which undertaking is given	Percentage of Harwood issued share capital (%)
Christopher Mills	16,770,000	26.814
Oryx International Growth Fund	2,500,000	3.997
Harwood Capital Nominees Limited	64,198	0.103
Nicholas Mills	20,000	0.032
Charles Mills	20,000	0.032
TOTAL	19,374,198	30.977

Each of the following further Harwood Group Directors' and their connected persons have given irrevocable undertakings to accept or procure acceptance of (as applicable) the First Alternative Offer or the Second Alternative Offer:

First Alternative Offer

Person giving Irrevocable Undertaking	Number of Harwood Shares in respect of which undertaking is given	Percentage of Harwood issued share capital (%)
Alan Durrant	2,351,885	3.760
Richard Philbin	1,200,000	1.919
TOTAL	3,551,885	5.679

Second Alternative Offer

Person giving Irrevocable Undertaking	Number of Harwood Shares in respect of which undertaking is given	Percentage of Harwood issued share capital
Mark Howard	10,033,006	16.042

Neil Dunkley	6,893,856	11.023
Sian Dunkley	3,139,150	5.019
TOTAL	20,066,012	32.084

These irrevocable undertakings remain binding in the event of a competing offer and shall only lapse and cease to have effect if the Acquisition lapses or is withdrawn without becoming wholly unconditional but shall terminate if:

- (i) Bidco announces, with the consent of the Panel and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme of arrangement (or Takeover Offer, as applicable) is announced by Bidco in accordance with Rule 2.7 of the Takeover Code; or
- (ii) the Scheme (or Takeover Offer, as applicable) is withdrawn or lapses in accordance with its terms, provided that this paragraph (ii) shall not apply:
 - where the Scheme is withdrawn or lapses as a result of Bidco exercising its right, in the circumstances set out in this announcement, to implement the Acquisition by way of a Takeover Offer rather than the Scheme; or
 - if the lapse or withdrawal is followed within ten Business Days by an announcement under Rule 2.7 of the Takeover Code by Bidco (or a person acting in concert with it) to implement the Acquisition either by a new, revised or replacement scheme of arrangement pursuant to Part 26 of the Companies Act or a takeover offer (within the meaning of section 974 of the Companies Act), provided that any such scheme or takeover offer is made on such financial terms, so far as applicable, as are, in the opinion of RBC acting in good faith, at least as favourable as those which apply to the Scheme.

APPENDIX IV DETAILS ON THE BIDCO GROUP AND THE BIDCO UNITS

Information on the Bidco Group

The Bidco Group is owned and controlled by Carlyle and was formed for the purpose of implementing the Acquisition. None of the members of the Bidco Group have traded since the date of their incorporation nor entered into any obligations, other than in connection with the Acquisition (although, as noted in section 14 of this announcement, the Bidco Group may seek to do so prior to the Effective Date).

As at the date of this announcement, the Bidco Group comprises Bidco, Hurst Point Holdco Limited, Hurst Point Midco Limited and Hurst Point Group Limited.

The holding company in the Bidco Group is Bidco. It is a private limited company, was incorporated on 16 December 2019 under the laws of Jersey and will acquire the Harwood Shares pursuant to the Acquisition. The share capital of Bidco currently comprises £0.02 divided into 2 shares of £0.01 each but will be reorganised so that it comprises Bidco A Ordinary Shares, Bidco A Preference Shares, Bidco B Ordinary Shares and Bidco B Preference Shares on or prior to the Effective Date.

Bidco owns Hurst Point Holdco Limited ("**HPH**"), which is a private limited company, incorporated on 16 December 2019 under the laws of Jersey. The share capital of HPH currently comprises £0.02 divided into 2 shares of £0.01 each.

HPH owns Hurst Point Midco Limited ("**HPM**"), which is a private limited company, incorporated on 16 December 2019 under the laws of Jersey. The share capital of HPM currently comprises £0.02 divided into 2 shares of £0.01 each.

HPM owns Hurst Point Group Limited ("**HPG**") which is a private limited company, incorporated on 16 December 2019 under the laws of Jersey. The share capital of HPG currently comprises £0.02 divided into 2 shares of £0.01 each.

HPG is the borrower under the Facilities Agreement in respect of funds which will be used by Bidco to pay part of the cash consideration due pursuant to the Acquisition. An event of default will arise under the terms of the Facilities Agreement if Bidco does not enter into an unconditional agreement to transfer the beneficial interest in its Harwood Shares to HPG within five Business Days of drawdown of the funds pursuant to the Facilities Agreement.

Set out below is a summary of the proposed Bidco share capital structure, the Investment Agreement and the Bidco Articles governing the terms on which Harwood Shareholders will hold securities in Bidco. Further details will be included in the Scheme Document.

Information on the Bidco share capital

On or around completion of the Acquisition, Bidco will issue up to 586,872,442 ordinary shares (comprising Bidco A Ordinary Shares and Bidco B Ordinary Shares) and up to 58,100,371,709 preference shares (comprising Bidco A Preference Shares and Bidco B Preference Shares). These shares comprise the aggregate of (i) the B Preference Shares and B Ordinary Shares to be issued to Harwood Shareholders pursuant to the Alternative Offers, and (ii) the Bidco A Ordinary Shares and Bidco A Preference Shares required to be subscribed for by Carlyle to part fund the cash consideration payable in respect of the Acquisition.

In addition, within the three months following the Effective Date, Carlyle has the right to subscribe for up to a further 150,000,000 Bidco A Ordinary Shares plus up to 14,850,000,000 Bidco A Preference Shares to fund costs and expenses incurred in connection with the Acquisition and to allow flexibility to provide the Bidco Group with the financing necessary to implement its proposed strategy during and shortly after the Acquisition.

Any Bidco A Ordinary Shares and Bidco A Preference Shares for which Carlyle subscribes in accordance with the above will be issued at a subscription price which is equal to the subscription price at which Bidco Units will be issued

pursuant to the Alternative Offers, assuming the value of the Alternative Offers were equal in aggregate to the Cash Offer.

It is also expected that, on or around the Effective Date, Hurst Point and/or its partners, directors or employees are likely to subscribe for up to: (i) 13,000,000 Bidco B Ordinary Shares and (ii) 1,287,000,000 Bidco B Preference Shares (of which most would be likely to be subscribed for by Ian Gladman). Any such additional subscriptions would be at a subscription price which is equal to the subscription price at which Bidco Units will be issued pursuant to the Alternative Offers, assuming the value of the Alternative Offers were equal in aggregate to the Cash Offer.

If all of the above mentioned subscriptions for shares were to be made, Bidco would have a total issued share capital of: (i) 749,872,442 ordinary shares (comprised of Bidco A Ordinary Shares and Bidco B Ordinary Shares), and (ii) 74,237,371,709 preference shares (comprised of Bidco A Preference Shares and Bidco B Preference Shares).

The Bidco B Ordinary Shares and Bidco B Preference Shares to be issued to Hurst Point (or its partners, directors or employees) and to eligible Harwood Shareholders who elect for the First Alternative Offer or the Second Alternative Offer (as applicable) will be issued credited as fully paid and will rank economically pari passu with the Bidco A Ordinary Shares and Bidco A Preference Shares respectively being issued to Carlyle at or around the time the Bidco Units are issued pursuant to the Acquisition as described above, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling on or after the date of this announcement.

Harwood Shareholders who elect to receive the First Alternative Offer or the Second Alternative Offer (as applicable) will not have pre-emption rights in respect of any of the above additional share issues by Bidco.

In addition, as described below, Harwood Shareholders should note that additional shares, loan notes or other securities may be issued by Bidco or its subsidiaries from time to time following the Effective Date and that Harwood Shareholders will not always be entitled to participate in any such issue, so that their percentage interests in Bidco may be diluted over time, potentially significantly.

Economic Rights

The economic rights described below are subject to the risks also described below and in section 14 of this announcement (for example, that (i) holders of Bidco Units are not always entitled to participate in further issues of additional shares, loan notes or other securities of the Bidco Group; and (ii) such securities may have different rights to the Bidco Units).

Subject to the above, at the date of this announcement, any return of proceeds to security holders of Bidco, whether on an Exit (as described below) or otherwise, shall be distributed as follows:

Preference Shares

Firstly, such proceeds will be distributed pro-rata to each holder of Bidco A Preference Shares and Bidco B Preference Shares in accordance with the terms and conditions regulating such securities.

The Bidco A Preference Shares and the Bidco B Preference Shares shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Bidco.

In addition, the Bidco A Preference Shares and the Bidco B Preference Shares shall entitle the holders thereof to a fixed cumulative preferential dividend at an annual rate of 10 per cent. of their issue price (the "**Preferred Return**"). Any Preferred Return will be compounded annually and paid out of available proceeds for distribution on an Exit or on redemption. The Bidco A Preference Shares and the Bidco B Preference Shares may only be redeemed on the date falling 10 years from the Effective Date, on certain limited default events or on notice from Bidco with Carlyle consent or, if earlier, on an Exit.

Ordinary Shares

Subject to the rights of the Bidco A Preference Shares and the Bidco B Preference Shares and any other issues of securities by the Bidco Group from time to time, any surplus proceeds available shall then be distributed to each holder of Bidco A Ordinary Shares and Bidco B Ordinary Shares, pro-rata to their shareholdings. The Bidco A Ordinary Shares and the Bidco B Ordinary Shares shall rank equally as regards any distributions, dividends, buy-back, any other capital redemption or other returns of income or capital made by Bidco.

Voting Rights

Every holder of one or more Bidco A Ordinary Shares on the date on which either a written resolution is circulated or a general meeting is held and who is present at such meeting shall, subject to the Bidco Articles, have one vote for each Bidco A Ordinary Share.

The Bidco B Ordinary Shares, the Bidco A Preference Shares and the Bidco B Preference Shares will not entitle the holders thereof to (i) any votes; (ii) receive a copy of any written resolution; or (iii) receive notice of any general meetings, in each case save in respect of any resolution which varies the rights attached to the Bidco B Ordinary Shares, the Bidco A Preference Shares or the Bidco B Preference Shares which shall require the consent of a simple majority of the holders of the Bidco B Ordinary Shares, the Bidco A Preference Shares or the Bidco B Preference Shares (as applicable).

The rights attached to a class of shares are not, unless otherwise expressly provided for in the rights attaching to those shares, deemed to be varied by the creation, allotment or issue of further shares ranking in priority to, *pari passu* with or subsequent to them or by the purchase or redemption by Harwood of its own shares in accordance with the Bidco Articles.

Transfers of Bidco Units

Bidco Units will not be transferable without the prior written consent of Carlyle save that such consent shall not be required for transfers pursuant to the drag-along and tag-along provisions detailed below, a reorganisation or (if required) pursuant to the debt financing arrangements of the Bidco Group.

Issue of securities by Bidco

Holders of Bidco Units will have customary pre-emption rights on any new issue of securities by Bidco to Carlyle or its permitted transferees, exercisable within the period (of not less than 10 Business Days) specified in the notification of such issue save that Carlyle shall have the right for such an issue to initially be made to Carlyle, and for holders of Bidco Units to then have customary pro rata 'catch-up' rights, exercisable within the period (of not less than 10 Business Days) specified in the notification of such issue.

The above pre-emption rights and 'catch-up' rights will be subject to certain exclusions, including, without limitation, in respect of any issues of securities from time to time:

- (i) in connection with or under an IPO;
- (ii) in consideration for, or in connection with, the acquisition of all or part of another business;
- (iii) to current or prospective employees, officers, directors or consultants of the Bidco Group;
- (iv) to a third party (not being Carlyle or its affiliates) in connection with the debt financing arrangements of the Bidco Group;
- (v) to Carlyle or its affiliates of up to 15,000,000,000 shares (at a price of 0.1 pence per Bidco A Ordinary Share and 0.1 pence per Bidco A Preference Share) prior to or within three months after the Effective Date together with the A Ordinary Shares and A Preference Shares required to fund the cash consideration payable pursuant to the Acquisition (at the same prices);

- (vi) to Hurst Point (and/or its directors, officers, employees or consultants) of up to 1,300,000,000 shares (at a price of 0.1 pence per Bidco B Ordinary Share and 0.1 pence per Bidco B Preference Share); and
- (vii) in respect of which Carlyle and any representative appointed by a majority of the holders of Bidco Units have agreed in writing that pre-emption rights shall not apply.

Governance; Board Representation; Reserved Matters

On completion of the Acquisition, the board of Bidco shall comprise at least Michael Savage (as Investor director) and Ian Gladman (as the chairperson).

Carlyle shall at all times have the right to appoint, remove and replace any or all of the members of the board of directors of Bidco (the "**Bidco Board**") and may designate such number of persons as "Investor Directors" (each, an "**Investor Director**") as it wishes from time to time, and establish and change from time to time the size of the Bidco Board.

All members of the Bidco Board shall have equal voting rights. However, decisions of the Bidco Board shall only be approved with the positive vote or consent of a majority of the Bidco Board (which must include at least one Investor Director).

The quorum for any proceedings of the Bidco Board shall require the presence of two directors, including at least one Investor Director.

Certain customary reserved matters shall not be effected by the Bidco Group without the prior consent of Carlyle. Security holders of Bidco other than Carlyle shall not be entitled to any consent rights over the governance and affairs of the Bidco Group.

Transaction Fees and Expenses

The Bidco Group will be required to pay to Carlyle (or its designee): (i) a one-off transaction fee equal to the aggregate of £900,000 and any fees and expenses incurred by Carlyle in connection with the Acquisition; and (ii) an annual monitoring fee equal to £60,000 per annum (in each case, plus VAT if applicable).

It is also expected that, following the Effective Date and in connection with the Acquisition, the Bidco Group will pay (i) to Hurst Point (or its partners, directors or employees) a fee of up to £225,000 and (ii) advisory costs and expenses incurred by Hurst Point (or its partners, directors or employees) up to a maximum of £145,000 (plus VAT if applicable).

Information Rights

Carlyle shall be entitled to customary information rights in respect of the Bidco Group. Holders of Bidco Units shall not be entitled to any information rights in respect of the Bidco Group.

Exit Arrangements

Any future share sale, asset sale, IPO, winding-up or other form of liquidity event relating to the Bidco Group (an "**Exit**") shall occur at the absolute discretion of Carlyle.

All holders of Bidco Units are required to co-operate and take such steps in respect of any proposed Exit as are reasonably requested by the Bidco Board or Carlyle. This shall include without limitation: any reorganisation, restructuring or other corporate (or similar) action required to facilitate such Exit; providing warranties as to the title to the Bidco Units held by such holder and its capacity to sell such Bidco Units; and, in the case of an IPO, entering into customary "lock-up" undertakings.

Drag-Along and Tag-Along

If one or more security holders of Bidco (the "**Dragging Shareholders**") intend to transfer any Bidco A Ordinary Shares or Bidco B Ordinary Shares to one or more third parties (the "**Drag-Along Purchaser(s)**") as part of a single transaction or

series of connected transactions which would result in such Drag-Along Purchaser(s) holding (in aggregate) greater than 50 per cent. of the Bidco A Ordinary Shares and Bidco B Ordinary Shares then in issue, the Dragging Shareholders may require all other holders of Bidco Units to participate in a drag-along sale by transferring all of their Bidco Units on terms economically no less favourable than the terms agreed between the Dragging Shareholders and the Drag-Along Purchaser(s).

If Carlyle or its affiliates propose to transfer any Bidco A Ordinary Shares to one or more third parties (the "**Tag-Along Purchaser(s)**") as part of a single transaction or series of connected transactions (other than pursuant to a drag-along, reorganisation, restructuring, Exit or any transfer among affiliates of Carlyle, co-investors or affiliated entities):

- (i) where such transfer would not result in the Tag-Along Purchaser(s) holding (in aggregate) more than 50 per cent. of all Bidco A Ordinary Shares or Bidco B Ordinary Shares then in issue, each other holder of Bidco Units shall have the right to participate in such transfer by transferring a pro rata portion of its Bidco Units for the same consideration and on the same payment terms; or

- (ii) where such transfer would result in the Tag-Along Purchaser(s) holding (in aggregate) more than 50 per cent. of all Bidco A Ordinary Shares and Bidco B Ordinary Shares then in issue, each other holder of Bidco Units shall have the right to participate in such transfer by transferring all of its Bidco Units for the same consideration and on the same payment terms.

Governing Law and Jurisdiction

The Investment Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law. The courts of England have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Investment Agreement and accordingly any proceedings arising out of or in connection with the Investment Agreement shall be brought in such courts.

APPENDIX V DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise:

Acquisition	the recommended cash acquisition, with two alternative offers (the First Alternative Offer and the Second Alternative Offer), being made by Bidco to acquire the entire issued and to be issued share capital of Harwood not already directly or indirectly owned by Bidco to be effected by means of the Scheme (or by way of a Takeover Offer under certain circumstances described in this announcement) and, where the context admits, any subsequent revision, variation, extension or renewal thereof
AIM	the AIM market, a market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies as published by the London Stock Exchange
Alternative Offers	the First Alternative Offer and the Second Alternative Offer
Authorisations	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
Bidco	Hurst Point Topco Limited
Bidco A Ordinary Shares	the A ordinary shares in the capital of Bidco
Bidco A Preference Shares	the A preference shares in the capital of Bidco
Bidco Articles	has the meaning set out in section 16 of this announcement
Bidco B Ordinary Shares	the B ordinary shares in the capital of Bidco
Bidco B Preference Shares	the B preference shares in the capital of Bidco
Bidco Group	Bidco and its direct and indirect subsidiaries including, following completion of the Acquisition, the Harwood Group
Bidco Units	that number of the Bidco B Ordinary Shares and the Bidco B Preference Shares available under the First Alternative Offer or the Second Alternative Offer (as the case may be)
Business Day	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in London
Carlyle	has the meaning given to it on page 4 of this announcement
Cash Offer	145p per Harwood Share
Closing Price	the closing middle market price of a Harwood Share on a particular trading day as derived from the AIM Appendix to the Daily Official List
CMA Phase 2 Reference	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Companies Act	the Companies Act 2006, as amended
Competition and Markets Authority	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013
Conditions	the conditions to the implementation of the Acquisition, as set out in Appendix I to this announcement and to be set

	out in the Scheme Document
Confidentiality Agreement	the confidentiality agreement dated 22 July 2019 between Hurst Point and Harwood
connected persons	has the meaning given to it in the Companies Act
Co-operation Agreement	the agreement dated 23 December 2019 between Bidco and Harwood relating to, among other things, the implementation of the Acquisition, as described in section 16 of this announcement
Court	the High Court of Justice in England and Wales
Court Hearing	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act and, if such hearing is adjourned, references to commencement of any such hearing shall mean the commencement of the final adjournment thereof
Court Meeting	the meeting of Harwood Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), including any adjournment thereof, notice of which is to be contained in the Scheme Document
Court Order	the order of the Court sanctioning the Scheme
CREST	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear
Daily Official List	the Daily Official List published by the London Stock Exchange
Dealing Disclosure	has the same meaning as in Rule 8 of the Takeover Code
Deed of Indemnity	the deed of indemnity as described in section 16 of this announcement
Disclosed	the information disclosed by, or on behalf of, Harwood either (i) in the annual report and accounts of the Harwood Group for the financial year ended 31 October 2018; (ii) in the interim results of the Harwood Group for the six month period ended 30 April 2019; (iii) in this announcement; or (iv) in any other announcement to a Regulatory Information Service by, or on behalf of, Harwood prior to the publication of this announcement; or (v) as otherwise fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) by, or on behalf of, Harwood either in the written replies, correspondence, documentation and information provided in the electronic data room established by Harwood for the purposes of the Acquisition or sent in writing to Bidco's professional advisers during their due diligence process, whether or not in response to any specific request for information made by any of them and in each case, prior to the date of this announcement
Effective	in the context of the Acquisition: <ul style="list-style-type: none"> (a) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (b) if the Acquisition is implemented by way of a Takeover Offer, such Takeover Offer having been declared or become unconditional in all respects in accordance with the Takeover Code
Effective Date	the date on which either (i) the Scheme becomes Effective in accordance with its terms or (ii) if Bidco elects, and the Panel consents, to implement the Acquisition by way of a

	Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects
Euroclear	Euroclear UK and Ireland Limited
Evercore	Evercore Partners International LLP
FCA or Financial Conduct Authority	the UK Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
First Alternative Offer	the arrangements set out in section 12 of this announcement pursuant to which eligible Harwood Shareholders may elect to receive a combination of 117.450 pence in cash and 2.755 Bidco Units (comprising 272.745 Bidco B Preference Shares and 2.755 Bidco B Ordinary Shares) for each Harwood Share
Form of Election	the form of election for use by Harwood Shareholders electing for the First Alternative Offer or the Second Alternative Offer (as applicable)
Forms of Proxy	the forms of proxy for use at each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the general meeting of Harwood Shareholders (including any adjournment thereof) to be convened in connection with the Scheme, notice of which is to be contained in the Scheme Document
Harwood	Harwood Wealth Management Group PLC
Harwood Directors or Harwood Board	the directors of Harwood at the date of this announcement or, where the context so requires, the directors of Harwood from time to time
Harwood Group	Harwood and its subsidiary undertakings and, where the context permits, each of them
Harwood Group Directors	the directors of any member of the Harwood Group at the date of this announcement or, where the context so requires, the directors of such member of the Harwood Group from time to time
Harwood Shareholders or Shareholders	the holders of Harwood Shares from time to time
Harwood Shares	the existing unconditionally allotted or issued and fully paid ordinary shares of 0.25 pence each in the capital of Harwood and any further such ordinary shares as are unconditionally allotted or issued before the Acquisition becomes Effective
Hurst Point	Hurst Point Capital Limited
IFRS	International Financial Reporting Standards
Investment Agreement	the investment agreement relating to Bidco as described in section 16 of this announcement
London Stock Exchange	London Stock Exchange plc
Long Stop Date	5.00p.m. on 18 June 2020 or such later date (if any) as may be agreed in writing by Bidco and Harwood (with the Panel's consent and as the Court may approve (if such approval(s) are required))
N+1 Singer	means N+1 Singer Advisory LLP and any of its group undertakings and affiliates from time to time, all of them and each of them as the context admits
Offer Period	the offer period (as defined by the Takeover Code) relating

	to the Acquisition, which commenced on the date of this announcement
Opening Position Disclosure	has the same meaning as in Rule 8 of the Takeover Code
Overseas Shareholders	Harwood Shareholders (or nominees of, or custodians or trustees for, Harwood Shareholders) not resident in, nor nationals or citizens of, the United Kingdom
Panel	the Panel on Takeovers and Mergers
Partners	Hurst Point and Carlyle
RBC	RBC Europe Limited
Registrar of Companies	the Registrar of Companies in England and Wales
Regulation	has the meaning given to it in paragraph 3 of Part B of Appendix I to this announcement
Regulatory Information Service	any of the services set out in Appendix I to the FCA's Listing Rules
Restricted Jurisdiction	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 to Harwood Shareholders in that jurisdiction
Scheme Document	the document to be sent to Harwood Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting
Scheme or Scheme of Arrangement	the proposed scheme of arrangement under Part 26 of the Companies Act between Harwood and the Harwood Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court (where applicable) and agreed by Harwood and Bidco
SEC	the US Securities and Exchange Commission
Second Alternative Offer	the arrangements set out in section 13 of this announcement pursuant to which eligible Harwood Shareholders may elect to receive a combination of 100.050 pence in cash and 4.495 Bidco Units (comprising 445.005 Bidco B Preference Shares and 4.495 Bidco B Ordinary Shares) for each Harwood Share
Significant Interest	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
Takeover Code	the City Code on Takeovers and Mergers
Takeover Offer	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of Harwood and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer and including any election available thereunder
Third Party	each of a central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, administrative, fiscal, anti-trust or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland

United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US Exchange Act	the United States Securities Exchange Act of 1934, as amended
US holder	holders of Harwood Shares ordinarily resident in the US or with a registered address in the US, and any custodian, nominee or trustee holding Harwood Shares for persons in the US or with a registered address in the US
US Securities Act	the US Securities Act of 1933 and the rules and regulations promulgated thereunder
Wellian	Wellian Investment Solutions Limited, a member of the Harwood Group
Wider Bidco Group	Bidco and those funds managed or advised by Carlyle and their respective parent undertakings, subsidiary undertakings and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest
Wider Harwood Group	Harwood and its associated undertakings and any other body corporate, partnership, joint venture or person in which Harwood and such undertakings (aggregating their interests) have a Significant Interest

For the purposes of this announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**" and "**associated undertaking**" have the respective meanings given thereto by the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom.

All references to "**US\$**", "**\$**" and "**US Dollars**" are to the lawful currency of the United States.

All the times and/or dates referred to in this announcement are to those times and/or dates in London unless otherwise stated.

References to the singular include the plural and vice versa.