

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.**

**THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF GALLIFORD TRY PLC'S ORDINARY SHARES ON THE OFFICIAL LIST OF THE FINANCIAL CONDUCT AUTHORITY AND TRADING OF SUCH ORDINARY SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES. THIS DOCUMENT ALSO INCLUDES INFORMATION RELATING TO THE ADMISSION TO LISTING AND TRADING OF THE ORDINARY SHARES OF A NEW HOLDING COMPANY OF THE CONTINUING GROUP (AS DEFINED BELOW). PART VII (EXPLANATORY STATEMENT FOR THE SCHEME) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006.**

**If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please forward this document, together with the accompanying documents (other than documents or forms personalised to you) as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or the transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain this document and the accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

Any person (including, without limitation, custodians, nominees, and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this document to any jurisdiction outside the United Kingdom should seek appropriate advice before taking any such action. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law. Any person not in the United Kingdom into whose possession this document and any accompanying documents come, should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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## **GALLIFORD TRY PLC**

*(Incorporated and registered in England with registered number 00836539)*

(the "Company")

### **Circular and Explanatory Statement**

**relating to**

**the proposed disposal of the Linden Homes and Partnerships & Regeneration businesses of  
Galliford Try, including a group restructuring and Scheme of Arrangement under  
Part 26 of the Companies Act 2006**

**and**

**Notices of Court Meeting and General Meeting**

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**Shareholders should read carefully the whole of this document, the information incorporated by reference into this document and the accompanying Forms of Proxy. This document is also available on the website of the Company at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk). Your attention is drawn to the letter from the Chairman of the Company which is set out in Part I (Letter from the Chairman of Galliford Try plc) of this document and which contains the recommendation from the Board that you vote in favour of the Scheme at the Court Meeting and in favour of the General Meeting Resolutions to be proposed at the General Meeting referred to below. A statement explaining the Scheme in greater detail, which constitutes an explanatory statement in compliance with section 897 of the Companies Act 2006, appears in Part VII (Explanatory Statement for the Scheme) of this document. Your attention is also drawn to the risk factors set out in Part II (Risk factors) of this document.**

**A Notice of the Court Meeting and a Notice of a General Meeting of the Company both to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place, 78 Cannon Street, London, EC4N 6AF on 29 November 2019 are set out in Part XV (Notice of Court Meeting) and Part XVI (Notice of General Meeting) of this document.**

**The action to be taken in respect of the Meetings is set out in paragraph 17 of Part I (Letter from the Chairman of Galliford Try plc) of this document. Shareholders will find enclosed with this document a BLUE Form of Proxy for use at the Court Meeting and a WHITE Form of Proxy for use at the General Meeting.**

Whether or not you intend to attend the Meetings in person, to be valid, you are requested to submit your vote electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk), so as to be received no later than 10.00 a.m. on 27 November 2019 in the case of the Court Meeting and 10.15 a.m. in the case of the General Meeting (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If the BLUE Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to a representative of the Registrar, Equiniti Limited (“**Equiniti**”) at the venue of the Court Meeting or the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned above, it will be invalid.

If you hold Ordinary Shares in CREST, you may appoint a proxy for the General Meeting by completing and transmitting a CREST Proxy Instruction to Equiniti (CREST ID RA19), so that it is received by no later than 10.15 a.m. on 27 November 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you so wish and are so entitled.

In the event that you do require a hard copy of the Forms of Proxy or have any questions relating to the completion and return of the Forms of Proxy please contact Equiniti, by calling them on 0371 384 2911, or, if you are calling from overseas, on +44 121 415 0889. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

Application will be made to the FCA for the New Galliford Try Shares to be admitted to the premium listing segment of the Official List, and to the London Stock Exchange for the New Galliford Try Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission of the New Galliford Try Shares will become effective, and that dealings in the New Galliford Try Shares will commence, on the Business Day following the Effective Date.

Certain terms used in this document are defined in Part XIV (Definitions).

N.M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser to the Company and for no one else in connection with the Transaction and will not, be responsible to anyone other than the Company for providing the protections afforded to clients of Rothschild & Co or for providing advice in relation to the Transaction, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Rothschild & Co by FSMA or the regulatory regime established thereunder, Rothschild & Co (including any persons associated or affiliated with it) does not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, or by or on behalf of the Company, New Galliford Try or the Directors in connection with the Company, New Galliford Try and/or the Transaction and nothing contained in this document is, or shall be read or relied upon as, a promise or representation in this respect, whether as to the past or future. Rothschild & Co accordingly disclaims, to the fullest extent permissible by law, all and any responsibility and liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

HSBC Bank plc (“**HSBC**”) which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom is acting as financial adviser, joint sponsor and corporate broker to the Company and New Galliford Try in connection with the proposed sale of the Disposal Group (excluding for the avoidance of doubt the Restructuring) and Admission of the New Galliford Try Shares and for no one else in connection with the Transaction and will not be responsible to anyone other than the Company or New Galliford Try for providing the protections afforded to clients of HSBC or for providing advice in relation to the Transaction, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed upon HSBC by FSMA or the regulatory regime established thereunder, HSBC (including any persons associated or affiliated with it) do not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, or by or on behalf of the Company, New Galliford Try or the Directors in connection with the Company, New Galliford Try and/or the Transaction and nothing contained in this document is, or shall be read or relied upon as, a promise or representation in this respect, whether as to the past or future. HSBC accordingly disclaims, to the fullest extent permissible by law, all and any responsibility and liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Peel Hunt LLP (“**Peel Hunt**”) which is regulated by the Financial Conduct Authority in the United Kingdom is acting as financial adviser, joint sponsor and corporate broker to the Company and New Galliford Try in connection with the proposed sale of the Disposal Group (excluding for the avoidance of doubt the Restructuring) and Admission of the New Galliford Try Shares and for no one else in connection with the Transaction and will not be responsible to anyone other than the Company or New Galliford Try for providing the protections afforded to clients of Peel Hunt or for providing advice in relation to the Transaction, the contents of this document or any transaction, arrangement or other matter referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed upon Peel Hunt by FSMA or the regulatory regime established thereunder, Peel Hunt (including any persons associated or affiliated with it) do not accept any responsibility whatsoever or make any representation or warranty, express or implied, concerning the contents of this document, including its accuracy, completeness or verification, or concerning any other statement made or purported to be made by it, or on its behalf, or by or on behalf of the Company, New Galliford Try or the Directors in connection with the Company, New Galliford Try and/or the Transaction and nothing contained in this document is, or shall be read or relied upon as, a promise or representation in this respect, whether as to the past or future. Peel Hunt accordingly disclaims, to the fullest extent permissible by law, all and any responsibility and liability whatsoever whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

No New Galliford Try Shares, Consideration Shares or any other securities of New Galliford Try or Bovis Homes have been marketed to, nor are any available for purchase, in whole or in part, by the public in the United Kingdom or elsewhere in connection with Admission of the New Galliford Try Shares or the Consideration Shares or the Transaction. This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security. This document does not constitute a prospectus or a prospectus equivalent document.

This document is dated 8 November 2019.

## **IMPORTANT NOTICE**

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and should observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer or an invitation to purchase or subscribe for any securities, or a solicitation of an offer to buy any securities, pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

The statements contained herein are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

## **PRESENTATION OF INFORMATION**

### **FORWARD-LOOKING STATEMENTS**

This document (including information incorporated by reference into this document) contains statements about the Group, the Continuing Group, Bovis Homes and the Bovis Homes Group that are, or may be, forward-looking statements. All statements other than statements of historical fact included in this document regarding the business, financial condition or results of operations of the Group, the Continuing Group, Bovis Homes or the Bovis Homes Group and certain plans, objectives, assumptions, expectations or beliefs with respect to these items, and statements regarding other future events or prospects, are forward-looking statements. Should one or more of the risks or uncertainties associated with such forward-looking statements materialise, or should assumptions underlying such forward-looking statements prove incorrect, actual results may vary materially from those described herein. The Company, New Galliford Try and Bovis Homes assume no obligation to update or correct the information contained in this document.

These statements include, without limitation, those concerning: strategy and the ability to achieve it; expectations regarding sales, expenses, profitability and growth; possible or assumed future results of operations; capital expenditure and investment plans; adequacy of capital; and financing plans. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms: “aims”, “anticipates”, “believes”, “future”, “continues”, “helps”, “could”, “estimates”, “expects”, “intends”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations, or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, statements regarding the Company, Bovis Homes and its intentions, beliefs or current expectations concerning, among other things, the business, results of operations, prospects, growth and strategies of the Group, the Disposal Group and the Continuing Group.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of operations of the Company, the Disposal Group, the Continuing Group or Bovis Homes and the developments in the industries in which they operate, may differ materially from those described in, or suggested by, the forward-looking statements contained in this document. In addition, even if the results of operations of the Company, the Disposal Group, the Continuing Group or Bovis Homes and the developments in the industries in which they operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law and regulation, currency fluctuations, changes in business strategy and political and economic uncertainty.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document reflect the Company's (and/or, if applicable, Bovis Homes') current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Bovis Homes, the Company, the Continuing Group and their operations, results of operations and growth strategy. **Shareholders should specifically consider the factors identified in this document which could cause actual results to differ before making a decision on the Transaction.**

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules and the Market Abuse Regulation), the Company is not under any obligation and the Company expressly disclaims any intention or obligation (to the maximum extent permitted by law) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The above explanatory wording regarding forward-looking statements does not in any way seek to qualify the statement regarding working capital that can be found at paragraph 12 of Part XII (Additional information) of this document.

## **PRESENTATION OF CURRENCIES**

Unless otherwise indicated, all references to "GBP", "£", "pounds", "sterling", or "pounds sterling" are to the lawful currency of the United Kingdom.

## **ROUNDING**

Percentages in tables have been rounded and accordingly may not add up to 100 per cent. Certain financial data have also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

## **DEFINITIONS**

Certain terms used in this document, including capitalised terms and certain technical terms, are defined and explained in Part XIV (Definitions) of this document.

## **INCORPORATION BY REFERENCE**

Certain information in relation to the Company is incorporated by reference into this document. Further information is set out in Part XIII (Information incorporated by reference) of this document. Without limitation, unless expressly stated herein, the contents of the websites of the Group, and any links accessible through the websites of the Group, do not form part of this document.

## **NO PROFIT FORECAST OR ESTIMATES**

Unless otherwise stated, no statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Group, the Disposal Group or the Continuing Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Group, the Disposal Group or the Continuing Group, as appropriate.

## **NO OFFER OR SOLICITATION**

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security.

## **INFORMATION FOR OVERSEAS SHAREHOLDERS**

The release, publication or distribution of this document in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and should observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Transaction disclaim any responsibility or liability for the violation of such requirements by any person.

Unless otherwise permitted by applicable law and regulation, this document (and the matters referred to herein) will not be made available, directly or indirectly, in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and no person may vote in favour of the Transaction by any such use, means, instrumentality or form within any jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this document and all documents relating to the Transaction (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. Any person (including, without limitation, any custodian, nominee and trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this document and/or any other related document to any jurisdiction outside the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

The availability of this document to Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident (including affecting the ability of such Shareholders to vote their Ordinary Shares with respect to the Scheme and the Transaction at the Meetings, or to execute and deliver Forms of Proxy appointing another to vote at the Meetings on their behalf). Persons who are not resident in the United Kingdom or who are subject to the laws and/or regulations of another jurisdiction should inform themselves of, and should observe, any applicable requirements.

### **Notice to US Shareholders**

The issue of the New Topco Shares and the Consideration Shares relate to shares of a Jersey company and a UK company respectively and are 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 proxy solicitation or tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the United Kingdom to schemes of arrangement, which differ from the requirements of US proxy solicitation or tender offer rules.

The financial information included in this document has been prepared in accordance with IFRS and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

Neither the New Topco Shares nor the Consideration Shares have been, and nor will they be, registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the New Topco Shares nor the Consideration Shares may be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act or an exemption therefrom. The New Topco Shares and the Consideration Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Shareholders who are affiliates of New Topco after the Scheme becomes effective or affiliates of Bovis Homes after the Transaction has been completed will be subject to certain US transfer restrictions relating to the New Topco Shares and the Consideration Shares received in connection with the Scheme and the Transaction, respectively.

The New Galliford Try Shares have not been and are not required to be registered under the US Securities Act. The New Galliford Try Shares should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive New Galliford Try Shares (other than affiliates) may resell them without restriction under the US Securities Act.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), the Company will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by New Topco and Bovis Homes as an approval of the Scheme following a hearing on its fairness to Shareholders.

Each Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Transaction.

It may be difficult for US Shareholders to enforce their rights and claims arising out of the US federal securities laws, since New Galliford Try, Bovis Homes and the Company are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US Shareholders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgment.

None of the securities referred to in this document has been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

All references to times in the timetable below are to London (UK) times.

<i>Event</i>	<i>Time and/or Date</i>
Publication of this document	<b>8 November 2019</b>
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the:	
Court Meeting (BLUE form)	<b>10.00 a.m. on 27 November 2019<sup>1</sup></b>
General Meeting (WHITE form)	<b>10.15 a.m. on 27 November 2019<sup>2</sup></b>
Record time for entitlement to vote at the Court Meeting and the General Meeting	<b>6.30 p.m. on 27 November 2019<sup>3</sup></b>
<b>Court Meeting</b>	<b>10.00 a.m. on 29 November 2019</b>
<b>General Meeting</b>	<b>10.15 a.m. on 29 November 2019<sup>4</sup></b>
<b>The following times and dates are indicative only and are subject to change<sup>5</sup></b>	
Advertise Galliford Try Reduction of Capital confirmation hearing	<b>9 December 2019</b>
Court Hearing and Galliford Try Capital Reduction confirmation hearing	<b>17 December 2019</b>
Listing hearing for New Galliford Try Shares	<b>27 December 2019</b>
Last day of dealings in, and for registration of transfers of, and disablement of CREST for, Ordinary Shares	<b>2 January 2020</b>
Scheme Record Time	<b>6.00 p.m. on 2 January 2020</b>
Effective Date of the Scheme and the Galliford Try Capital Reduction (New Topco becomes the holding company of Galliford Try)	<b>2 January 2020</b>
Expected date of Completion	<b>3 January 2020</b>
Cancellation of listing and trading of Galliford Try Shares	<b>8.00 a.m. on 3 January 2020</b>
Admission of the New Galliford Try Shares	<b>8.00 a.m. on 3 January 2020</b>
Admission of the Consideration Shares	<b>8.00 a.m. on 3 January 2020</b>
Crediting of New Galliford Try Shares to CREST accounts	<b>on or soon after 8.00 a.m. on 3 January 2020</b>
Crediting of Consideration Shares to CREST accounts	<b>on or soon after 8.00 a.m. on 3 January 2020</b>
Despatch of certificates for New Galliford Try Shares and Consideration Shares	<b>By 16 January 2020</b>

- 1 It is requested that BLUE Forms of Proxy for the Court Meeting be lodged at least 48 hours prior to the time appointed for the Court Meeting. BLUE Forms of Proxy not so lodged may be handed to the Chairman of the Court Meeting or Equiniti before the taking of the poll at the Court Meeting. Please see “Action to be taken” in paragraph 17 of Part I (Letter from the Chairman of Galliford Try plc) of this document.
- 2 WHITE Forms of Proxy for the General Meeting must be lodged at least 48 hours prior to the time appointed for the General Meeting. WHITE Forms of Proxy may NOT be handed to the Chairman of the General Meeting or Equiniti at the General Meeting. Please see “Action to be taken” in paragraph 17 of Part I (Letter from the Chairman of Galliford Try plc) of this document.

- 3 If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the day which is two days before the date set for such adjourned Meeting.
- 4 The General Meeting will commence at 10.15 a.m. on the day of the Court Meeting or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- 5 These times and dates are indicative only and may be subject to change by the Company, in which event details of the new times and dates will be notified to Shareholders by announcement through a Regulatory Information Service. All Scheme Shareholders whose names appear on the register at the Voting Record Time have the right to attend the Court Hearing.

## **ACTION TO BE TAKEN**

### **ENCLOSED DOCUMENTS**

Please check you have received the following with this document:

1. a BLUE Form of Proxy for use in respect of the Court Meeting;
2. a WHITE Form of Proxy for use in respect of the General Meeting; and
3. a reply paid envelope for use within the United Kingdom.

If you have not received all of these documents, please contact Equiniti on the helpline telephone number set out below.

### **INSTRUCTIONS ON THE ACTION TO BE TAKEN ARE SET OUT BELOW**

#### **THE COURT MEETING AND THE GENERAL MEETING**

The Scheme will require approval at a meeting of the Scheme Shareholders convened by order of the Court to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF at 10.00 a.m. on 29 November 2019. Implementation of the Scheme will also require the passing of the Reduction Resolution by Galliford Try Shareholders at the General Meeting to be held at the same place at 10.15 a.m. on 29 November 2019 (or as soon thereafter as the Court Meeting has concluded or been adjourned). Implementation of the Transaction will also require the passing of the Disposal Resolution by Galliford Try Shareholders at the General Meeting.

#### **TO VOTE ON THE TRANSACTION USING THE FORMS OF PROXY**

Whether or not you plan to attend the Meetings, you are requested to complete and sign:

1. the BLUE Form of Proxy; and
2. the WHITE Form of Proxy,

and return them BOTH to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received by the following times and dates:

**BLUE Forms of Proxy for the Court Meeting** **10.00 a.m. on 27 November 2019**

**WHITE Forms of Proxy for the General Meeting** **10.15 a.m. on 27 November 2019**

(or, in the case of an adjourned Meeting, not less than 48 hours prior to the time and date set for the adjourned Meeting).

Return of your completed Forms of Proxy will enable your votes to be counted at the Meetings in the event of your absence. If the BLUE Form of Proxy for use at the Court Meeting is not lodged by 10.00 a.m. on 27 November 2019, it may be handed to the Chairman of the Court Meeting or to Equiniti before the taking of the poll at the Court Meeting and will still be valid. If not lodged before the time set out above, the WHITE Form of Proxy for use at the General Meeting will be invalid.

Galliford Try Shareholders entitled to attend and vote at the Meetings may appoint a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and entering your voting ID, task ID and shareholder reference number shown on their Forms of Proxy. Full details of the procedure to be followed to appoint a proxy electronically are given on the website. Further information is also included in the instructions included on the Forms of Proxy.

Both Forms of Proxy and a reply paid envelope (for postage from within the UK) are enclosed.

Galliford Try Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Meetings or any adjournments thereof may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST must be received by Equiniti at least 48 hours before the time appointed for the relevant Meeting.

**IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF GALLIFORD TRY SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY ENCOURAGED TO SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT AN ELECTRONIC OR CREST PROXY AS SOON AS POSSIBLE.**

The completion and return of the Forms of Proxy or the submission of a proxy via CREST or the electronic appointment of a proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting, or any adjournment thereof, in person should you wish to do so and should you be so entitled.

### **Multiple proxy voting instructions**

As a registered Galliford Try Shareholder, you are entitled to appoint a proxy in respect of some or all of your Ordinary Shares. You are also entitled to appoint more than one proxy. A space has been included on the Forms of Proxy to allow you to specify the number of Ordinary Shares in respect of which that proxy is appointed. The principles applied to multiple proxy voting instructions are detailed below.

### **Principles applied to multiple proxy voting instructions**

If you wish to appoint more than one proxy in respect of your shareholding, you should photocopy the Forms of Proxy, as required. You may appoint more than one proxy in relation to each Meeting, provided that each proxy is appointed to exercise the rights attaching to a different Ordinary Share or Ordinary Shares held by you. The following principles will apply in relation to the appointment of multiple proxies:

1. Galliford Try will give effect to the intention of members and include votes wherever and to the fullest extent possible.
2. Where a proxy does not state the number of Ordinary Shares to which it applies (a “**blank proxy**”) then, subject to the following principles where more than one proxy is appointed, that proxy is deemed to have been appointed in relation to the total number of Ordinary Shares registered in the name of the appointing member (the “**member’s entire holding**”). In the event of a conflict between a blank proxy and a proxy which does state the number of Ordinary Shares to which it applies (a “**specific proxy**”), the specific proxy shall be counted first, regardless of the time it was delivered or received (on the basis that, as far as possible, the conflicting forms of proxy should be judged to be in respect of different Ordinary Shares) and the remaining Ordinary Shares will be apportioned to the blank proxy (*pro rata* if there is more than one).
3. Where there is more than one proxy appointed and the total number of Ordinary Shares in respect of which proxies are appointed is no greater than the member’s entire holding, it is assumed that proxies are appointed in relation to different Ordinary Shares, rather than that conflicting appointments have been made in relation to the same Ordinary Shares. That is, there is only assumed to be a conflict where the aggregate number of Ordinary Shares in respect of which proxies have been appointed exceeds the member’s entire holding.
4. When considering conflicting proxies, later proxies will prevail over earlier proxies and a later proxy will be determined on the basis of which proxy is last delivered or received.
5. If conflicting proxies are delivered or received at the same time in respect of (or deemed to be in respect of) an entire holding and if Galliford Try is unable to determine which was delivered or received last, none of them will be treated as valid.

6. Where the aggregate number of Ordinary Shares in respect of which proxies are appointed exceeds a member's entire holding, all appointments will be rendered invalid.
7. If a member appoints a proxy or proxies and then decides to attend the Court Meeting or the General Meeting in person and votes using his poll card (as applicable), then the vote in person will override the proxy vote(s). If the vote in person is in respect of the member's entire holding then all proxy votes will be disregarded. If, however, the member votes at the Meeting in respect of less than the member's entire holding then, if the member indicates on his poll card that all proxies are to be disregarded, that shall be the case; but if the member does not specifically revoke proxies, then the vote in person will be treated in the same way as if it were the last received proxy and earlier proxies will only be disregarded to the extent that to count them would result in the number of votes being cast exceeding the member's entire holding.
8. In relation to the preceding paragraph, in the event that a member does not specifically revoke proxies, it will not be possible for Galliford Try to determine the intentions of the member in this regard. However, in the light of the aim to include votes wherever and to the fullest extent possible, it will be assumed that earlier proxies should continue to apply to the fullest extent possible.

#### **HELPLINE**

**If you have any questions relating to the Meetings or the completion and return of the Forms of Proxy, please call Equiniti on 0371 384 2911 from within the UK or +44 121 415 0889 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or Transaction nor give any financial, legal or tax advice.**

## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS**

<b>Directors</b>	Peter Ventress ( <i>Chairman</i> ) Graham Prothero ( <i>Chief Executive</i> ) Andrew Duxbury ( <i>Finance Director</i> ) Terry Miller ( <i>Senior Independent Non-Executive Director</i> ) Gavin Slark ( <i>Non-Executive Director</i> ) Jeremy Townsend ( <i>Non-Executive Director</i> ) Marisa Cassoni ( <i>Non-Executive Director</i> )
<b>Group Company Secretary</b>	Kevin Corbett
<b>Registered office</b>	Cowley Business Park Cowley Uxbridge Middlesex UB8 2AL
<b>Lead financial adviser</b>	Rothschild & Co New Court St. Swithin's Lane London EC4N 8AL
<b>Financial advisers, joint sponsors and corporate brokers</b>	HSBC Bank plc 8 Canada Square London E14 5HQ  Peel Hunt LLP Moor House 120 London Wall London EC2Y 5ET
<b>Legal adviser to the Company (as to English law and US securities law)</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
<b>Legal adviser to the Company (as to Jersey law)</b>	Carey Olsen Jersey LLP 47 Esplanade Jersey JE1 0BD
<b>Legal adviser to the joint sponsors</b>	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ

**Reporting accountants**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

**Registrar**

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

## PART I

### LETTER FROM THE CHAIRMAN OF GALLIFORD TRY PLC

*(Incorporated and registered in England with registered number 00836539)*

*Directors:*

Peter Ventress  
Graham Prothero  
Andrew Duxbury  
Terry Miller  
Gavin Slark  
Jeremy Townsend  
Marisa Cassoni

*Registered Office:*

Cowley Business Park  
Cowley  
Uxbridge  
Middlesex  
UB8 2AL

8 November 2019

Dear Shareholder,

**Proposed disposal of the Linden Homes and Partnerships & Regeneration businesses of  
Galliford Try, including a group restructuring and  
Scheme of Arrangement under Part 26 of the Companies Act 2006**

#### **1. Introduction**

On 7 November 2019, the Board of Galliford Try plc (the “**Company**” or “**Galliford Try**”) announced that it had entered into an agreement with Bovis Homes PLC (“**Bovis Homes**”) and New Topco regarding a combination of Bovis Homes and Galliford Try’s Linden Homes and Partnerships & Regeneration (the “**Disposal Group**”) (the “**Transaction**”). The Transaction is subject to, inter alia, the approval of Galliford Try and Bovis Homes shareholders.

On the basis of the Bovis Homes closing share price on 9 September 2019, being the last Business Day prior to the announcement of the high-level terms of the Transaction, the Transaction values the Disposal Group at £1.075 billion.<sup>1</sup> The consideration will be satisfied through:

- i. the issue to Galliford Try Shareholders of 63,739,385 new Bovis Homes Shares (in aggregate) (the “**Consideration Shares**”), valued at £675 million on the basis of the closing price of a Bovis Homes Share on 9 September 2019 (which would equate to 0.57406 Bovis Homes Shares for each Galliford Try Share based on 111,032,617 of Galliford Try Shares in issue as at the Latest Practicable Date);
- ii. the payment by Bovis Homes of £300 million in cash to Galliford Try (adjusted based on the TGAV of the Disposal Group at Completion) (the “**Cash Consideration**”); and
- iii. the assumption by Bovis Homes of Galliford Try’s obligations under its £100 million 10-year debt private placement (the “**PP Bond**”).

<sup>1</sup> On the basis of the Bovis Homes closing share price on 6 November 2019, being the last Business Day prior to the announcement of the Transaction, the Transaction values the Consideration Shares at £741 million and the Disposal Group at £1.141 billion.

At Completion, Bovis Homes will also assume Galliford Try’s rights and obligations under two of Galliford Try’s pension schemes.

The Consideration Shares received by Galliford Try Shareholders will rank pari passu in all respects with existing Bovis Homes Shares, save that they will not be entitled to receive the Bovis Homes second interim dividend, which is expected to be declared in lieu of the Bovis Homes 2019 final dividend, for the year ending 31 December 2019.

On 7 November 2019, Bovis Homes issued 13,472,591 new Bovis Homes Shares (the “**Placing Shares**”) representing approximately 9.99 per cent. of Bovis Homes’s existing issued share capital pursuant to a placing with institutional investors (the “**Bovis Homes Placing**”), raising gross proceeds of approximately

£152.2 million. Bovis Homes proposes to use the net proceeds of the Placing and funds to be drawn down at Completion from its new debt financing to fund the Cash Consideration.

Bovis Homes and Galliford Try have agreed that conditional upon Completion, rather than pay the expected special dividend of £60 million, Bovis Homes will return value to shareholders by way of a bonus issue (the “**Bovis Homes Bonus Issue**”) settled at Completion through the issue of 5,665,723 Bovis Homes Shares to Bovis Homes Shareholders on the Bovis Homes register of members as at 6.00 p.m. on 2 January 2020. This will include holders of the Placing Shares but exclude recipients of the Consideration Shares. On the basis of the Bovis Homes closing share price on the Latest Practicable Date the Bovis Homes Bonus Issue would be for an amount of approximately £65 million.

As a result, following Completion, and taking into account the issue of new Bovis Homes Shares under the Placing and the Bovis Homes Bonus Issue, Galliford Try Shareholders are expected to own in aggregate approximately 29.3 per cent. of the Enlarged Bovis Homes Group.

Up to 2,056,812 additional Galliford Try Shares may be issued prior to Completion based on the vesting and/or exercise of outstanding share awards under Galliford Try’s current LTIP and Sharesave. If all such awards were to vest and/or be exercised, and on the basis of 63,739,385 Consideration Shares, Galliford Try Shareholders would be issued approximately 0.56362 Bovis Homes Shares per Galliford Try Share, 755,960 conditional awards granted under the LTIP are currently outstanding, the entitlement to which is subject to certain performance hurdles, and 1,300,852 Galliford Try Shares are subject to outstanding Sharesave options, exercisable at prices in the range of £8.23 to £12.3441. This compares to £7.26, being the closing price of a Galliford Try Share on the Latest Practicable Date.

The Board and the Bovis Homes Board believe that, following Completion, the combination of Bovis Homes and the Disposal Group will create one of the UK’s leading housebuilding businesses with enhanced scale to compete more effectively in the UK private and affordable housebuilding markets. With a complementary geographical footprint and strategic land bank, the Bovis Homes Board believes that the Transaction will generate recurring operational and procurement run-rate pre-tax cost synergies of at least £35 million per annum in the Enlarged Bovis Homes Group.

The Board believes that the Transaction will also result in Galliford Try becoming a well-capitalised construction-focused group, benefiting from the recent operational restructuring which refocused the business to deliver improved future performance. The business’ strengths in UK building and infrastructure, particularly in the highways and water sectors, along with the spread of work for both public and private clients, provide a strong foundation for Galliford Try’s future as an independent construction-focused group, owned entirely by Galliford Try Shareholders.

The Board therefore believes that the Transaction will result in Galliford Try Shareholders having investments in two distinct, focused and well-financed businesses. The respective management teams will be able to focus better on each business’s specific requirements and the separate businesses should be well positioned to attract sector specific investor interest.

Due to the size of the Transaction in relation to the size of Galliford Try, the Transaction constitutes a Class 1 disposal for the Company under the Listing Rules and is, therefore, conditional upon the approval of Galliford Try Shareholders. Completion of the Transaction is expected to occur on 3 January 2020.

The purpose of this document is to provide you with information on the Transaction and to explain why the Board considers the Transaction to be in the best interests of the Company and the Galliford Try Shareholders as a whole and recommends that Galliford Try Shareholders vote in favour of (a) the resolution to be proposed at the Court Meeting; and (b) the General Meeting Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their aggregate shareholdings in the Company representing approximately 0.1 per cent. of the total voting rights in the Company as at the Latest Practicable Date.

Shareholders should read the whole of this document and not only rely on the summarised information set out in this letter. Shareholders will find definitions for capitalised terms used in this letter and the rest of this document in Part XIV (Definitions) of this document.

## 2. Background to and reasons for the Transaction

On 4 April 2019, Bovis Homes approached Galliford Try with an initial proposal to combine the Disposal Group with Bovis Homes. Following further discussions, Bovis Homes made a revised proposal which the Galliford Try Board rejected publicly on 28 May 2019 as it did not believe that the proposal fully reflected the value of the Disposal Group and the need to ensure that the remaining Galliford Try Construction business had a viable capital structure.

Following further engagement, the Board announced on 10 September 2019 that it had agreed high-level terms with Bovis Homes with respect to the Transaction, which it believes to be in the best interests of Galliford Try Shareholders and other stakeholders as a whole for the following principal reasons:

- the Transaction allows Galliford Try to realise an appropriate premium for the Disposal Group;
- with a complementary geographical footprint and strategic land bank, the Transaction will create one of the UK's leading housebuilding and partnerships businesses from which Galliford Try Shareholders will benefit through a 29.3 per cent. holding in the Enlarged Bovis Homes Group;
- Bovis Homes expects to generate significant recurring run-rate pre-tax operational and procurement cost synergies of at least £35 million per year, which will provide additional value creation for Galliford Try Shareholders through their holding in the Enlarged Bovis Homes Group. Please refer to paragraph 10 below for further details; and
- the Cash Consideration and the assumption by Bovis Homes of Galliford Try's obligations under the £100 million PP Bond means that Galliford Try will be a well-capitalised, UK construction-focused group, strongly positioned for future growth following the recent restructuring and focus on its core operations. The Continuing Group will be supported by a robust order book and £41.6 million of PPP assets (Directors' valuation as at 30 June 2019).

## 3. Information on the Disposal Group

### *Linden Homes*

Linden Homes develops high-quality private and affordable housing in prime locations with a commitment to providing excellent customer service, primarily for first-time buyers and families. It has 10 divisions with a strong presence in the South and East of England and a growing presence in other regions of the UK. Linden Homes acquires prime sites with good transport links and local amenities, where it can create communities that people aspire to live in.

For the financial year ended 30 June 2019, Linden Homes completed 3,229 units, of which 2,227 were private housing and 1,002 were affordable housing, with an average selling price of £284,000. At 9 September 2019, Linden Homes had a land bank of 12,600 plots representing around 3.5 years' supply, with an average gross margin of 24.4 per cent., and a strategic land portfolio comprising 2,850 acres, sufficient to generate 13,240 plots.

As at 30 June 2019, the gross assets of Linden Homes were £1,244.4 million. Linden Homes' operating profit (including share of joint ventures' profit before interest and tax, but excluding amortisation) for the year ended 30 June 2019 was £160.5 million.

The table below summarises the results of Linden Homes for the three years ended 30 June 2017, 30 June 2018 and 30 June 2019.

	<i>Year ended 30 June 2017 £m</i>	<i>Year ended 30 June 2018 £m</i>	<i>Year ended 30 June 2019 £m</i>
Group revenue and share of joint ventures' revenue excluding part exchange revenue	937.4	947.3	820.4
Profit from operations including share of joint ventures' profit	170.3	184.4	160.5

### ***Partnerships & Regeneration***

Partnerships & Regeneration is Galliford Try's specialist affordable housing and regeneration business. Partnerships & Regeneration delivers mixed-tenure solutions working with housing associations, local authority and private sector partners, combining contracting, land-led contracting and mixed-tenure development with a proven track record of delivery and quality. During the financial year ended 30 June 2019, Partnerships & Regeneration completed 1,178 units at an average selling price of £217,000. Notable current projects include partnerships with:

- Homes England to deliver 885 homes across the UK under the Delivery Partner Panel;
- Enfield Council to build the first 725 homes at the £6.0 billion Meridian Water development in the Lea Valley; and
- Ealing Council to create a new mixed-use scheme, including 470 homes.

As at 30 June 2019, the gross assets of Partnerships & Regeneration were £412.5 million. Partnerships & Regeneration's operating profit (including share of joint ventures' profit before interest and tax, but excluding amortisation) for the year ended 30 June 2019 was £34.8 million.

The table below summarises the results of Partnerships & Regeneration for the three years ended 30 June 2017, 30 June 2018 and 30 June 2019.

	<i>Year ended 30 June 2017 £m</i>	<i>Year ended 30 June 2018 £m</i>	<i>Year ended 30 June 2019 £m</i>
Group revenue and share of joint ventures' revenue excluding part exchange revenue	330.2	475.2	623.2
Profit from operations including share of joint ventures' profit	14.9	23.6	34.8

A detailed summary of the trading results of the Disposal Group (comprising Linden Homes and Partnerships & Regeneration) for the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019, together with a net asset statement of the Disposal Group as at 30 June 2019 is set out in Part V (Historical financial information relating to the Disposal Group) of this document.

The financial information in this paragraph 3 has been extracted without material adjustment from the financial information contained in the annual reports of the Company for the years ended 30 June 2017, 30 June 2018 and 30 June 2019 and Part V (Historical financial information relating to the Disposal Group) of this document. Shareholders should read the whole of this document and not just rely on the summarised financial information set out in Part I (Letter from the Chairman of Galliford Try plc) of this document.

#### **4. Summary of the principal terms of the Transaction**

The Transaction will be undertaken pursuant to the terms of the Sale and Purchase Agreement and related agreements. A summary of the principal terms and conditions of the Sale and Purchase Agreement is set out in Part III (Summary of the principal terms of the Transaction Documents).

In order to implement the Transaction, it will be necessary for the Group to carry out the Restructuring (including the Scheme) in order to enable Galliford Try Shareholders to receive the benefit of the Transaction in a tax efficient manner whilst simultaneously ensuring that Galliford Try receives the relevant cash proceeds to support the Continuing Group after Completion. The material steps of the Restructuring are summarised below, and are described in further detail at paragraphs 1 to 3 of the Explanatory Statement set out in Part VII (Explanatory Statement for the Scheme). Please also see Part VIII (The Scheme) for further information with respect to the Scheme.

### ***Restructuring***

A new Jersey registered company ("**New Topco**") has been incorporated, which will hold the entire issued share capital of Galliford Try. The insertion of New Topco will be effected by way of the Scheme. Under the

terms of the Scheme, all existing Galliford Try Shares will be cancelled and Galliford Try Shareholders will receive one New Topco A Share for every Galliford Try Share that they hold.

Upon the Scheme becoming Effective, Galliford Try will transfer Linden Homes to New Topco such that Linden Homes becomes a subsidiary of New Topco. Galliford Try will retain the Linden Homes Special Share, which has been newly issued by Linden Homes, in order to facilitate the payment of the post-Completion TGAV adjustment described below.

New Topco will undertake a bonus issue of shares to Galliford Try Shareholders such that each Galliford Try Shareholder will receive one New Topco B Share for each New Topco A Share that they hold. The New Topco B Shares are to be issued to facilitate the Demerger of the Continuing Group, as described in the paragraph immediately below. The New Topco A Shares will carry an entitlement to the returns in New Topco attributable to Linden Homes. The New Topco B Shares will carry an entitlement to the returns attributable to the Continuing Group and Partnerships & Regeneration.

New Topco will then undertake a reduction of capital pursuant to which each of the New Topco B Shares will be cancelled. The reduction of capital will be satisfied by the transfer of the entire issued share capital of Galliford Try (including Partnerships & Regeneration and Construction) to New Galliford Try. New Galliford Try is a company which has been incorporated for the purposes of holding the Continuing Group after Completion and which will, following completion of the Transaction, be owned entirely by Galliford Try Shareholders. In exchange for the shares in Galliford Try, New Galliford Try will issue New Galliford Try Shares to Galliford Try Shareholders on the basis of one New Galliford Try Share for every New Topco B Share held by that Galliford Try Shareholder. Application will be made for the entire issued share capital of New Galliford Try to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange's main market for listed securities with effect from 8.00 a.m. on 3 January 2020.

### ***Sale of the Disposal Group***

Bovis Homes will acquire all of the shares in New Topco (being the New Topco A Shares following cancellation of the New Topco B Shares) from Galliford Try Shareholders in exchange for the issue of the Consideration Shares, pursuant to the mandatory transfer provisions in the New Topco Articles. Galliford Try Shareholders will receive their pro rata proportion of Consideration Shares based on their holding of New Topco A Shares (which will be equal to their pro rata holding of Galliford Try Shares immediately before the Scheme becomes Effective). Bovis Homes will then acquire Partnerships & Regeneration in consideration for the payment of the Cash Consideration to Galliford Try and the assumption by Bovis Homes of Galliford Try's obligations under the £100 million PP Bond.

The Sale and Purchase Agreement contains a customary post-Completion adjustment mechanism that is based on the TGAV of Linden Homes and Partnerships & Regeneration on the date of Completion. The price payable by Bovis Homes for the Linden Homes Special Share will be determined by reference to the TGAV of Linden Homes as determined pursuant to that adjustment.

### ***Transfer of the Group's pension schemes***

At Completion, Bovis Homes will also assume Galliford Try's rights and obligations under two of Galliford Try's pension schemes, being the Galliford Try Final Salary Pension Scheme and the Galliford Try (Holdings) Limited Pension & Assurance Scheme. The schemes have combined membership of approximately 2,059 individuals and have combined assets of approximately £244.8 million. The remaining pension scheme, being the Galliford Try Special Scheme, will remain with Galliford Try. The Galliford Try Special Scheme currently only has five members and is in the process of being wound up. Further information regarding the transfer of the pension schemes is set out in paragraph 6 of Part VII (Explanatory Statement for the Scheme) of this document.

### ***Timing***

Subject to the satisfaction or waiver (where capable of waiver) of all applicable conditions under the Sale and Purchase Agreement (including the Conditions), each of the steps of the Restructuring (including the Scheme) is expected to be implemented and to become effective after the close of trading on the London

Stock Exchange on 2 January 2020. Completion of the Transaction pursuant to the Sale and Purchase Agreement and Admission of the New Galliford Try Shares and the Consideration Shares, respectively, is expected to occur not later than 8.00 a.m. on 3 January 2020.

### ***New Galliford Try Shares***

New Galliford Try will publish a prospectus in relation to the Admission of the New Galliford Try Shares on or around 25 November 2019. Application will be made to the FCA for the New Galliford Try Shares to be admitted to the premium listing segment of the Official List, and to the London Stock Exchange's main market for listed securities. It is currently expected that Admission of the New Galliford Try Shares will become effective at 8.00 a.m. on 3 January 2020. For more information on New Galliford Try and the New Galliford Try Shares, please see Part IV (Information on New Galliford Try and the New Galliford Try Shares) of this document.

### ***Consideration Shares***

Bovis Homes has published a prospectus in relation to the Admission of the Consideration Shares on 7 November 2019 and the Board has been informed that application will be made to the FCA for the Consideration Shares to be admitted to the premium listing segment of the Official List, and to the London Stock Exchange's main market for listed securities. It is currently expected that Admission of the Consideration Shares will become effective at 8.00 a.m. on 3 January 2020. For more information on Bovis Homes and the Enlarged Bovis Homes Group, please see Part XI (Information on Bovis Homes) of this document.

## **5. Impact of the Transaction on Shareholders**

Upon Completion, Galliford Try Shareholders will hold the entire issued share capital of New Galliford Try in the same proportions that they hold their Ordinary Shares as at the Scheme Record Time. In addition, Galliford Try Shareholders will also receive the Consideration Shares on a pro rata basis by reference to their holdings of Ordinary Shares as at the Scheme Record Time.

## **6. Galliford Try Shareholder approvals**

The Transaction is conditional, among other things, upon the approval of the Scheme Shareholders at the Court Meeting and the Galliford Try Shareholders at the General Meeting. Notices convening both the Court Meeting and the General Meeting to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place, 78 Cannon Street, London EC4N 6AF are set out on pages 101 to 104 and pages 105 to 113 of this document, respectively. At the Court Meeting, the Scheme Shareholders will be asked to consider and, if thought fit, approve the Scheme. At the General Meeting, the General Meeting Resolutions will be proposed to approve resolutions required to implement the Transaction and to adopt the New Galliford Try LTIP.

## **7. Taxation**

Please see Part X (Tax in relation to the Scheme) for further information.

## **8. Use of proceeds and financial effects of the Transaction on the Continuing Group**

The cash proceeds arising from the Transaction are expected to be approximately £300 million (adjusted based on the TGAV of the Disposal Group at Completion with up to £25 million of this adjustment amount deferred to April 2020). There will also be an assumption by Bovis Homes of Galliford Try's obligations under the £100 million PP Bond. The combination of the net cash proceeds and the assumption of obligations by Bovis Homes under the PP Bond will result in the Continuing Group having a well-capitalised balance sheet by reducing indebtedness and providing a net cash position upon Completion. The Directors intend that the net cash proceeds of the Transaction will be used to prepay and cancel the outstanding amount under the RCF as well as to finance the ongoing working capital requirements of the Continuing Group.

### ***Financial effects of the Transaction on the Continuing Group***

In the financial year ended 30 June 2019, the Disposal Group contributed revenue of £1.44 billion, approximately half of Galliford Try's total revenue. Construction contributed revenue of approximately £1.42 billion to Galliford Try.

In the financial year ended 30 June 2019, Galliford Try generated pre-exceptional operating profits (including share of joint ventures' profit) of approximately £177 million. The Disposal Group contributed pre-exceptional operating profits (including share of joint ventures' profit) of approximately £195 million. Construction contributed a pre-exceptional operating loss (including share of joint ventures' profit) of approximately £18 million, reflecting £33 million of write downs taken on a number of contracts following the strategic review of the Construction business undertaken in the year.

The effects of the Transaction upon the profitability and net assets of Galliford Try are set out in Part VI (Unaudited pro forma financial information of the Continuing Group) of this document.

## **9. Information on the Continuing Group**

Following Completion, Galliford Try will be a well-capitalised, UK construction-focused group delivering building and infrastructure projects for clients in the public, private and regulated sectors across the UK focusing on building, transportation, water and environmental under the Galliford Try and Morrison Construction brands. The Construction business is organised into the Building, Infrastructure and PPP Investment divisions. During the financial year ended 30 June 2019, both the Building and Infrastructure divisions were successful at winning new work and were appointed to contracts and frameworks worth over £580 million and £497 million, respectively.

In April 2019, the Company announced a strategic review of the Construction business that would reduce the size of the business, focusing on its key strengths in markets and sectors with sustainable prospects for profitability and growth. In response to the conclusions of that strategic review, Construction has increased its operational focus and simplified its structure. It is now concentrating on markets and clients with long-term growth and profitability potential, such as its regional building, highways and water operations, where it has a track record of success, supported by a robust tendering process and contract discipline. The review included an assessment of operational progress and contract positions throughout the Construction business. As at 30 June 2019, the order book for the Construction business stood at £2.9 billion. Of this, 79 per cent. is in the public sector, 16 per cent. is in the private sector and 5 per cent. is in regulated industries.

Following Completion, the Board expects Galliford Try to be well positioned in markets with significant opportunity and to deliver on clear and identified operational upside potential. The Board believes the Continuing Group will:

- be focused on markets where it has a track record of success with significant growth potential, underpinned by major long-term, planned critical public sector, infrastructure and regulatory spend, as demonstrated by:
  - the 2016 National Infrastructure Delivery Plan which sets out a five-year £100 billion investment programme; and
  - continued cross-party political commitment to investing in the UK's public services and infrastructure;
- be focused on long-term client relationships, with frameworks representing 79 per cent. of the current £2.9 billion order book demonstrating the high visibility of future revenues, with 88 per cent. of financial year 2020 revenues already secured;
- have a highly disciplined approach to risk management in contract bidding (having already ceased bidding on fixed-price all-risk major infrastructure projects in 2016), contract delivery and health & safety, which is embedded in the business from the bottom up and fundamental to its culture;

- have a highly experienced senior management team focused on optimising:
  - the operational performance of the Construction business, benefitting from its national scale with local delivery and its highly skilled workforce; and
  - the growth, margin and cash flow potential of the business – through improved contract discipline the Continuing Group will target an operating profit margin of over 2 per cent. in the medium term;
- have a strong balance sheet, with a significant net cash position and no significant liabilities in relation to defined benefit pension schemes, which will allow Galliford Try to:
  - demonstrate the Continuing Group’s financial capacity, stability and security, providing a competitive advantage in a sector where customers and suppliers are increasingly scrutinising their partners’ balance sheet positions;
  - take full advantage of business growth opportunities through the investment required in bid costs and innovation and technology necessary to enhance the service offering in ways increasingly demanded by customers; and
  - provide flexibility to make selected in-fill acquisitions to complement the Continuing Group’s existing capabilities as opportunities arise; and
- benefit fully from any future cash receipts from the realisation of its portfolio (£41.6 million of PPP assets (Directors’ valuation as at 30 June 2019)) and the settlement of major claims, including the Aberdeen Western Peripheral Route claim.

### ***Capital allocation framework***

Following Completion, Galliford Try’s focus on construction will remove the competition for capital which has existed under the Group’s historical mixed business model. The Board recognises the importance of capital discipline, and following Completion, and recognising its construction focus, Galliford Try will adopt the following capital allocation framework:

- *Organic growth investments*  
The Board will prioritise investment in optimising organic growth opportunities, where contract risk is appropriate to returns and consistent with the operational expertise of the business.
- *Regular returns to shareholders*  
The Board recognises the importance of regular semi-annual dividends to Galliford Try Shareholders in line with its stated dividend policy. Please refer to paragraph 13 below for further details.
- *Acquisitions*  
The Board believes Galliford Try has a well-defined and disciplined approach to evaluating any potential acquisitions. The Board may explore value enhancing acquisition opportunities consistent with its strategic priorities, appropriate to its disciplined risk framework and which complement its existing capabilities.
- *Return of capital*  
In accordance with its capital allocation priorities, the Board believes it is appropriate to maintain a strong and flexible balance sheet, typically maintaining a positive average Group net cash position. Whilst the Board will necessarily take a conservative approach to balance sheet strength, where the Board believes it has capital in excess of the Group’s medium-term requirements, it will consider returning such excess capital to Galliford Try Shareholders.

The table below summarises the results of Construction (including the ‘Central’ segment) for the three years ended 30 June 2017, 30 June 2018 and 30 June 2019:

	<i>Year ended 30 June 2017 £m</i>	<i>Year ended 30 June 2018 £m</i>	<i>Year ended 30 June 2019 £m</i>
Group revenue and share of joint ventures’ revenue excluding part exchange revenue	1,552.5	1,709.8	1,418.9
Pre-exceptional (loss)/profit from operations including share of joint ventures’ profit	(14.0)	5.1	(17.5)
Post-exceptional (loss) from operations including share of joint ventures’ profit	(103.0)	(40.1)	(68.5)

As at 30 June 2019, the Directors’ valuation of the PPP portfolio was £41.6 million.

Financial information prepared on a pro forma basis for the Continuing Group is included in Part VI (Unaudited pro forma financial information of the Continuing Group) of this document.

## **10. Information on Bovis Homes and the Enlarged Bovis Homes Group**

Bovis Homes is a FTSE 250 listed UK house builder of high-quality, traditional homes, ranging from two-bed starter properties through to large five-bed family homes, with the design and construction blending tradition with innovation, and creating quality dwellings and developments with contemporary living standards. For the year ended 31 December 2018, the Bovis Homes group completed 3,759 homes and reported a revenue of approximately £1.06 billion and operating profit of approximately £174 million. Bovis Homes is listed on the London Stock Exchange with a market capitalisation of approximately £1.6 billion as of the Latest Practicable Date.

### ***The Enlarged Bovis Homes Group***

In the period leading up to Completion, Bovis Homes and Galliford Try will work together to develop a detailed integration plan. It is expected that the Enlarged Bovis Homes Group will assume a new corporate name. This corporate name will be used for both the Enlarged Bovis Homes Group’s housebuilding and partnerships businesses. The Enlarged Bovis Homes Group’s housebuilding business will operate with both the Bovis Homes and Linden Homes brands, maximising the opportunities from dual-branding. Each of the housebuilding operating regions will develop both Bovis Homes and Linden Homes units. The Enlarged Bovis Homes Group’s partnerships business will use the Bovis Homes and Linden Homes brands alongside its own Drew Smith brand in the South of England, for its mixed tenure development.

The directors of Bovis Homes expect that the Transaction to result in estimated recurring run-rate pre-tax cost synergies of at least £35 million per annum by the end of the second full financial year following Completion of which the in-year EBIT impact for the first full financial year following Completion is estimated to be approximately £12 million. The Bovis Homes Board believes that the Transaction represents a significant opportunity to deliver potential cost synergies across the following areas:

- streamlining the regional and divisional operating models of the combined business (approximately 55 per cent. of the estimated recurring run-rate pre-tax cost synergies); and
- procurement-related synergies (approximately 45 per cent. of the estimated recurring run-rate pre-tax cost synergies).

Bovis Homes expects that approximately three quarters of the annual recurring run-rate pre-tax cost synergies will be realised by the end of the first 12-month period following Completion.

Bovis Homes expects that the realisation of these cost synergies will require one-off implementation costs of approximately £35 million. These are expected to be phased across a two year period following Completion. Detailed integration planning will take place after Completion at which time restructuring and redundancy proposals will be subject to engagement with relevant stakeholders (including consultation with employee representative bodies where required by law).

Bovis Homes believes that synergies will accrue from overhead savings, procurement savings and geographic overlap. Bovis Homes has considered dis-synergies as a result of the Transaction and does not believe that there are any material dis-synergies.

### ***Basis of belief***

In developing the synergy benefits, the Bovis Homes Board has undertaken a rigorous process covering the following steps:

- the Bovis Homes Board has worked to evaluate and assess the potential synergies available from the Transaction.
- the assessment and quantification of the potential synergies has been informed by the Bovis Homes Board's extensive industry experience, knowledge of Bovis Homes and the Disposal Group, as well as information gathered during the due diligence process in respect of the Disposal Group.
- the cost synergies have been assessed relative to the pre-Transaction cost base of the carved out Disposal Group for the year ended 30 June 2019 and of the Bovis Homes Group for the last twelve month period ended 30 June 2019. Bovis Homes has sought to normalise costs to reflect a more typical cost position, including adjusting overhead costs to reflect current forecast unit volumes and normalised staff costs.
- key assumptions have been discussed with the Disposal Group's operational management team.

The cost synergies indicated above are contingent on Completion and could not be achieved independently of the Transaction. Bovis Homes confirms that the cost synergies reflect both beneficial elements and relevant costs associated with achieving these cost synergies.

Further information on Bovis Homes is set out in Part XI (Information on Bovis Homes) of this document.

Further information on Bovis Homes, the Enlarged Bovis Homes Group and the Consideration Shares will be published in the Bovis Homes Prospectus, which is expected to be made available on or around 8 November 2019 on Bovis Homes' website at [www.bovishomesgroup.co.uk](http://www.bovishomesgroup.co.uk) and for information purposes via the Company's website at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).

## **11. Current trading, trends, financial position and future prospects of the Group**

On 11 September 2019, the Company announced its annual results for the year ended 30 June 2019. The results statement included the following summary of the significant trends in the financial performance of the Group for this period:

*"We continue to make great progress in Linden Homes, focusing on the benefits of standardising our range and rationalising process. We are building homes more cost effectively while delivering well-designed, high quality units which meet our customers' needs, as reflected in our improving satisfaction scores. We continue to head towards our target of 80% of completions being Linden Collection.*

*Partnerships & Regeneration has continued its excellent performance with both revenue growth and margin expansion, as we increase our delivery of affordable new homes. The acquisition of Strategic Team Group in Yorkshire accelerates our strategy of targeting growth in key regions around the country. We continue to see strong demand across the regions, and we are well placed to respond to this, working alongside Housing Associations, local authorities and other partners.*

*Construction's result for the year has been impacted by challenges with both legacy and some current projects and by the restructure, which is now complete. The business continues to see good demand in its Building and Infrastructure divisions and is focusing on disciplined growth across its core sectors of building, water and highways, which we believe will deliver improved margins".*

Since 11 September 2019 there has continued to be political and macroeconomic uncertainty affecting the markets in which Galliford Try's businesses operate, particularly Linden Homes and Construction. The Board remains confident in achieving the Group's full year expectations, but anticipates that the result will be more weighted towards the second half year than in previous years. Galliford Try is continuing its

negotiations with Transport Scotland in relation to the Aberdeen Western Peripheral Route claim, and separately its £54 million claim for three contracts with a single client remains ongoing. As noted in paragraph 14 of Part XII (Additional Information) of this document, the FRC is currently reviewing certain aspects of the Group's accounting treatment, including in relation to third-party claims.

As set out in paragraph 13 of Part XII (Additional Information), there has been no significant change to the financial performance or financial position of the Group since 30 June 2019.

## **12. Effect of the Transaction on the Share Plans**

Participants in the Share Plans will receive further details of the effect of the Transaction on their outstanding options and awards in separate letters which will be despatched to them in due course.

## **13. Dividends**

The Board recognises the importance of regular semi-annual dividends to Galliford Try Shareholders. Following Completion, New Galliford Try will target a dividend cover of around three times underlying earnings, provided that such dividend is at least covered by free cash flow generated in the period given the importance to New Galliford Try of maintaining a strong capital base going forward. The first dividend paid under this policy will be declared with the interim results for New Galliford Try for the half year ending 31 December 2019, with the dividend based on underlying earnings excluding the contribution of the Disposal Group in the period.

The Consideration Shares received by Galliford Try Shareholders will rank *pari passu* in all respects with existing ordinary Bovis Homes Shares, save that they will not be entitled to receive the Bovis Homes second interim dividend, which is expected to be declared in lieu of the Bovis Homes 2019 final dividend for the year ending 31 December 2019.

Galliford Try Shareholders on the register at 8 November 2019 remain entitled to receive the final dividend of 35.0 pence per share for the year ended 30 June 2019, as announced by Galliford Try on 11 September 2019.

## **14. Board of New Galliford Try**

Graham Prothero, Chief Executive, intends to step down from Galliford Try on Completion and will become Chief Operating Officer of Bovis Homes. With effect from Completion, Bill Hocking, currently Chief Executive of Construction, will be appointed Chief Executive of the Continuing Group. Bill Hocking has been Chief Executive of Construction since 1 August 2016.

## **15. Risk factors and further information**

For a discussion of the risks and uncertainties which you should take into account when considering to vote in favour of the Disposal Resolution, please refer to the risk factors set out in Part II (Risk factors) of this document.

Your attention is drawn to the Explanatory Statement set out in Part VII (Explanatory Statement for the Scheme) of this document and to the full Scheme set out in Part VIII (The Scheme) of this document.

You should read the whole of this document and not just rely on the summarised information in this letter and the Explanatory Statement contained in Part VII (Explanatory Statement for the Scheme).

## **16. Mandates and communication preferences**

Under the terms of the Scheme, all mandates and other instructions, including communication preferences given to Galliford Try by Galliford Try Shareholders and in force at the Scheme Record Time shall, unless and until revoked, be deemed as from the Effective Date to be valid and effective mandates or instructions to (a) New Galliford Try in relation to the New Galliford Try Shares; and (b) Bovis Homes in relation to the Consideration Shares (except to the extent that a Galliford Try Shareholder already holds ordinary shares in Bovis Homes at the Scheme Record Time (and Computershare is able to match such holdings), in which case any mandates and instructions in relation to those existing ordinary shares in Bovis Homes will also apply to the Consideration Shares received by that Galliford Try Shareholder under the terms of the Scheme). If

you do not wish any mandates and other instructions, including communications preferences that you have given to Galliford Try, to apply to your New Galliford Try Shares or Consideration Shares, please contact Equiniti on the shareholder helpline before the Scheme Record Time to amend or withdraw such mandates or instructions.

## **17. Action to be taken**

Shareholders will find enclosed with this document a BLUE Form of Proxy for use at the Court Meeting and a WHITE Form of Proxy for use at the General Meeting.

Whether or not you intend to attend the Meetings in person, to be valid, you are requested to submit your vote electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk), so as to be received no later than 10.00 a.m. on 27 November 2019 in the case of the Court Meeting and 10.15 a.m. in the case of the General Meeting (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If the BLUE Form of Proxy for use at the Court Meeting is not returned by the above time, it may be handed to a representative of Equiniti at the venue of the Court Meeting or the Chairman of the Court Meeting before the start of the Court Meeting. However, in the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time mentioned above, it will be invalid.

If you hold Ordinary Shares in CREST, you may appoint a proxy for the General Meeting by completing and transmitting a CREST Proxy Instruction to Equiniti (CREST ID RA19), so that it is received by no later than 10.15 a.m. on 27 November 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

The completion and return of a Form of Proxy will not prevent Shareholders from attending and voting in person at either the Court Meeting or the General Meeting, or any adjournment thereof, if you so wish and are so entitled.

In the event that you do require a hard copy of the Forms of Proxy you will be able to request this from Equiniti, by calling them on 0371 384 2911, or, if you are calling from overseas, on +44 121 415 0889. Lines are open from 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales).

## **18. Financial advice**

The Board has received financial advice from Rothschild & Co, HSBC and Peel Hunt in relation to the proposed sale of the Disposal Group (excluding for the avoidance of doubt the Restructuring). In providing their advice to the Board, Rothschild & Co, HSBC and Peel Hunt have relied upon the Board's commercial assessment of the proposed sale of the Disposal Group.

## **19. Recommendation to Shareholders**

The Board considers the Transaction to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that all Galliford Try Shareholders vote in favour of the Scheme at the Court Meeting and the General Meeting Resolutions to be proposed at the General Meeting. Since on Completion Graham Prothero will join the Bovis Homes Board he has not participated in the Board's decision to approve the Transaction or recommend that Galliford Try Shareholders vote in favour of it.

The Directors who hold interests in the Ordinary Shares intend to vote in favour of the Scheme at the Court Meeting and the General Meeting Resolutions at the General Meeting in respect of their respective individual beneficial holdings of Ordinary Shares, being in aggregate 112,976 Ordinary Shares, representing approximately 0.1 per cent., of the total voting rights in the Company as the Latest Practicable Date.

Yours faithfully,

**Peter Ventress**  
*Chairman*  
Galliford Try plc

## PART II

### RISK FACTORS

*You should carefully consider the risks and uncertainties described below, together with all other information in this document.*

*The risk factors in this document set out the necessary disclosure in accordance with the Listing Rules, and do not seek to cover all of the material risks which generally affect the Group. Further information on the material risks which generally affect the Group are set out in the Company's 2019 Annual Report.*

*The risks described below represent those known to the Directors as at the date of this document which the Directors consider to be material risks relating to the Transaction, as well as material risks to the Continuing Group which result from or will be impacted by the Transaction. However, these risks and uncertainties are not the only ones facing the Group or which, following Completion, the Continuing Group will face. Additional risks and uncertainties that do not currently exist or that are not currently known to the Directors, or that the Directors currently consider to be immaterial, or which the Directors consider to be material but which are not related to or will not be impacted by the Transaction, could also have a material adverse effect on the business, financial condition, results of operations, or prospects of the Group or, following Completion, the Continuing Group.*

*If any or a combination of these risks actually occurs, the business, financial condition, results of operations or prospects of the Group or, following Completion, the Continuing Group could be materially and adversely affected. In such case, the price of Ordinary Shares could decline and you may lose all or part of your investment.*

*The information given is as at the date of this document and, except as requested by the FCA or required by the Listing Rules or any other applicable law, will not be updated. Any forward-looking statements are made subject to the reservations specified under "Forward-looking statements" at the beginning of this document.*

#### **1. RISKS RELATING TO THE TRANSACTION**

##### **1.1 *Pre-closing changes in the Disposal Group***

During the period from signing of the Sale and Purchase Agreement to Completion, events or developments may occur, including changes in trading, operations or outlook of the Continuing Group or the Disposal Group, or external market factors, which could make the terms of the Sale and Purchase Agreement less attractive for the Company. The Company would be obliged to complete the Transaction notwithstanding such events or developments. This may have an adverse effect on the Continuing Group's business, financial condition and results of operations.

##### **1.2 *Complexity of separation***

The process of separating the Disposal Group from the Continuing Group involves the separation of a number of business systems. The Company will enter into a Transitional Services Agreement with Bovis Homes pursuant to which the Company has agreed to provide or procure the provision of certain services relating to the Disposal Group for a period following Completion in exchange for a fee, while this separation is taking place. The Continuing Group could incur unexpected material additional costs and/or adverse impacts on the functioning of its business as a result of the separation process and/or fulfilment of its obligations under the Transitional Services Agreement, which could have an adverse impact on the Continuing Group's financial condition and results of operation. The Continuing Group may not be able to eliminate all or any of the costs allocated to the Disposal Group.

##### **1.3 *The Continuing Group could have significant obligations to Bovis Homes under the Sale and Purchase Agreement***

The terms of the Sale and Purchase Agreement govern the allocation of the assets and liabilities of the businesses between the Company and Bovis Homes, as well as their post-Completion obligations to

each other. The potential amounts payable by the Continuing Group pursuant to any indemnities given under the Sale and Purchase Agreement could be significant and could have a material adverse effect on the Continuing Group's business, financial condition and operating results.

The Sale and Purchase Agreement contains a customary post-Completion adjustment based on the TGAV of Linden Homes as at Completion. The adjustment provides for a payment to be made to Galliford Try if the TGAV of Linden Homes is above a minimum amount and a payment to Bovis Homes by Galliford Try if the TGAV of Linden Homes is below that minimum amount. There is also a post-Completion adjustment in relation to the TGAV of Partnerships & Regeneration, which requires Galliford Try to make a payment to Bovis Homes if the TGAV of Partnerships & Regeneration is below a certain minimum amount. The potential amounts payable under these post-Completion adjustments could be significant and could have a material adverse effect on the Continuing Group's business, financial condition and operating results.

## **2. RISKS RELATING TO THE TRANSACTION NOT PROCEEDING**

### **2.1 *Inability to realise value if the Transaction does not proceed to Completion***

Completion of the Transaction is subject to, among other things, the approval of the Scheme at the Court Meeting by the Scheme Shareholders and the approval of the Disposal Resolution by Galliford Try Shareholders at the General Meeting. If Completion does not occur, the Disposal Group will remain part of the Group, which may result in a delay in the strategic objectives of the Group and may mean that the Group's business will be unable to realise the benefits it believes will result from the Transaction. This could have an adverse impact on the Company's business, reputation, financial condition and/or operating results and may delay or prejudice the Company's ability to deliver equivalent or additional tangible value to Shareholders.

### **2.2 *Potentially disruptive effect on the Group if the Transaction does not complete***

If the Transaction does not complete, this may lead to management, employee, customer and supplier distraction and concern due to perceived uncertainty as regards the future ownership of the Disposal Group. This may have an adverse effect on the performance of the Disposal Group and therefore its value to the Group. To maintain Shareholder value, the Company's management may be required to allocate additional time and cost to the ongoing supervision and development of the Disposal Group.

### **2.3 *There may be an adverse impact on the Company's reputation if the Transaction does not complete***

If the Transaction does not complete, there may be an adverse impact on the reputation of the Company as a result of media scrutiny arising in connection with the attempted Transaction. Any such reputational risks could adversely affect the Group's business, financial condition and results of operation.

### **2.4 *Potential inability to dispose of the Disposal Group in the future in favourable or equivalent market circumstances***

If Completion does not occur, there would be no assurance that the Company would be able to dispose of the Disposal Group at a later date, in favourable or equivalent market circumstances. The Board has determined that the Transaction offers appropriate value for Shareholders in the short-term, as well as improving the prospects of the Continuing Group in the medium to long-term.

## **3. RISKS RELATING TO THE CONTINUING GROUP**

### **3.1 *The standalone nature of the Continuing Group as a construction business may result in challenges***

Although the Board expects that the Transaction will result in benefits to the Continuing Group, the stand-alone nature of the Continuing Group as a construction business may result in challenges such as (a) retaining key personnel; (b) demonstrating to interested parties (including potential customers, suppliers and employees) that the Transaction will not result in adverse changes in standards of business; and (c) difficulty in marketing and communicating effectively the capabilities of the

Continuing Group as a stand-alone business. Any failure of the Continuing Group to meet the challenges involved could have a material adverse effect on the Continuing Group's business, reputation, financial condition and operating results, and in the event of operational difficulties the Continuing Group will no longer benefit from the financial and operational support of the Disposal Group.

### 3.2 ***The Continuing Group's operations will be dependent on the Construction business***

The Continuing Group's performance will depend solely on the performance of Construction and will therefore be more exposed to the risks within the Construction business and the markets in which it operates (including non-renewal of long-term framework agreements, changes in support from UK Government policies and spending, and highly competitive local and regional construction markets across the UK) with less benefit of diversification. Following Completion, the Continuing Group will be smaller and less diverse than the Group and will be more concentrated on a narrower group of customers and markets and its financial performance will be more exposed to revenues and profits available from them. As a result of this increased exposure, any fluctuations in the operations of Construction or the markets in which it operates could have an increased and potentially adverse impact on the business, financial condition, results or operations and prospects of the Continuing Group.

### 3.3 ***The Continuing Group's operations will be reduced in scale***

The decreased size of the Continuing Group compared to the Group will mean that any liabilities within the Continuing Group may impact the Continuing Group as a stand-alone business more acutely. Therefore there is a risk that unexpected costs or losses on current or new projects may have a relatively larger impact on the Continuing Group as a stand-alone business than the Group. In addition, the Continuing Group has a number of significant building and infrastructure projects which were generally entered into on a fixed price and all risk basis (being major contracts under which the Continuing Group takes all the delivery risk for a price that is fixed at the outset) prior to the end of 2014. Some of these legacy projects are still in the process of being completed. Whilst the Continuing Group has reasonable confidence around the cost position on those projects, inevitably some degree of intrinsic uncertainty remains in relation to the amounts to be recovered with respect to some significant claims, which could in turn have a material adverse impact on the Continuing Group's business, financial condition, results or operations and prospects. For example, in respect of the Aberdeen Western Peripheral Route contract (which relates to the construction of the Aberdeen Western Peripheral Route), over the last three financial years, £152 million of exceptional losses have been recorded. Consultants to the Continuing Group have advised an expected recovery of around £100 million to the Continuing Group, although the total assessed value in respect of the claims under the contract is over twice that level. The client has notified (but not deducted) a claim for contractual lane occupation charges. In arriving at its expected recovery, the Continuing Group has assumed it will not pay such charges. If the Continuing Group is not successful in its negotiation or alternatively any formal recovery action commenced, the assumed recoveries may not be realised and the Continuing Group may be subject to such counter claims and/or financial charges which could have a significant adverse cash impact on the Continuing Group. Negotiations remain in progress with the client on the Aberdeen Western Peripheral Route contract but the final outcome is unknown and when concluded could result in a material difference to the position assumed. The FRC is currently reviewing certain aspects of the Group's accounting treatment, including in relation to the Aberdeen Western Peripheral Route contract and other third-party claims. No final determination or recommendations have been reached by the FRC in relation to their ongoing review, however it is possible that the FRC may make recommendations to the Group at the conclusion of its review.

The reduction in the size of the Continuing Group could also restrict its ability to obtain additional surety bonds when required, in order to secure the Continuing Group's performance under development agreements and other arrangements. This could limit the ability of the Continuing Group to secure or commence new developments and could therefore have a material adverse impact on the Continuing Group's business, prospects, financial condition and/or results of operations.

3.4 ***The market price of the New Galliford Try Shares may go down as well as up***

The value of an investment in the Continuing Group may go down as well as up and can be highly volatile. The price at which the New Galliford Try Shares may be quoted and the price which investors may realise for their New Galliford Try Shares will be influenced by a large number of factors, some specific to the Continuing Group and its operations, and some which may affect the construction sector as a whole, other comparable companies or publicly traded companies as a whole. The sentiments of the stock market regarding the Transaction will be one such factor and this, together with other factors, including the actual or anticipated fluctuations in the financial performance of the Continuing Group and its competitors, market fluctuations, and legislative or regulatory changes in the construction industry, could lead to the market price of New Galliford Try Shares going up or down.

3.5 ***Key employees***

The success of the Continuing Group depends on the efforts, abilities, experience and expertise of its senior management team, and on recruiting, retaining, motivating and developing highly skilled and competent people at all levels of its organisation. There can be intense competition for personnel from other companies and organisations and there may at any time be shortages in the availability of appropriately skilled individuals at all levels. The reduction in size and diversification of the Continuing Group following the Transaction may make it more difficult to attract and retain talented employees, which could have a material adverse effect on the Continuing Group's business.

3.6 ***The Continuing Group's ability to attract and retain clients may be adversely affected and third parties may modify or terminate their relationships with the Continuing Group***

The Transaction could impact customers' perceptions of the Continuing Group and, therefore, adversely affect the ability of the Continuing Group to attract and retain customers. Additionally, the Transaction may prompt third parties to re-price, modify or terminate their contractual relationships with the Continuing Group (where contractually permitted to do so), which may adversely affect the ability of the Continuing Group to retain a competitive network. In response to any of the foregoing, individually or together, the Continuing Group may be forced to lower its service levels or its prices, or take other actions to manage and/or maintain its relationships with clients and third parties. Should any of these consequences occur, individually or together, the Continuing Group may suffer an adverse impact on its business, financial condition, results of operations and prospects.

## PART III

### SUMMARY OF THE PRINCIPAL TERMS OF THE TRANSACTION DOCUMENTS

#### 1. SALE AND PURCHASE AGREEMENT

The principal terms of the SPA are as follows:

##### 1.1 *Consideration*

- 1.1.1 New Topco and Galliford Try shall procure the transfer of the New Topco Shares to Bovis Homes in consideration for the issue and allotment of 63,739,385 Shares to Galliford Try Shareholders in respect of their shareholding in New Topco *pro rata*, as far as reasonably practicable, to their respective holdings of Galliford Try Shares; and
- 1.1.2 Galliford Try shall sell the Partnerships & Regeneration Shares and the Linden Homes Special Share to Bovis Homes in consideration for the amount of £300 million which will be subject to adjustment as set out in paragraph 1.2 below (being the Cash Consideration) and the novation of the PP Bond from Galliford Try to Bovis Homes in accordance with the terms of the Deed of Novation.

##### 1.2 *Adjustments to Cash Consideration*

- 1.2.1 **Partnerships & Regeneration adjustment:** The amount payable by Bovis Homes for the Partnerships & Regeneration Shares will be reduced if the TGAV of Partnerships & Regeneration at Completion is less than a target amount of £85 million. The amount payable will be reduced by an amount equal to the shortfall below that target amount.
- 1.2.2 **Linden Homes adjustment:** The amount payable for the Linden Homes Special Share shall be the amount by which the TGAV of Linden Homes at Completion exceeds a base amount of £728 million (the “**Linden Homes TGAV Adjustment Amount**”). If the TGAV of Linden Homes at Completion is below that base amount, the amount payable for the Linden Homes Special Share shall be zero and Galliford Try shall pay an amount equal to the shortfall to Bovis Homes.
- 1.2.3 Prior to Completion, Galliford Try shall notify Bovis Homes of the estimated TGAV of Linden Homes and of Partnerships & Regeneration in order to determine the initial amount to be paid in consideration for the Linden Homes Special Share at Completion and any reduction to the cash consideration payable for Partnerships & Regeneration. If the amount payable at Completion exceeds £400 million, then £400 million will be payable at Completion, with the balance to be paid in accordance with paragraph 1.2.5 and 1.2.6 below.
- 1.2.4 As soon as possible following Completion, Galliford Try shall prepare the closing statement and the TGAV of Linden Homes and of Partnerships & Regeneration will be determined. The amount to be paid in consideration for the Linden Homes Special Share shall be derived from the value of the TGAV of Linden Homes in that closing statement. Any reduction to the cash consideration will be derived from the TGAV of Partnerships & Regeneration in that closing statement.
- 1.2.5 Save as set out below, by 30 April 2020 or 5 Business Days following the date on which the closing statement is agreed, Bovis Homes or Galliford Try shall pay any amounts to the other party required to ensure the actual Linden Homes TGAV Adjustment Amount has been paid to Galliford Try and the correct amount has been paid in respect of Partnerships & Regeneration.

- 1.2.6 If the actual Linden Homes TGAV Adjustment Amount is more than 10% greater than the estimate provided at Completion, the amount in excess of that 10% limit will not be payable until 31 July 2020.

### 1.3 **Conditions**

The sale and purchase of the Shares, the issue and allotment of the Consideration Shares and the novation of the PP Bond from Galliford Try to Bovis Homes are conditional upon satisfaction of the following conditions, or their satisfaction subject only to Completion:

- 1.3.1 the Restructuring having been effected, the Scheme becoming effective in accordance with its terms, the New Topco Reduction of Capital being confirmed by the Jersey Financial Services Commission and the Demerger having been completed;
- 1.3.2 the passing of the requisite resolutions at the Court Meeting and the General Meeting by the requisite majorities;
- 1.3.3 the passing of the requisite resolutions at the Bovis Homes General Meeting by the requisite majorities;
- 1.3.4 Bovis Homes having received net proceeds of not less than £140 million pursuant to the Placing;
- 1.3.5 subject only to Completion having occurred, the admission of the Consideration Shares becoming effective; and
- 1.3.6 the Deed of Novation having become wholly unconditional in accordance with its terms.

The Transaction is not conditional on clearance from the Competition and Markets Authority (“CMA”) and the parties will jointly submit a briefing paper to the CMA explaining why the Transaction does not raise any competition concerns.

### 1.4 **Pre-Completion Obligations**

- 1.4.1 In the period to Completion, Galliford Try has undertaken to procure that the Disposal Group carries on its business as a going concern in the ordinary and usual course as carried on prior to the date of the SPA and otherwise in accordance with applicable law. Galliford Try has also undertaken to procure that the Disposal Group takes and/or refrains from taking certain specific actions including in respect of any joint venture arrangements.
- 1.4.2 In the period to Completion, Galliford Try and New Topco have agreed that no action or step shall be taken by New Topco or by any board or board committee of New Topco without the prior written consent of Bovis Homes.
- 1.4.3 Immediately prior to Completion, Galliford Try has agreed to procure that each member of the Disposal Group and each relevant member of the Continuing Group pays to the relevant party all intra-group balances between such members of the Disposal Group and members of the Continuing Group.

### 1.5 **Restructuring**

In the period to Completion, Galliford Try and New Topco have agreed to take, and procure that any relevant members of the Continuing Group and/or the Disposal Group take, all such actions as are necessary to give effect to the Restructuring. The steps comprising the Restructuring are as follows:

- 1.5.1 Linden Homes sells the Partnerships & Regeneration Shares to Galliford Try;
- 1.5.2 Linden Homes issues the Linden Homes Special Share to Galliford Try;
- 1.5.3 Galliford Try implements the Scheme to insert New Topco as a new holding company of the Continuing Group and issue New Topco Shares to Galliford Try Shareholders;

- 1.5.4 Galliford Try declares a distribution *in specie* of the Linden Homes Shares to New Topco;
- 1.5.5 New Topco undertakes a bonus issue of New Topco B Shares to the New Topco Shareholders; and
- 1.5.6 New Topco transfers Galliford Try to New Galliford Try, a newly incorporated private limited company outside of the Galliford Try Group, pursuant to a reduction of capital of the New Topco B Shares supported by a solvency statement in return for the issue of New Galliford Try Shares to the New Topco Shareholders.

## 1.6 **Completion Deliverables**

On Completion, Galliford Try, New Topco and Bovis Homes are obliged to execute and deliver certain documents required to give effect to the Transaction, including, for Galliford Try and New Topco, certain documents and evidence required in connection with the implementation of the Restructuring.

## 1.7 **Warranties and Indemnities**

1.7.1 The SPA contains warranties given by Galliford Try and New Topco in favour of Bovis Homes with respect to Galliford Try, New Topco, the Disposal Group and joint ventures that are customary for a transaction of this nature and size, including, *inter alia*, with respect to: corporate matters, the title of Galliford Try and New Topco to the relevant shares, consents, capacity and authority, books and records, financial statements, absence of certain changes, properties, sufficiency of assets, intellectual property and data protection, employee matters, pensions, compliance with laws, environmental matters, litigation, insurance and tax matters.

1.7.2 Galliford Try has indemnified Bovis Homes:

- (a) in respect of the steps it takes in connection with the transfer of employees from Galliford Try to Bovis Homes pursuant to TUPE;
- (b) in respect of the implementation of the restructuring steps set out above;
- (c) in respect of certain historic matters in relation to the Transferring Pension Schemes. This indemnity is capped at £9,900,000; and
- (d) in respect of certain ongoing disputes involving the Disposal Group. This indemnity is capped at £3,000,000, plus 15% of any losses to the Disposal Group in excess of £5,000,000,

and in addition the SPA contains wrong pockets arrangements, including an indemnity from Galliford Try to Bovis Homes for costs associated with transferring an asset to Bovis Homes where Galliford Try has incorrectly transferred that asset in or out of the Disposal Group ahead of Completion.

1.7.3 Galliford Try's liability for claims under the warranties is subject to a number of contractual limitations, in particular:

- (i) any claims must be notified to Galliford Try within six years of Completion for tax claims and 18 months of Completion for all other claims; and
- (ii) the maximum aggregate liability of Galliford Try for all claims relating to a breach of warranties shall not exceed £1.

1.7.4 Bovis Homes has the benefit of the W&I Insurance Policy which provides, conditional on Completion, insurance cover in respect of certain claims under the warranties and tax claims.

## 1.8 **Termination**

The SPA may be terminated:

- 1.8.1 by Bovis Homes or Galliford Try, if any of the conditions is not satisfied or waived by 7.00 p.m. on 3 January 2020 (or if the condition relating to the Placing is not satisfied or waived by 7.00 p.m. on 7 November 2019);
- 1.8.2 by Bovis Homes or Galliford Try, if the Board adjourns the General Meeting otherwise than in accordance with the SPA or withdraws, suspends, qualifies or adversely modifies or amends the Galliford Try Recommendation;
- 1.8.3 by Bovis Homes or Galliford Try, if the Board adjourns the General Meeting otherwise than in accordance with the SPA or withdraws, suspends, qualifies or adversely modifies or amends the Bovis Homes Recommendation; and
- 1.8.4 by Bovis Homes or, if Bovis Homes does not agree to increase the amount payable on Completion by an equivalent amount, by Galliford Try, if the estimated TGAV of Linden Homes at Completion is greater than £125,000,000 or the estimated TGAV of Partnerships & Regeneration at Completion is greater than £140,000,000.

## 1.9 **Governing Law and Jurisdiction**

The SPA is governed by the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the SPA.

## 2. **TRANSITIONAL SERVICES AGREEMENT**

On Completion a member of the Continuing Group (the “**Supplier**”) will enter into a Transitional Services Agreement with Bovis Homes (or a member of the Bovis Homes group) (the “**Recipient**”) under which the Supplier will continue to provide certain services to the Linden Homes and Partnerships & Regeneration businesses for a limited period following Completion (the “**Transitional Services**”). The Transitional Services will include: i) payroll services, ii) various finance functions provided by the Continuing Group’s shared service centre, e.g. “Accounts Payable – Purchase Ledger”; iii) various IT and telephony services; iv) a statutory accounts production service and v) car fleet management services. The Recipient will pay the Supplier for those Transitional Services under the Transitional Services Agreement.

The Transitional Services will be divided into a number of service categories (the “**Service Categories**”), and each Service Category will have its own term and its own charges. The longest Service Category term is likely to be 30 months.

The Supplier will commit to provide the Transitional Services to the same standard as they were provided prior to Completion.

The Transitional Services Agreement will also specify certain dependencies (the “**Dependencies**”). These Dependencies are typically acts that the Recipient must carry out in order to allow the Supplier to provide the Transitional Services. For example, one Dependency is physical access to any IT hardware that the Supplier is obliged to repair as part of the Transitional Services. If a Dependency is not met, then there is contractual relief for the Supplier as against the Supplier’s obligation to provide the relevant Transitional Services.

The Transitional Services Agreement will contain:

- (a) provisions relating to migration planning and migration (in relation to the Supplier’s migrating away from the Transitional Services);
- (b) provisions relating to project management and regular meetings;
- (c) provisions relating to ownership and licensing of intellectual property rights;
- (d) provisions relating to the security of IT systems;

- (e) provisions relating to charging and invoicing;
- (f) warranties (largely from the Supplier to the Recipient in relation to the quality of the Transitional Services);
- (g) limits and exclusions of liability;
- (h) a reciprocal confidentiality clause; and
- (i) provisions relating to data protection law compliance.

The Transitional Services Agreement is an agreed form document under the Sale and Purchase Agreement.

### **3. TAX INDEMNITY**

On Completion, Bovis Homes and Galliford Try will enter into a tax deed of covenant (the “**Tax Indemnity**”) pursuant to which Galliford Try agree to indemnify Bovis Homes in respect of the tax liabilities incurred by the Group and its joint ventures prior to Completion (including as a result of the Restructuring). Galliford Try’s liability under the Tax Indemnity is limited to £1 and covered by the W&I Insurance Policy.

## PART IV

### INFORMATION ON NEW GALLIFORD TRY AND THE NEW GALLIFORD TRY SHARES

#### 1. Incorporation

- 1.1 New Galliford Try was incorporated and registered in England and Wales on 19 September 2019 under the Companies Act as a private company limited by shares with the name New Goldfinch Limited and registered number 12216008.
- 1.2 On 31 October 2019, New Galliford Try changed its name to Galliford Try Holdings Limited. On 6 November 2019 New Galliford Try was re-registered as a public limited company.
- 1.3 New Galliford Try is domiciled in the UK. Its registered office and corporate headquarters is at Cowley Business Park, Cowley, Uxbridge, Middlesex UB8 2AL (Tel. No 01895 855000, or if dialling from outside the UK, +44 (0)1895 855000).
- 1.4 The principal laws and legislation under which New Galliford Try operates, and under which the New Galliford Try Shares have been created, are the Companies Act and regulations made thereunder.

#### 2. Share capital of the company

##### *History of share capital*

- 2.1 On incorporation, one New Galliford Try Share of £1.00 was taken by the subscriber to the memorandum of association, such New Galliford Try Share being paid up in cash in full. Subsequently, the one New Galliford Try Share of £1.00 was sub-divided into two New Galliford Try Shares of 50 pence each and 50,000 redeemable preferred shares of £1.00 each were issued.

##### *Share capital*

- 2.2 As at the Latest Practicable Date, New Galliford Try has two fully paid New Galliford Try Shares in issue of 50 pence each and 50,000 redeemable deferred shares of £1.00 each (the “**New Galliford Try Redeemable Shares**”) against an undertaking to pay cash in respect of such amount. The New Galliford Try Redeemable Shares have been issued to enable New Galliford Try to re-register as a public company pursuant to section 91 of the Companies Act. The New Galliford Try Redeemable Shares will be redeemed and cancelled prior to Admission of the New Galliford Try Shares.
- 2.3 As at the Latest Practicable Date, New Galliford Try does not hold any New Galliford Try Shares in treasury and there are no New Galliford Try Shares held by or on behalf of New Galliford Try itself or by any subsidiaries of New Galliford Try.
- 2.4 There are no convertible securities, exchangeable securities or warrants in relation to New Galliford Try currently in issue, or an undertaking to increase the capital of New Galliford Try.
- 2.5 No share capital of New Galliford Try or any of its subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- 2.6 New Galliford Try has passed various resolutions so that:
  - 2.6.1 the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act to exercise all the powers of New Galliford Try to allot shares in the capital of New Galliford Try and to grant rights to subscribe for or to convert any security into shares in the capital of New Galliford Try comprising:
    - (a) for the purposes of issuing ordinary shares in the capital of New Galliford Try pursuant to the New Topco Reduction of Capital, up to an aggregate nominal amount equal to the

aggregate nominal amount of the issued and to be issued B ordinary shares in the capital of New Topco immediately prior to the New Topco Reduction of Capital;

- (b) otherwise and in addition to the authority provided in relation to the New Topco Reduction of Capital, up to an aggregate nominal amount equal to one-third of the entire issued ordinary share capital of New Galliford Try as at Admission of the New Galliford Try Shares (whether in connection with the same offer or issue under (c) below or otherwise); and
- (c) otherwise and in addition to the authorities provided above, up to a further aggregate nominal amount equal to one-third of the entire issued ordinary share capital of New Galliford Try as at Admission of the New Galliford Try Shares in the form of equity securities (within the meaning of section 560(1) of the Companies Act) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than New Galliford Try) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever.

This authority shall expire, unless previously varied, revoked or renewed by New Galliford Try in general meeting, 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the first annual general meeting of New Galliford Try, except that New Galliford Try may at any time before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired;

2.6.2 subject to passing of the resolution set out at paragraph 2.6.1 above, to empower the directors pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the general authority conferred on them by the resolution set out at paragraph 2.6.1 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be limited to:

- (a) any such allotment in connection with the New Topco Reduction of Capital;
- (b) any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than New Galliford Try) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
- (c) any such allotment and/or sale, otherwise than pursuant to sub-paragraph (a) and (b) above, of equity securities having, in the case of ordinary shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into ordinary shares having an aggregate nominal amount not exceeding 5 per cent. of the entire issued ordinary share capital of New Galliford Try as at Admission of the New Galliford Try Shares.

This authority shall expire, unless previously revoked or renewed by New Galliford Try in general meeting, at such time as the general authority conferred on the directors by the resolution set out at paragraph 2.6.1 above expires, except that New Galliford Try may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;

2.6.3 subject to passing of the resolution set out at paragraph 2.6.1 above, and in addition to any authority granted under the resolution set out at paragraph 2.6.2 above, to empower the directors pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560(1) of the Companies Act) for cash pursuant to the general authority conferred on them by the resolution set out at paragraph 2.6.1 above and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act, in each case as if section 561(1) of the Companies Act did not apply to any such allotment or sale, provided that this power shall be:

- (a) limited to any such allotment and/or sale of equity securities having, in the case of ordinary shares, an aggregate nominal amount or, in the case of other equity securities, giving the right to subscribe or convert into ordinary shares having an aggregate nominal amount not exceeding 5 per cent. of the entire issued ordinary share capital of New Galliford Try as at Admission of the New Galliford Try Shares; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group.

This authority shall expire, unless previously revoked or renewed by New Galliford Try in general meeting, at such time as the general authority conferred on the directors by the resolution set out at paragraph 2.6.1 above expires, except that New Galliford Try may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;

2.6.4 subject to Admission of the New Galliford Try Shares, New Galliford Try be and is generally and unconditionally authorised for the purpose of section 701 of the Companies Act, to make market purchases (as defined in section 693(4) of the Companies Act) of its ordinary shares of 50 pence each provided that in doing so it:

- (a) purchases no more than an aggregate nominal amount equal to 10 per cent. of the entire issued ordinary share capital of New Galliford Try as at Admission of the New Galliford Try Shares;
- (b) pays not less than 50 pence (excluding expenses) per ordinary share of 50 pence each; and
- (c) pays a price per share that is not more (excluding expenses) per ordinary share than the higher of: (i) 5 per cent. above the average of the middle market quotations for the ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days immediately before the day on which it purchases that share; (ii) the price of the last independent trade on the trading venue where the purchase is carried out; and (iii) the highest current independent purchase bid on that venue.

This authority shall expire, unless previously varied, revoked or renewed by New Galliford Try in general meeting, 15 months after the date of the passing of this resolution or, if earlier, at the conclusion of the first annual general meeting of New Galliford Try, except that New Galliford Try may, if it agrees to purchase ordinary shares under this authority before it expires, complete the purchase wholly or partly after this authority expires.

- 2.7 Save as disclosed above, there has been no change in the amount of the issued share or loan capital of New Galliford Try since incorporation and no share or loan capital of New Galliford Try is under any option or is, or will, immediately following Admission of the New Galliford Try Shares, be agreed, conditionally or unconditionally, to be put under any option.

### **3. New Galliford Try Articles**

The New Galliford Try Articles are based on the Articles of Association (excluding, for the avoidance of doubt, the changes to the Articles of Association proposed to be made pursuant to the General Meeting Resolutions) and do not contain any substantive differences, save that the New Galliford Try Articles include rights in relation to the redeemable shares, as further described in paragraph 2 of this Part IV (Information on New Galliford Try and the New Galliford Try Shares).

## **4. Rights attached to the New Galliford Try Shares and the New Galliford Try Redeemable Shares**

### **4.1 *Rights attached to the New Galliford Try Shares***

#### **(A) *Voting rights***

Subject to the New Galliford Try Articles generally and to any special terms as to voting for the time being attached to any shares in New Galliford Try, on a show of hands every member present in person or by duly appointed proxy at a general meeting and entitled to vote shall have one vote and on a poll every member present in person or by proxy and entitled to vote has one vote for every share held by him. In the case of joint holders, the person whose name stands first in the register of members and who votes in person or by proxy is entitled to vote to the exclusion of all other joint holders.

No holder of a New Galliford Try Share shall, unless the board of New Galliford Try otherwise determines, be entitled (except as a proxy for another member) to be present or vote at a general meeting either personally or by proxy if any call or other sum presently payable by him to New Galliford Try in respect of that New Galliford Try Share remains unpaid; or if he or any other person who appears to be interested in the New Galliford Try Share has been duly served pursuant to the Companies Act with a disclosure notice.

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, whether on a show of hands or on a poll, by any person authorised to do so on his behalf as long as evidence satisfactory to the board of New Galliford Try of that person's authority is provided in accordance with the New Galliford Try Articles.

#### **(B) *Transferability***

The New Galliford Try Shares are freely transferable save that New Galliford Try may, under the Companies Act, send out statutory notices to those it knows or has reasonable cause to believe have an interest in its shares, asking for details of those who have an interest and the extent of their interest in a particular holding of New Galliford Try Shares. When a person receives a statutory notice and fails to provide any information required by the notice within the time specified in it, New Galliford Try can apply to the court for an order directing, amongst other things, that any transfer of the shares which are the subject of the statutory notice is void.

The New Galliford Try Directors may also, without giving any reason, refuse to register the transfer of any New Galliford Try Shares which are not fully paid.

(C) *Dividend rights*

Subject to the Companies Act, New Galliford Try may declare dividends by ordinary resolution, and interim dividends can be paid by the board of New Galliford Try. No dividend may be paid in contravention of the special rights attaching to any share, and no dividend declared in general meeting shall be payable in excess of the amount recommended by the board of New Galliford Try. Unless otherwise resolved, all dividends are apportioned and paid proportionately to the amounts paid up on the New Galliford Try Shares during any portion or portions of the period in respect of which the dividend is paid. A dividend may, upon the recommendation of the board of New Galliford Try and on being approved by ordinary resolution, be wholly or partly satisfied by the distribution of assets and, in particular, of paid up shares or debentures of any other company. No dividend shall bear interest against New Galliford Try unless otherwise provided by the rights attached to the share. Any dividend, interest or other sums payable and unclaimed for one year after having been declared may be invested or otherwise made use of by the board of New Galliford Try for the benefit of New Galliford Try until claimed. Any dividend, interest or other sums unclaimed for a period of 12 years from the date of such dividend having been declared, or such interest or other sums becoming payable, shall be forfeited and shall revert to New Galliford Try.

The board of New Galliford Try may, if authorised by ordinary resolution, offer holders of New Galliford Try Shares, in respect of any dividend, the right to elect to receive New Galliford Try Shares by way of scrip dividend instead of cash. The board of New Galliford Try may withhold payment of all or any part of any dividends or other monies payable in respect of any New Galliford Try Shares that represents at least 0.25 per cent. of the New Galliford Try Shares in issue (excluding any New Galliford Try Shares held as treasury shares) if a person who has, or appears to New Galliford Try to have, an interest in those New Galliford Try Shares has failed to comply with a disclosure notice.

4.2 ***Rights attached to the New Galliford Try Redeemable Shares***

The New Galliford Try Redeemable Shares are not entitled to receive a dividend nor have any other right of participation in the profits of New Galliford Try. It is intended that the New Galliford Try Redeemable Shares will redeemed and cancelled prior to Admission of the New Galliford Try Shares.

5. **New Galliford Try Directors**

5.1 ***New Galliford Try Directors as at the date of this document***

As at the date of this document, the following individuals are the directors of New Galliford Try:

<i>Name</i>	<i>Position</i>
Peter Ventress	<i>Director</i>
Andrew Duxbury	<i>Director</i>

5.2 ***New Galliford Try Directors as at Admission of the New Galliford Try Shares***

As at Admission of the New Galliford Try Shares, the following individuals will be the directors of New Galliford Try:

<i>Name</i>	<i>Position</i>
Peter Ventress	<i>Chairman</i>
Bill Hocking	<i>Chief Executive</i>
Andrew Duxbury	<i>Finance Director</i>
Terry Miller	<i>Senior Independent Non-executive Director</i>
Gavin Slark	<i>Independent Non-executive Director</i>
Jeremy Townsend	<i>Independent Non-executive Director</i>
Marisa Cassoni	<i>Independent Non-executive Director</i>

## **6. Service agreements of New Galliford Try Directors**

It is intended that the New Galliford Try Directors as at Admission of the New Galliford Try Shares will enter into new service agreements or letters of appointment (as appropriate) with New Galliford Try on terms and conditions substantially the same as their existing service agreements and letters of appointment (as the case may be) with Galliford Try, further details of which are set out in paragraph 6 of Part XII (Additional Information) of this document. It is expected that Bill Hocking will enter into a new service agreement the terms of which will reflect his appointment as Chief Executive of the Continuing Group.

## **7. New Galliford Try Directors' interests in New Galliford Try Shares**

As at Admission of the New Galliford Try Shares, the New Galliford Try Directors will receive one New Galliford Try Share for every Ordinary Share they hold in the share capital of Galliford Try.

## **8. Interests of major shareholders in New Galliford Try**

As at Admission of the New Galliford Try Shares, the major shareholders of Galliford Try will receive one New Galliford Try Share for every Ordinary Share they hold in the capital of Galliford Try. The major shareholders of Galliford Try who, directly or indirectly, are interested in three per cent. or more of Galliford Try's share capital, and the amount of each of their interests, are set out in paragraph 7 of Part XII (Additional Information) of this document.

## **9. New Galliford Try Share Plans**

- 9.1 New Galliford Try has confirmed to the Company that, following the Scheme becoming effective, it proposes to continue to use employee share plans to incentivise employees of New Galliford Try and its subsidiaries. Accordingly, New Galliford Try has confirmed to the Company that the New Galliford Try Directors will adopt the New Galliford Try LTIP subject to the approval of the Company's Shareholders at the General Meeting and conditional on the Scheme becoming effective. The New Galliford Try LTIP broadly mirrors the LTIP. New Galliford Try has confirmed to the Company that any awards to be granted to directors of New Galliford Try under the New Galliford Try LTIP in the period following Admission of the New Galliford Try Shares and before the annual general meeting of New Galliford Try to be held in 2020 are intended to be granted in line with the Company's directors' remuneration policy (as approved by Shareholders on 10 November 2017). No new rights will be granted under the Share Plans following the Effective Date.
- 9.2 Galliford Try operates a number of other share incentive plans but these are not expected to be operated by the Company with effect from Admission of the New Galliford Try Shares. The Company intends to undertake a review of its share incentive arrangements after Admission of the New Galliford Try Shares and may subsequently adopt further arrangements. The Company will consult with shareholders with regards to the remuneration policy which will be submitted for approval by shareholders at its annual general meeting to be held in 2020.

## **PART V**

### **HISTORICAL FINANCIAL INFORMATION RELATING TO THE DISPOSAL GROUP**

The following unaudited historical financial information relating to the Disposal Group has been extracted without material adjustment from the underlying consolidation system and records used in preparing the Group's audited consolidated financial statements for the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019.

The financial information in this Part V (Historical financial information relating to the Disposal Group) has been prepared in accordance with the IFRS accounting policies adopted in the Group's audited consolidated financial statements for each of the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019. The financial information reflects, therefore, the Disposal Group's contributions to the Group during the periods presented, applying the relevant Group accounting policies. The income statements and the net asset statements set out below are unaudited.

The audited consolidated statutory accounts of the Group in respect of the two financial years ended 30 June 2017 and 30 June 2018 have been delivered to the Registrar of Companies. The audited consolidated accounts for the financial year ended 30 June 2019 will be delivered to the Registrar of Companies after they have been laid before the annual general meeting of the Company to be held on 12 November 2019.

PwC was the auditor of the Group in respect of the statutory accounts for the periods included in this Part V (Historical financial information relating to the Disposal Group).

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this Part V (Historical financial information relating to the Disposal Group).

**1. Historical income statements of the Disposal Group for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019**

	<i>Year ended 30 June 2017 (£m) (unaudited)</i>	<i>Year ended 30 June 2018 (£m) (unaudited)</i>	<i>Year ended 30 June 2019 (£m) (unaudited)</i>
Group revenue	1,124.2	1,229.0	1,310.6
Cost of sales	(896.2)	(988.9)	(1,077.4)
Gross profit	228.0	240.1	233.2
Administrative expenses	(66.2)	(67.1)	(72.1)
Share of post-tax profits from joint ventures	13.9	20.4	20.1
<b>Profit before finance costs</b>	175.7	193.4	181.2
Finance income	4.9	9.2	9.4
Finance costs	(47.6)	(47.1)	(47.4)
<b>Profit before taxation</b>	133.0	155.5	143.2

Notes to income statements of the Disposal Group for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019:

- 1) The income statements above reflect the Linden Homes and Partnerships & Regeneration segments per the underlying consolidation system and records used in preparing the Group's audited consolidated financial statements for the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019, excluding any allocation of centrally managed costs.
- 2) No tax allocation is performed for the purpose of the Galliford Try Group consolidation. As a result, it is not possible to provide a meaningful allocation of the tax charges for these periods.

## 2. Historical net asset statement of the Disposal Group as at 30 June 2019

	(£m) (unaudited)
<i>As at 30 June 2019</i>	
<b>Assets</b>	
<b>Non-current assets</b>	
Intangible assets	2.4
Goodwill	82.4
Property, plant and equipment	3.7
Investment in joint ventures	66.5
PPP and other investments	0.4
Trade and other receivables	238.4
<b>Total non-current assets</b>	393.8
<b>Current assets</b>	
Developments	876.7
Trade and other receivables	348.0
Cash and cash equivalents	38.4
<b>Total current assets</b>	1,236.1
<b>Total assets</b>	1,656.9
<b>Liabilities</b>	
<b>Current liabilities</b>	
Financial liabilities – borrowings	(614.8)
Trade and other payables	(578.4)
Current income tax liabilities	(37.4)
<b>Total current liabilities</b>	(1,230.6)
<b>Non-current liabilities</b>	
Other non-current liabilities	(101.7)
<b>Total non-current liabilities</b>	(101.7)
<b>Total liabilities</b>	(1,332.3)
<b>Net assets</b>	324.6

Notes to the balance sheet of the Disposal Group as at 30 June 2019:

- 1) The balance sheet above reflects the Linden Homes and Partnerships & Regeneration segments per the underlying consolidation system and records used in preparing the Group's audited consolidated financial statements for the three financial years ended 30 June 2017, 30 June 2018 and 30 June 2019, excluding any allocation of central assets and liabilities.

## **PART VI**

### **UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE CONTINUING GROUP**

The unaudited pro forma financial information set out below has been prepared to illustrate the effect of the proposed disposal of the Disposal Group on the net assets of the Group as if it had occurred on 30 June 2019 and the income statement of the Group as if it had occurred on 1 July 2018. The unaudited pro forma statement of net assets and unaudited pro forma income statement have been prepared on the basis of, and should be read in conjunction with, the notes set out below.

This pro forma financial information is unaudited and is produced for illustrative purposes only; by its nature it addresses a hypothetical situation and therefore does not represent the Group's actual financial position or the results of the Transaction nor is it indicative of the results that may, or may not, be expected to be achieved in the future. It has been prepared in accordance with IFRS accounting policies adopted in the Group's consolidated financial statements for the period ended 30 June 2019, on the basis of the notes below and in accordance with the requirements of Listing Rule 13.3.3R and sections 1 and 2 of Annex 20 to the Delegated Prospectus Regulation.

The Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006. PwC's report on the unaudited consolidated pro forma financial information is set out in Section B of this Part VI (Unaudited pro forma financial information of the Continuing Group).

Shareholders should read the whole of this document and not rely solely on the unaudited pro forma financial information in this Part VI (Unaudited pro forma financial information of the Continuing Group). PwC's report on the unaudited consolidated pro forma financial information is set out in Section B of this Part VI (Unaudited pro forma financial information of the Continuing Group).

## Section A1: Continuing Group unaudited consolidated pro forma statement of net assets as at 30 June 2019

	Adjustments					Continuing Group pro forma net assets
	Galliford Try Group as at 30 June 2019 (note 1)	Linden Homes & Partnerships & Regeneration as at 30 June 2019 (note 2)	Net cash consideration and private placement notes obligations (note 3)	Assumption of disposal group debt (note 4)	Transaction adjustments (note 5)	
	£m	£m	£m	£m	£m	£m
<b>Assets</b>						
<b>Non-current assets</b>						
Intangible assets	11.8	(2.4)				9.4
Goodwill	159.6	(82.4)				77.2
Property, plant and equipment	16.2	(3.7)				12.5
Investment in joint ventures	67.0	(66.5)				0.5
PPP and other investments	41.6	(0.4)				41.2
Trade and other receivables	238.4	(238.4)				–
Retirement benefit asset	7.0	–			(7.0)	–
Deferred income tax assets	1.3	–			1.3	2.6
<b>Total non-current assets</b>	<b>542.9</b>	<b>(393.8)</b>	<b>–</b>	<b>–</b>	<b>(5.7)</b>	<b>143.4</b>
<b>Current assets</b>						
Developments	876.7	(876.7)				–
Trade and other receivables	754.3	(348.0)				406.3
Cash and cash equivalents	591.2	(38.4)	279.5	38.4		870.7
<b>Total current assets</b>	<b>2,222.2</b>	<b>(1,263.1)</b>	<b>279.5</b>	<b>38.4</b>	<b>–</b>	<b>1,277.0</b>
<b>Total assets</b>	<b>2,765.1</b>	<b>(1,656.9)</b>	<b>279.5</b>	<b>38.4</b>	<b>(5.7)</b>	<b>1,420.4</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Financial liabilities – borrowings	(547.8)	614.8		(614.8)		(547.8)
Trade and other payables	(1,253.1)	578.4				(674.7)
Current income tax liabilities	(8.3)	37.4				29.1
Provisions for other liabilities and charges	(0.4)	–				(0.4)
<b>Total current liabilities</b>	<b>(1,809.6)</b>	<b>1,230.6</b>	<b>–</b>	<b>(614.8)</b>	<b>–</b>	<b>(1,193.8)</b>
<b>Net current assets</b>	<b>412.6</b>	<b>(32.5)</b>	<b>279.5</b>	<b>(576.4)</b>	<b>–</b>	<b>83.2</b>
<b>Non-current liabilities</b>						
Financial liabilities – borrowings	(100.0)	–	100.0			–
Financial liabilities – derivative financial liabilities	(0.4)	–			(0.4)	–
Deferred income tax liabilities	–	–				–
Other non-current liabilities	(103.0)	101.7				(1.3)
Provisions for other liabilities and charges	(0.4)	–				(0.4)
<b>Total non-current liabilities</b>	<b>(203.8)</b>	<b>101.7</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>(2.1)</b>
<b>Total liabilities</b>	<b>(2,013.4)</b>	<b>1,332.3</b>	<b>100.0</b>	<b>(614.8)</b>	<b>–</b>	<b>(1,195.9)</b>
<b>Net assets</b>	<b>751.7</b>	<b>(324.6)</b>	<b>379.5</b>	<b>(576.4)</b>	<b>(5.7)</b>	<b>224.5</b>

Notes:

- 1) The Galliford Try Group's financial information as at 30 June 2019 has been extracted, without material adjustment, from the Galliford Try Group's published financial information for the year ended 30 June 2019.
- 2) These adjustments remove the assets and liabilities relating to the Linden Homes and Partnerships & Regeneration segments, reflecting the fact that, following the Transaction, the Continuing Group will no longer consolidate the results of these businesses. The financial information has been extracted, without material adjustment, from the historical financial information on these segments set out in Part V (Historic Financial Information relating to the Disposal Group) of this document.
- 3) These adjustments reflect the cash consideration of £300.0 million less £20.5 million of estimated transaction and Stamp Duty costs relating to the Transaction and the transfer of £100.0 million of 10-year Sterling Private Placement Notes to the Disposal Group.
- 4) The Disposal Group will transfer debt free; this adjustment absorbs the disposal group debt into the Construction business.
- 5) This adjustment reflects the transfer of the net assets of £7.0 million the Galliford Try Final Salary Pension Scheme and the Kendall Cross (Holdings) Ltd Assurance & Pension Scheme to Bovis Homes as part of the Transaction. Additionally, the associated deferred income tax liability of £1.3 million (calculated at the prevailing corporation tax rate of 19.0%) will be transferred.
- 6) In preparing the unaudited pro forma statement of net assets no account has been taken of the trading or transactions of the Continuing Group or the Disposal Group since 30 June 2019.

**Section A2: Continuing Group unaudited consolidated pro forma income statement for the 12 months ended 30 June 2019**

	<i>Adjustments</i>					
	<i>Galliford Try Group (note 1) £m</i>	<i>Linden Homes &amp; Partnerships &amp; Regeneration (note 2) £m</i>	<i>Transaction costs (note 3) £m</i>	<i>Transaction adjustments (note 4) £m</i>	<i>Profit on disposal of Disposal Group (note 5) £m</i>	<i>Continuing Group pro forma income statement £m</i>
Group revenue	2,710.7	(1,310.6)				1,400.1
Cost of sales	(2,467.8)	1,077.4				(1,390.4)
<b>Gross profit</b>	<b>242.9</b>	<b>(233.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9.7</b>
Administrative expenses	(152.8)	72.1	(20.5)	0.6		(100.6)
Share of post tax profits from joint ventures	20.5	(20.1)				0.4
<b>Profit/(loss) before finance costs</b>	<b>110.6</b>	<b>(181.2)</b>	<b>(20.5)</b>	<b>0.6</b>	<b>0.0</b>	<b>(91.1)</b>
Profit on disposal of Disposal Group					75.4	75.4
Finance income	13.2	(9.4)				3.8
Finance costs	(19.1)	47.4		(28.3)	–	–
<b>Profit/(loss) before income tax</b>	<b>104.7</b>	<b>(143.2)</b>	<b>(20.5)</b>	<b>(27.7)</b>	<b>75.4</b>	<b>(11.3)</b>
<b>Taxation (note 6)</b>	<b>(17.8)</b>	<b>–</b>	<b>4.0</b>	<b>(0.8)</b>	<b>–</b>	<b>(14.6)</b>
<b>Profit/(loss) for the year</b>	<b>86.9</b>	<b>(143.2)</b>	<b>(16.5)</b>	<b>(28.5)</b>	<b>75.4</b>	<b>(25.9)</b>

Notes:

- 1) The Galliford Try Group's financial information for the year ended 30 June 2019 has been extracted, without material adjustment, from the Galliford Try Group's published financial information for the year ended 30 June 2019.
- 2) The Disposal Group's financial information has been extracted, without material adjustment, from the historical financial information on these segments set out in Part V (Historic Financial Information relating to the Disposal Group) of this document.
- 3) This reflects an adjustment of £20.5 million in relation to transaction and Stamp Duty costs for the disposal charged to administrative expenses. This adjustment will not have a continuing impact on the Continuing Group.
- 4) This reflects an adjustment of £0.6 million in relation to the transfer of the rights and obligations of two of the Group's pension schemes to the Disposal Group, charged to administrative expenses and an adjustment to finance cost of (i) £3.8 million in relation to the finance costs associated with the transfer of £100.0 million of 10-year Sterling Private Placement Notes to the Disposal Group and (ii) £32.1 million which relates to (a) external finance cost in relation to interest on borrowing that will be settled on completion, as if this took place on 1 July 2018, and (b) an adjustment to reverse intercompany interest paid by the Disposal Group to the Galliford Try Group. The adjustment to administrative expenses will not have a continuing impact on the Continuing Group. The adjustment to finance costs will have a continuing impact on the Continuing Group.
- 5) This reflects an adjustment of £75.4 million in relation to the profit that will arise on disposal of the Disposal Group on receipt of gross cash consideration of £300.0 million and after the transfer of £100.0 million of 10-year Sterling Private Placement Notes to the Disposal Group. This adjustment will not have a continuing impact on the Continuing Group.
- 6) The adjustments of £4.0 million and £(0.8) million to taxation are a result of previous adjustments to administrative expenses and finance costs detailed in notes 3 and 4 to the unaudited pro forma income statement. These taxation adjustments are calculated at the prevailing rate of UK corporation tax of 19.0%.
- 7) In preparing the unaudited pro forma income statement no account has been taken of the trading or transactions of the Continuing Group or the Disposal Group since 30 June 2019.

## Section B: Accountants report on the unaudited pro forma financial information on the Continuing Group



The Directors Galliford Try plc  
Cowley Business Park  
Cowley  
Uxbridge  
Middlesex UB8 2AL

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

Peel Hunt LLP  
Moor House  
120 London Wall  
London EC2Y 5ET

8 November 2019

Dear Ladies and Gentlemen

### Galliford Try plc (the “Company”)

We report on the unaudited pro forma financial information (the “**Pro Forma Financial Information**”) set out in section A of Part VI of the Company’s circular dated 8 November 2019 (the “**Circular**”) which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed disposal of the Disposal Group might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 30 June 2019. This report is required by item 13.3.3R of the Listing Rules of the UK Listing Authority (the “**Listing Rules**”) and is given for the purpose of complying with that Listing Rule and for no other purpose.

### Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 13.3.3R of the Listing Rules as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

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*PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH*  
*T: +44 (0) 2075 835 000, F: +44 (0) 2072 124 652, [www.pwc.co.uk](http://www.pwc.co.uk)*

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Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### **Opinion**

In our opinion:

- a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

PricewaterhouseCoopers LLP  
*Chartered Accountants*

**PART VII**

**EXPLANATORY STATEMENT FOR THE SCHEME**  
**(in compliance with section 897 of the Companies Act)**

8 November 2019

To: Shareholders and, for information only, to participants in the Share Plans

**PROPOSED DISPOSAL OF THE LINDEN HOMES AND PARTNERSHIPS & REGENERATION  
BUSINESSES OF GALLIFORD TRY, INCLUDING A GROUP RESTRUCTURING AND  
SCHEME OF ARRANGEMENT UNDER PART 26 OF THE COMPANIES ACT 2006**

**1. Introduction**

- 1.1 On 7 November 2019, the Board announced that it intended to dispose of Linden Homes and Partnerships & Regeneration to Bovis Homes, in exchange for the issue of the Consideration Shares to the Shareholders, the payment of the Cash Consideration by Bovis Homes to Galliford Try and the assumption by Bovis Homes of the obligations under the PP Bond. As part of the process to implement the Transaction, a series of reorganisation steps will be carried out, which are detailed in this document. These steps include, as an intermediate step, the incorporation of a new holding company (“**New Topco**”) to hold, for a limited period, the entire issued share capital of Galliford Try. The insertion of New Topco as the new holding company of Galliford Try is to be effected by means of a scheme of arrangement between Galliford Try and Scheme Shareholders under Part 26 of the Companies Act.
- 1.2 Your attention is drawn to the letter from the Chairman, set out in Part I (Letter from the Chairman of Galliford Try plc) of this document, which forms part of this Explanatory Statement. That letter contains, amongst other things, the background to and reasons for the Transaction.
- 1.3 The Board recommends that all Galliford Try Shareholders vote in favour of the Scheme at the Court Meeting and the General Meeting Resolutions to be proposed at the General Meeting.
- 1.4 The terms of the Scheme are set out in full in Part VIII (The Scheme) of this document. Your attention is also drawn to the further information set out in the other parts of this document which all form part of this Explanatory Statement.

**2. Summary of the implementation of the Transaction and the terms of the Scheme**

- 2.1 The Transaction is to be implemented through a series of steps designed to ensure tax efficient treatment for Shareholders. The Scheme is a key step in this process as it creates a new holding company structure which will facilitate the separation of the Disposal Group and the Continuing Group in preparation for the sale of Linden Homes and Partnerships & Regeneration.
- 2.2 In summary, the key steps being taken to implement the Transaction (of which the Scheme is Step 1) are as follows:

***Step 1***

- 2.3 New Topco is inserted as the new Jersey incorporated holding company of Galliford Try. The insertion of New Topco is to be implemented by way of a scheme of arrangement between Galliford Try and the Scheme Shareholders under Part 26 of the Companies Act.
- 2.4 If the Scheme becomes Effective, all Scheme Shares will be cancelled, the Galliford Try Scheme Shares will be issued to New Topco and, in exchange for their Scheme Shares, Scheme Shareholders on Galliford Try’s register of members at the Scheme Record Time will be entitled to receive the New Topco A Shares. After completion of this step, the New Topco A Shares will be the only shares in the capital of New Topco (other than the Subscriber Share that carries no value).

- 2.5 If the Scheme becomes Effective, Scheme Shareholders will receive:

**for each Scheme Share:            One New Topco A Share**

- 2.6 Subject to the Scheme becoming Effective, the allotment and issue of the New Topco A Shares will take place on the Effective Date. Following the allotment and issue of the New Topco A Shares, steps 2 to 6 set out below will take place in order to implement the Transaction. The Transaction is expected to be completed before 8.00 a.m. on the Business Day following the Effective Date.
- 2.7 The New Topco A Shares will not be listed or transferrable and will not be settled in CREST and no share certificates will be issued to Galliford Try Shareholders. However, Galliford Try Shareholders will only hold New Topco A Shares for a limited period of time (see below).

***Step 2***

- 2.8 Linden Homes (excluding Partnerships & Regeneration) will be transferred by Galliford Try to New Topco by way of a distribution in specie, save that Galliford Try will retain the Linden Homes Special Share to facilitate the payment of any amounts due under the post-Completion adjustment mechanism set out in the Sale and Purchase Agreement. This step will be undertaken to ensure that, when Bovis Homes acquires New Topco at Step 5, Linden Homes will be a directly owned subsidiary of New Topco.

***Step 3***

- 2.9 Once the transfer of Linden Homes from Galliford Try to New Topco has been completed and in order to facilitate the Demerger described at Step 4 below, New Topco will capitalise certain of the amount standing to the credit of its share premium account to issue New Topco B Shares to the Scheme Shareholders by way of a bonus issue of shares. New Topco will issue bonus shares to the Scheme Shareholders pro rata on the basis of one New Topco B Share for every New Topco A Share held by that Scheme Shareholder.
- 2.10 The value of the Continuing Group and Partnerships & Regeneration will be attributed to the New Topco B Share pursuant to the terms of the New Topco Articles and the value of Linden Homes will be attributed to the New Topco A Shares. The New Topco B Shares will not be listed or transferrable and will not be settled in CREST and no share certificates will be issued to Galliford Try Shareholders. However, Galliford Try Shareholders will only hold New Topco B Shares for a limited period of time (see below).

***Step 4***

- 2.11 Following the issue of the New Topco B Shares, the capital of New Topco will be reduced. Upon the New Topco Reduction of Capital taking effect, the share capital of New Topco will have been reduced by cancelling each of the New Topco B Shares.
- 2.12 As part of the New Topco Reduction of Capital, New Topco shall satisfy the return of capital through agreeing to transfer Galliford Try (including the Continuing Group and Partnerships & Regeneration) to a new holding company incorporated in England and Wales (being New Galliford Try). In consideration for such transfer New Galliford Try will issue new ordinary shares in the capital of New Galliford Try to the Scheme Shareholders pro rata on the basis of one new ordinary share in New Galliford Try for each New Topco B Share held by the relevant Scheme Shareholder immediately prior to the New Topco Reduction of Capital. An application to the premium listing segment of the Official List and to the London Stock Exchange's main market for listed securities will be made in respect of New Galliford Try, with Admission of the New Galliford Try Shares expected to take place on 3 January 2020.
- 2.13 New Galliford Try will, upon completion of the Demerger, be the holding company of the Continuing Group.

### ***Step 5***

- 2.14 Following the transfer of Galliford Try to New Galliford Try and subject to the issuing of a valid Call Notice, Bovis Homes will acquire the entire issued share capital of New Topco from the Scheme Shareholders in exchange for the issue of the Consideration Shares by Bovis Homes to the Scheme Shareholders *pro rata* to their holdings of shares in New Topco at that time. In aggregate, the Scheme Shareholders will receive 63,739,385 Consideration Shares; that figure was determined based on the market capitalisation of Bovis Homes as at close of business on 9 September 2019. For each New Topco Share held by a Shareholder, that Scheme Shareholder is expected to receive approximately 0.57406 Consideration Shares. The exact conversion ratio will be announced not later than 7.00 a.m. on the Effective Date.
- 2.15 At the time of the transfer, the only asset of New Topco will be Linden Homes. The transfer will be effected pursuant to a mandatory transfer provision set out in the New Topco Articles and which is summarised in Part IX (Mandatory transfer provision in the New Topco Articles) of this document.

### ***Step 6***

- 2.16 Bovis Homes (or a nominated group company of Bovis Homes) will acquire Partnerships & Regeneration and the Linden Homes Special Share from Galliford Try in exchange for the Cash Consideration and the assumption of Galliford Try's obligations under the PP Bond. At this step, the Transferring Pension Schemes will also be transferred from Galliford Try to Bovis Homes.

## **3. Background to and reasons for recommending the Transaction**

The details of the background to and reasons for recommending the Transaction are set out in full in paragraph 2 of the letter from the Chairman of Galliford Try set out in Part I (Letter from the Chairman of Galliford Try plc) of this document.

## **4. Information on the Disposal Group**

Please refer to paragraph 3 of the Letter from the Chairman of Galliford Try set out in Part I (Letter from the Chairman of Galliford Try plc) of this document.

## **5. Information on New Topco**

- 5.1 New Topco is a private limited company incorporated in Jersey, specifically for the purpose of implementing the Transaction. New Topco has not traded prior to the date of this document or entered into any obligations (except for entering into transactions relating to the Scheme and the Transaction).
- 5.2 Pursuant to the mandatory transfer provisions in the New Topco Articles and summarised in Part IX (Mandatory transfer provision in the New Topco Articles) of this document, and following the service of a valid Call Notice, the New Topco A Shares will be transferred to Bovis Homes, in consideration for which Bovis Homes will issue the Consideration Shares to each Scheme Shareholder *pro rata* to their holding of New Topco A Shares.
- 5.3 The transfer will be effected by means of a form of transfer or other instrument or instruction of transfer, and, to give effect to such transfer, any person may be appointed by Bovis Homes as agent and attorney for each Shareholder to transfer their New Topco A Shares.

## **6. Transferring Pension Schemes**

- 6.1 Bovis Homes will assume Galliford Try's rights and obligations in relation to the Galliford Try Final Salary Pension Scheme and the Kendall Cross (Holdings) Ltd Assurance & Pension Scheme (the "**Transferring Pensions Schemes**") and will become the sole statutory employer and principal employer of the Transferring Pension Schemes. Galliford Try will be discharged from all future obligations in relation to the Transferring Pension Schemes and will cease participation in the Transferring Pension Schemes on or around Completion.

- 6.2 The transfer of all of Galliford Try's current and future obligations in relation to the Transferring Pension Schemes will be effected by means of two flexible apportionment agreements in respect of each Transferring Pension Scheme, each entered into before Completion between the Trustee of the applicable Transferring Pension Scheme, Galliford Try and Bovis Homes and each taking effect as at the date of Completion.
- 6.3 The Galliford Try Special Scheme is currently in the process of winding up and will remain within the Galliford Try Group.

## **7. Conditions to the Scheme**

### **7.1 The Scheme is conditional upon:**

- (a) approval of the Scheme by the requisite majority of Scheme Shareholders at the Court Meeting or at any adjournment of such meeting as described in paragraph 8 below;
- (b) the Reduction Resolution necessary to implement the Scheme, as set out in the notice of the General Meeting contained in Part XVI (Notice of General Meeting) of this document being duly passed by the requisite majority of Galliford Try Shareholders at the General Meeting as described in paragraph 8 below or at any adjournment of such meeting;
- (c) the passing by the requisite majorities at a general meeting of Galliford Try of the resolutions required to approve and implement the Transaction;
- (d) the passing by the requisite majorities at a general meeting of Bovis Homes of the resolutions required to approve and implement the Transaction;
- (e) the sanction (without modification or, to the extent agreed by Galliford Try, with modification) of the Scheme and the confirmation of the Galliford Try Capital Reduction by the Court as described in paragraph 8 below;
- (f) an office copy of the Court Order and associated statement of capital having been delivered to the Registrar of Companies for registration;
- (g) the FCA having confirmed to New Galliford Try or its sponsors (and such confirmation not having been withdrawn) that the application for Admission of the New Galliford Try Shares has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject) will become effective as soon as the FCA's decision to admit the New Galliford Try Shares is announced in accordance with LR3.2.7G of the Listing Rules;
- (h) the London Stock Exchange having confirmed to New Galliford Try or its sponsors (and such confirmation not having been withdrawn) that all of the New Galliford Try Shares will be admitted to trading on the main market for listed securities of the London Stock Exchange;
- (i) the prospectus in relation to Admission of the New Galliford Try Shares having been approved by the FCA; and
- (j) the Sale and Purchase Agreement not having terminated or lapsed in accordance with its terms on or immediately before the Effective Date.

The Board will not take the necessary steps to implement the Scheme unless the above conditions have been satisfied or, if capable of waiver, waived.

- 7.2 The Scheme will become Effective upon the sanction of the Court and filing of a copy of the Court Order with the Registrar of Companies. This is expected to occur on 2 January 2020.
- 7.3 The Scheme will lapse if it does not become Effective by 6.00 p.m. on 2 January 2020 (or such later date and time as Galliford Try may agree and the Court may allow).

## **8. The Scheme**

### **8.1 *Scheme mechanism***

Scheme Shareholders are those holders of Ordinary Shares at the Voting Record Time and holders of Ordinary Shares issued after such time and at any time prior to the Scheme Record Time either on terms that they shall be bound by the Scheme or in respect of which they have agreed to be bound by the Scheme. The purpose of the Scheme is to provide for New Topco to become the owner of the whole of the share capital of Galliford Try as a preliminary step to the implementation of the Transaction through the steps outlined in paragraph 2 above. This is to be achieved under the Scheme by the cancellation of the Scheme Shares and the application of the reserve arising from such cancellation in paying up in full a number of Galliford Try Scheme Shares (equal to the number of Scheme Shares) and issuing them to New Topco, in consideration for which Scheme Shareholders will receive the New Topco A Shares. Upon the Scheme becoming Effective, the Subscriber Share will automatically be converted into a deferred share in accordance with the New Topco Articles.

Upon the Scheme becoming Effective, New Topco will acquire the Galliford Try Scheme Shares, fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and other third party rights of any nature whatsoever and together with all rights attaching to them (if any) including the right to receive and retain all dividends and other distributions announced, declared or paid on or after the Effective Date.

On the Effective Date, share certificates in respect of the Scheme Shares will cease to be valid and should be destroyed upon issue of the New Topco A Shares. In addition, on the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

The New Galliford Try Directors will apply for the New Galliford Try Shares to be admitted to CREST on the Business Day following the Effective Date so that settlement of transactions in New Galliford Try Shares following Admission of the New Galliford Try Shares can take place in uncertificated form within the CREST system. The New Galliford Try Shares to which former Galliford Try Shareholders are entitled will be issued in uncertificated form through CREST. New Galliford Try will procure that Euroclear is instructed to credit the appropriate stock account in CREST with the New Galliford Try Shares as soon as practicable after the Scheme becomes Effective and in any event by 8.00am on the Business Day following the Effective Date.

The provisions of the Scheme are set out in full in Part VIII (Scheme Document) of this document.

### **8.2 *The Meetings***

Notices of the Court Meeting and the General Meeting are set out in Part XV (Notice of Court Meeting) and Part XVI (Notice of General Meeting) of this document. Entitlements to attend and vote at the Meetings and the number of votes which may be cast at them will be determined by reference to holdings of Ordinary Shares as shown in the register of members of Galliford Try at the time specified in the notice of the relevant Meeting.

#### *The Court Meeting*

You will find set out at Part XV (Notice of Court Meeting) of this document a notice of the meeting of Scheme Shareholders which has been convened by order of the Court for the purpose of considering and, if thought fit, approving the Scheme (with or without modification).

The Court Meeting, which has been convened for 10.00 a.m. on 29 November 2019, is being held at the direction of the Court to seek the approval of the Scheme Shareholders for the Scheme. At the Court Meeting, voting will be by way of poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders who are present and vote, either in person or by proxy, and who represent 75 per cent., or more in value of all Scheme Shares voted by such Scheme Shareholders.

Scheme Shareholders have the right to raise any objections they may have to the Scheme at the Court Meeting.

It is important that as many votes as possible are cast (whether in person or by proxy) at the Court Meeting so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion.

You are therefore strongly encouraged to complete and return the BLUE Form of Proxy for the Court Meeting as soon as possible and, in any event, so as to be received by 10.00 a.m. on 27 November 2019. A Form of Proxy for the Court Meeting not lodged by this time may be handed to the Chairman of the Court Meeting or Equiniti before the start of the Court Meeting and will still be valid.

#### *The General Meeting*

In addition to the Court Meeting, the General Meeting has been convened for 10.15 a.m. on 29 November 2019 or as soon thereafter as the Court Meeting has concluded or been adjourned, to consider and, if thought fit, pass (amongst others) resolutions to approve:

- (a) the Galliford Try Capital Reduction;
- (b) the allotment and issue of Galliford Try Scheme Shares to New Topco in accordance with the Scheme;
- (c) the giving of authority to the Directors to allot the Galliford Try Scheme Shares to New Topco (or its nominee(s)) as provided for in the Scheme; and
- (d) certain amendments to the Articles of Association as described below.

You will find the notice of the General Meeting set out in Part XVI (Notice of General Meeting) of this document.

All resolutions at the General Meeting will be voted on a poll.

### **8.3 *Amendments to the Articles of Association***

It is proposed that the Articles of Association be amended so as to ensure that any Ordinary Shares which are issued after the General Meeting but prior to the Scheme Record Time will be subject to and bound by the Scheme. Any Ordinary Shares issued on the exercise of options or awards under the Share Plans, or otherwise, after the Scheme Record Time will not be subject to the Scheme. Accordingly, it is also proposed that the Articles of Association be amended so that any Ordinary Shares issued to any person other than New Galliford Try on or after the Scheme Record Time will be transferred automatically to New Galliford Try (or as it may direct) in consideration for the issue of one ordinary share in the capital of New Galliford Try for every Galliford Try Share so issued. It is proposed that the Articles of Association be amended to include rights attaching to the deferred shares. It is intended that one deferred share in the capital of the Company will be issued to New Topco prior to the Scheme Record Time and this deferred share will not be subject to the Scheme, so that there is no requirement under the Companies Act for an independent valuation of the ordinary shares in the Company to be issued to New Topco pursuant to the Scheme.

The amendments to the Articles of Association will also authorise the Company to procure the transfer of Ordinary Shares held by Overseas Shareholders to a nominee in certain circumstances and, further, designate one deferred share which the Directors intend to issue to New Galliford Try for £0.50 (to reflect the rights of that share) for the purpose of implementing the Transaction.

The proposed amendments to the Articles of Association are set out in full in the notice of the General Meeting in Part XVI (Notice of General Meeting) of this document.

#### **8.4 *Modifications to the Scheme***

The Scheme contains a provision for Galliford Try to consent on behalf of all concerned to any modifications, additions or conditions to the Scheme which the Court may think fit to approve or impose. The Court would be unlikely to approve of, or impose, any modifications, additions or conditions to the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be a matter for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held. Similarly, if a modification, addition or condition is put forward which, in the opinion of the Board, is of such a nature or importance as to require the consent of Scheme Shareholders at a further meeting, the Directors will not take the necessary steps to make the Scheme Effective unless and until such consent is obtained.

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

Under the Companies Act, the Scheme also requires the sanction of the Court. The Court Hearing to sanction the Scheme is expected to be held on 17 December 2019. The Court Hearing to confirm the Galliford Try Capital Reduction is expected to form part of the same hearing.

The Scheme will become Effective in accordance with its terms on delivery of a copy of the Court Order to the Registrar of Companies.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attended or voted in favour of the Scheme at the Court Meeting or in favour of the Reduction Resolution at the General Meeting. If the Scheme does not become Effective by 6.00 p.m. on 2 January 2020 (or such later date and time (if any) as Galliford Try agree and (if required) the Court may allow), the Scheme will not become Effective and the Transaction will not proceed.

### **9. Current trading and prospects of Galliford Try**

Details of the current trading and prospects of Galliford Try are contained in paragraph 11 of Part I (Letter from the Chairman of Galliford Try plc) of this document.

### **10. Effect of the Transaction on the Share Plans**

Participants in the Share Plans will receive further details of the effect of the Transaction on their outstanding options and awards in separate letters which will be despatched to them in due course.

### **11. The Directors of Galliford Try and the effect of the Scheme on their interests**

The Directors and the details of their interests in the share capital of Galliford Try are set out in paragraph 4 of Part XII (Additional information) of this document. Certain of the Directors are participants in the Share Plans and paragraph 10 above will apply to their interests in such schemes in the same manner as in the case of other participants in the Share Plans.

Particulars of the service contracts and letters of appointment of the Directors are set out in paragraph 6 of Part XII (Additional information) of this document.

Save as disclosed in this document, the effect of the Scheme on such interests of the Directors does not differ from its effect on the like interests of any other person.

### **12. United Kingdom taxation**

The summary in Part X (Taxation) of this document is intended as a general guide only. If you are in any doubt as to your tax position, or if you are subject to tax in a jurisdiction outside the UK, you are strongly advised to consult your independent professional adviser immediately.

### 13. Overseas Shareholders

#### *General*

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. This document and the accompanying documents have been prepared for the purposes of complying with English law and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside England and Wales.

This document does not constitute an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this document or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This document does not constitute a prospectus or a prospectus-equivalent document.

The implications of the Scheme for Overseas Shareholders may be affected by the laws of the relevant jurisdictions. Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

It may be difficult for Shareholders who are persons resident in jurisdictions other than England or Wales to enforce any rights and claims that they may have arising under any securities laws in respect of the Scheme due to the nature of English law, the residences of the Directors and the enforceability of non-domestic judgements.

Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme.

#### *United States*

**THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION OR OFFER TO SELL OR THE SOLICITATION OF AN INVITATION OR OFFER TO BUY ANY SECURITY. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED, SUBSCRIBED FOR, PURCHASED, EXCHANGED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

The New Topco Shares and the Consideration Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Topco Shares and the Consideration Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into or from the United States absent registration under the US Securities Act or an exemption therefrom. The New Topco Shares and the Consideration Shares are expected to be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. Shareholders who are affiliates of New Topco after the Scheme becomes effective or affiliates of Bovis Homes after the Transaction has completed will be subject to certain US transfer restrictions relating to the New Topco Shares and the Consideration Shares received in connection with the Scheme and the Transaction, respectively.

The New Galliford Try Shares have not been and are not required to be registered under the US Securities Act.

The New Galliford Try Shares should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive New Galliford Try Shares may resell them without restriction under the US Securities Act. The New Topco Shares, the Consideration Shares and the New Galliford Try Shares generally should not be treated as “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive these securities under the Scheme

and the Transaction (other than “affiliates” as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under the US securities laws, persons who are “affiliates” (as such term is defined in Rule 144 under the US Securities Act) of New Topco as at the Effective Date and persons who are “affiliates” (as such term is defined in Rule 144 under the US Securities Act) of Bovis Homes or New Galliford Try as at the Effective Date will be subject to certain United States transfer restrictions related to the New Topco Shares, the Consideration Shares and New Galliford Try Shares received pursuant to the Scheme and the Transaction, respectively. Under United States securities laws, a holder of New Topco Shares who is an affiliate of New Topco after completion of the Scheme or an affiliate of Bovis Homes or an affiliate of New Galliford Try after completion of the Transaction may not resell the New Topco Shares received pursuant to the Scheme and the Consideration Shares and New Galliford Try Shares received pursuant to the Transaction, respectively, without registration under the US Securities Act, except (i) pursuant to Rule 144 under the US Securities Act, if available, (ii) outside the United States pursuant to regulations under the US Securities Act, (iii) pursuant to another available exemption from the registration requirements of the US Securities Act, or (iv) in a transaction not subject to such registration requirements. Whether a person is an affiliate of New Topco or Bovis Homes or New Galliford Try for such purposes depends upon the circumstances, but can include certain officers and directors and significant shareholders. Shareholders who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New Topco Shares, Bovis Homes Shares or New Galliford Try Shares received pursuant to the Scheme or the Transaction.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Galliford Try will advise the Court through counsel that its sanctioning of the Scheme will be relied upon by New Topco and Bovis Homes as an approval of the Scheme following a hearing on its fairness to Shareholders, at which hearing all Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme with respect to which notification has been given to all Shareholders.

Each Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Transaction.

#### **14. Delisting of Ordinary Shares**

The last day of dealings in, and for registration of transfers of, Ordinary Shares is expected to be 2 January 2020, being the Effective Date, and at the close of business on that date the trading of Ordinary Shares on the London Stock Exchange’s main market for listed securities will be suspended and the ISIN GB00B3Y2J508 disabled in CREST. No transfers of Ordinary Shares will be registered after this date, other than the registration of Ordinary Shares released, transferred or issued under the Share Plans and any corresponding transfers under the Articles of Association.

Prior to the Scheme becoming Effective, an application will be made to the London Stock Exchange for the cancellation of admission to trading of Ordinary Shares on the London Stock Exchange’s main market for listed securities and the listing of Ordinary Shares on the Official List of the FCA. It is expected that such cancellation will take place before 8.00 a.m. on the Business Day following the Effective Date.

In addition, on the Effective Date, share certificates in respect of Ordinary Shares will cease to be valid and entitlements to Ordinary Shares held within the CREST system will be cancelled.

**As part of the Restructuring, Shareholders will temporarily (for a matter of hours overnight) hold shares in New Topco, which will be an unlisted entity. Those shares will be subject to the mandatory transfer provision set out in the New Topco Articles and which is summarised in Part IX (Mandatory transfer provision in the New Topco Articles) of this document such that, under the terms of the Restructuring, Shareholders will not continue to hold New Topco A Shares, which will ultimately be acquired by Bovis Homes in consideration for the issue of the Consideration Shares.**

## **15. Listing and dealings, certificates and settlement**

### ***New Galliford Try Shares***

Application will be made to the FCA for Admission of the New Galliford Try Shares.

A prospectus relating to the New Galliford Try Shares is expected to be published on or around 25 November 2019 and, subject to applicable securities laws, will be made available on Galliford Try's website at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).

It is expected that Admission of the New Galliford Try Shares will become Effective and that dealings in the New Galliford Try Shares will commence at 8.00 a.m. on the Business Day following the Effective Date.

Subject to the Scheme becoming Effective, settlement of the consideration to which any Scheme Shareholder is entitled under the Scheme will be effected in the following manner:

#### ***Scheme Shares in uncertificated form (CREST)***

Galliford Try Shares held in uncertificated form will be disabled in CREST by the Scheme Record Time.

For Galliford Try Shareholders who held their Galliford Try Shares in a CREST account, New Galliford Try Shares which are allotted and issued pursuant to the Restructuring are expected to be credited to the relevant CREST member account by no later than 8.00am on the Business Day following the Effective Date. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The New Galliford Try Articles permit the holding of New Galliford Try Shares under the CREST system. Application will be made for the New Galliford Try Shares to be admitted to CREST with effect from Admission of the New Galliford Try Shares. Accordingly, settlement of transactions in New Galliford Try Shares following Admission of the New Galliford Try Shares may take place within the CREST system. CREST is a voluntary system and holders of New Galliford Try Shares who wish to receive and retain share certificates will be able to remove their New Galliford Try Shares from the CREST system following the Scheme becoming Effective.

New Galliford Try reserves the right to issue New Galliford Try Shares to any or all Galliford Try Shareholders who hold Scheme Shares in certificated form at the Scheme Record Time in the manner referred to below if, for any reason, it wishes to do so.

#### ***Scheme Shares in certificated form***

For the Galliford Try Shareholders holding their Galliford Try Shares in certificated form at the Scheme Record Time, New Galliford Try Shares to which the Galliford Try Shareholder is entitled will be issued in certificated form. Definitive share certificates for the New Galliford Try Shares are expected to be despatched within 14 days of the Effective Date.

Pending the despatch of share certificates for New Galliford Try Shares, transfers of New Galliford Try Shares will be certified against the register of members for New Galliford Try. Temporary documents of title will not be issued in respect of the New Galliford Try Shares.

With effect from and including the Effective Date, all certificates representing Galliford Try Shares will cease to be of value and should be destroyed.

### ***Consideration Shares***

Applications will be made to (a) the FCA for the Consideration Shares to be admitted to the Official List; and (b) to the London Stock Exchange for the Consideration Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

It is expected that Admission of the Consideration Shares will become effective and that trading in the Consideration Shares will commence, subject to the satisfaction of certain conditions, by 8.00 a.m. on the Business Day following the Effective Date.

## **16. Mandates**

Under the terms of the Scheme, all mandates and other instructions, including communication preferences given to Galliford Try by Galliford Try Shareholders and in force at the Scheme Record Time shall, unless and until revoked, be deemed as from the Effective Date to be valid and effective mandates or instructions to (a) New Galliford Try in relation to the New Galliford Try Shares; and (b) Bovis Homes in relation to the Consideration Shares (except to the extent that a Galliford Try Shareholder already holds ordinary shares in Bovis Homes at the Scheme Record Time (and Computershare is able to match such holdings), in which case any mandates and instructions in relation to those existing ordinary shares in Bovis Homes will also apply to the Consideration Shares received by that Galliford Try Shareholder under the terms of the Scheme). If you do not wish any mandates and other instructions, including communications preferences that you have given to Galliford Try, to apply to your New Galliford Try Shares or Consideration Shares, please contact Equiniti on the shareholder helpline before the Scheme Record Time to amend or withdraw such mandates or instructions.

## **17. Authorities relating to New Galliford Try's share capital**

For information on the authorities relating to New Galliford Try's share capital which are expected to be granted, see paragraph 2 of Part IV (Information on New Galliford Try and the New Galliford Try Shares) of this document.

## **18. New Galliford Try Prospectus**

A prospectus relating to the New Galliford Try Shares is expected to be published on or around 25 November 2019 and, subject to applicable securities laws, will be made available on Galliford Try's website at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).

## **19. Action to be taken**

In order to become Effective, the Scheme must be approved by a majority in number of those Scheme Shareholders who are present and vote either in person or by proxy at the Court Meeting (or any adjournment thereof) and who represent 75 per cent., or more in value of all Scheme Shares voted by such Scheme Shareholders. Implementation of the Scheme will also require the passing of the special resolution numbered 1 at the General Meeting (or any adjournment thereof) (requiring the approval of Shareholders representing 75 per cent., or more of the votes cast on the special resolution at the General Meeting).

The Court Meeting and the General Meeting will both be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place, 78 Cannon Street, London, EC4N 6AF. The Court Meeting will be held at 10.00 a.m. on 29 November 2019 and the General Meeting will be held at 10.15 a.m. on the same date (or as soon thereafter as the Court Meeting has concluded or been adjourned).

Under the Companies Act, the Scheme is also subject to the sanction of the Court.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, including those who did not vote or who voted against it at either one or both of the Meetings.

You will find enclosed with this document:

- (a) a BLUE Form of Proxy for use in respect of the Court Meeting;
- (b) a WHITE Form of Proxy for use in respect of the General Meeting; and
- (c) a reply paid envelope for use within the United Kingdom.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholder opinion.

Whether or not you plan to attend both or either of the Meetings in person, you are strongly encouraged to sign the enclosed Forms of Proxy and return them in accordance with the instructions printed on those forms by post or, during normal business hours only, by hand to Equiniti at Aspect House, Spencer Road, Lancing,

West Sussex, BN99 6DA as soon as possible but, in any event, so as to be received by the times and dates below:

BLUE Forms of Proxy for the Court Meeting 10.00 a.m. on 27 November 2019

WHITE Forms of Proxy for the General Meeting 10.15 a.m. on 27 November 2019

(or in the case of an adjourned Meeting not less than 48 hours prior to the time and date set for the adjourned Meeting).

If the BLUE Form of Proxy for use at the Court Meeting is not lodged by 10.00 a.m. on 27 November 2019, it may be handed to the Chairman of the Court Meeting or the Registrars before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, unless the WHITE Form of Proxy is lodged so as to be received by 10.15 a.m. on 27 November 2019, or in the case of an adjourned meeting, at least 48 hours prior to the time and date set for the adjourned meeting, it will be invalid. The completion and return of the Forms of Proxy, or the making of such appointment electronically in accordance with the procedures below, will not prevent you from attending and voting at either the Court Meeting or the General Meeting, or any adjournment of such Meetings, in person should you wish to do so.

Shareholders may appoint a proxy electronically by logging on to the website [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need your shareholder reference number, task ID and voting ID which are printed on the Forms of Proxy. Full details of the procedure are given on the website. If you wish to appoint more than one proxy please contact on 0371 384 2911 from within the UK or +44 121 415 0889 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). The helpline cannot provide advice on the merits of the Scheme nor give any financial, legal or tax advice. The proxy appointment and instructions must be received by Equiniti by no later than 48 hours before the time appointed for holding the relevant Meeting. Please note that any electronic communication that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the Meetings is governed by Equiniti's conditions of use set out on the website [www.sharevote.co.uk](http://www.sharevote.co.uk), which may be read by logging on to that website and entering the shareholder reference number, task ID and voting ID printed on the Forms of Proxy.

If you have any questions relating to completion and return of the Forms of Proxy, please contact Equiniti on the telephone numbers shown on page 13.

## **20. Further Information**

The terms of the Scheme are set out in full in Part VIII (The Scheme) of this document. Your attention is also drawn to the further information contained in this document, in particular to Part X (Taxation) and Part XII (Additional information) of this document.

**PART VIII**  
**THE SCHEME**

**IN THE HIGH COURT OF JUSTICE**

**CR-2019-006243**

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)**

**IN THE MATTER OF GALLIFORD TRY PLC**

**and**

**IN THE MATTER OF THE COMPANIES ACT 2006**

**SCHEME OF ARRANGEMENT  
(under Part 26 of the Companies Act 2006)**

**between**

**GALLIFORD TRY PLC**

**and**

**THE HOLDERS OF THE SCHEME SHARES  
(as hereinafter defined)**

**PRELIMINARY**

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

<b>“Annual Bonus Plan”</b>	the Galliford Try annual bonus plan 2007, as amended by the remuneration committee on 11 March 2013 and 1 March 2018;
<b>“Articles of Association”</b>	the articles of association of the Company as at the date of this document;
<b>“Bovis Homes”</b>	Bovis Homes Group PLC, a public limited company incorporated in England and Wales with registered number 00306718, whose registered office is at 11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY;
<b>“Business Day”</b>	a day, other than a Saturday or a Sunday or public holiday or bank holiday, on which banks are generally open for business in the City of London;
<b>“Call Notice”</b>	has the meaning given in the New Topco Articles;
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“Circular”</b>	the document dated 8 November 2019 sent by the Company to the holders of Ordinary Shares of which this Scheme forms part;
<b>“Commission”</b>	the Jersey Financial Services Commission;
<b>“Companies Act”</b>	the Companies Act 2006 including any statutory modification or re-enactment thereof from time to time in force;

<b>“Company” or “Galliford Try”</b>	Galliford Try plc, a public limited company incorporated in England and Wales with registered number 00836539, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL;
<b>“Consideration Shares”</b>	the 63,739,385 new fully paid ordinary shares of fifty pence (£0.50) each in the share capital of Bovis Homes to be issued pursuant to clause 4.1;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“Court Hearing”</b>	the hearing by the Court to sanction this Scheme under section 899 of the Companies Act including any adjournments thereof;
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act to consider and, if thought fit, approve (with or without modification) this Scheme, notice of which is set out in Part XV (Notice of Court Meeting) of the Circular, including any adjournment thereof;
<b>“Court Order”</b>	the order or orders of the Court sanctioning this Scheme under section 899 of the Companies Act and confirming the Galliford Try Capital Reduction under section 648 of the Companies Act;
<b>“CREST”</b>	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear;
<b>“Effective Date”</b>	the date on which this Scheme becomes effective in accordance with clause 9;
<b>“Equiniti” or “Registrar”</b>	Equiniti Limited, registrars to the Company;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738;
<b>“General Meeting”</b>	the general meeting of Galliford Try Shareholders, notice of which is set out in Part XVI (Notice of General Meeting) of the Circular, including any adjournment thereof;
<b>“Galliford Try Capital Reduction”</b>	the reduction of the Company’s share capital pursuant to Chapter 10 of Part 17 of the Companies Act, involving the cancellation and extinguishing of the Scheme Shares provided for by clause 1.1;
<b>“Galliford Try Shares”</b>	the new ordinary shares of fifty pence (£0.50) each in the capital of the Company to be issued in accordance with clause 1 of this Scheme;
<b>“Galliford Try Shareholders”</b>	holders of the Ordinary Shares;
<b>“holder”</b>	a registered holder and includes any person entitled by transmission;
<b>“Issuer”</b>	<ul style="list-style-type: none"> <li>(a) in respect of the New Galliford Try Shares, New Galliford Try;</li> <li>(b) in respect of the New Topco A Shares or the New Topco B Shares, New Topco; and</li> <li>(c) in respect of the Consideration Shares, Bovis Homes;</li> </ul>
<b>“Long Term Bonus Plan”</b>	the Galliford Try long term bonus plan;

<b>“Linden Homes”</b>	the Linden Homes division of Galliford Try, or where the context requires Galliford Try Homes Limited, a private limited company incorporated in England and Wales with registered number 03158857, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL (being the intermediate holding company which holds the Linden Homes division) and its subsidiaries;
<b>“LTIP”</b>	the Galliford Try plc long term incentive plan 2016;
<b>“Mandatory Transfer Provision”</b>	the provisions of article 12 of the New Topco Articles;
<b>“New Galliford Try”</b>	Galliford Try Holdings plc, a public limited company incorporated in England and Wales with registered number 12216008 whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL;
<b>“New Galliford Try Shares”</b>	the ordinary shares of fifty pence (£0.50) each in the capital of New Galliford Try;
<b>“New Topco”</b>	Goldfinch (Jersey) Limited, a private limited company incorporated in Jersey with registration number 130175 whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD;
<b>“New Topco Articles”</b>	the articles of association of New Topco as at the Effective Date;
<b>“New Topco A Shares”</b>	the new A ordinary shares in the capital of New Topco to be issued in accordance with clause 2 of this Scheme;
<b>“New Topco B Shares”</b>	the new B ordinary shares in the capital of New Topco to be issued in accordance with clause 3 of this Scheme;
<b>“New Topco Reduction Effective Time”</b>	the time and date at which the New Topco Reduction of Capital becomes effective by registration with the Commission;
<b>“New Topco Reduction of Capital”</b>	the reduction of capital of New Topco to take place immediately following the issue of the New Topco B Shares;
<b>“Ordinary Shares”</b>	the ordinary shares of fifty pence (£0.50) each in the capital of the Company;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 as amended from time to time;
<b>“Restricted Overseas Shareholder”</b>	a Scheme Shareholder whom the relevant Issuer requires the Company to treat as a Restricted Overseas Shareholder pursuant to clause 5.1;
<b>“Sale and Purchase Agreement”</b>	the sale and purchase agreement between, among others, the Company and Bovis Homes as described in paragraph 1 of Part III (Summary of the principal terms of the Transaction Documents) of the Circular;
<b>“Scheme”</b>	this proposed scheme of arrangement made under Part 26 of the Companies Act between the Company and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed to in accordance with clause 10;

<b>“Scheme Record Time”</b>	6.00 p.m. on the Effective Date;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares at any relevant date or time and a “Scheme Shareholder” shall mean any one of those Scheme Shareholders;
<b>“Scheme Shares”</b>	<p>(a) the Ordinary Shares in issue at the date of this Scheme;</p> <p>(b) any Ordinary Shares issued after the date of this Scheme and before the Voting Record Time; and</p> <p>(c) any Ordinary Shares issued at or after the Voting Record Time and prior to the Scheme Record Time, on terms that the holder shall be bound by this Scheme or, in the case of any holders of any such shares issued prior to the amendment to the Articles of Association to be adopted at the General Meeting, in respect of which the holder shall have agreed in writing to be bound by this Scheme;</p> <p>and in each case (where the context requires) remaining in issue at the Scheme Record Time;</p>
<b>“Share Plans”</b>	the Sharesave, the LTIP, the Annual Bonus Plan and the Long Term Bonus Plan;
<b>“Sharesave”</b>	the Galliford Try 2005 savings related share option plan;
<b>“Statement of Capital”</b>	the statement of capital (approved by the Court) showing, as altered by the Court Order, the information required by section 649 of the Companies Act with respect to the Company’s share capital;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST; and
<b>“Voting Record Time”</b>	6.30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days before the date of such adjourned meeting.

References to clauses are to clauses of this Scheme and references to time are to London time.

Where the context so admits or requires, the plural includes the singular and vice versa.

- (A) As at the close of business on 7 November 2019, the latest practicable date prior to the date of this Scheme, the Company had 111,032,617 ordinary shares of fifty pence (£0.50) each in issue and credited as fully paid. There are currently no Ordinary Shares held by the Company in treasury. It is proposed that a deferred share of fifty pence (£0.50) in the capital of the Company be issued to New Topco for cash before the Scheme Record Time and this deferred share will not be subject to the Scheme, so that there is no requirement under the Companies Act for an independent valuation of the ordinary shares in Galliford Try to be issued to New Topco pursuant to the Scheme.
- (B) Options and awards in respect of 2,056,812 Ordinary Shares have been granted pursuant to the Share Plans and remain unexercised on 7 November 2019, the latest practicable date prior to the date of this Scheme.
- (C) There shall be no new issues of shares by, or transfer of shares in, the Company or New Topco between the Scheme Record Time and the New Topco Reduction Effective Time, other than the issue of New Galliford Try Shares to New Topco and/or its nominee(s) pursuant to Clause 1.2; the issue of

New Topco A Shares pursuant to Clause 2, such that the Scheme Shareholders at the Scheme Record Time; shall be the same as the holders of the New Topco A Shares at the New Topco Reduction Effective Time and the issue of New Topco B Shares pursuant to Clause 3.1.

- (D) Each of New Topco, New Galliford Try and Bovis Homes has agreed to appear by counsel at the Court Hearing to sanction this Scheme and to submit to be bound by and to undertake to the Court to be bound by this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme, the New Topco Reduction of Capital and the transfer of New Topco to Bovis Homes pursuant to the Mandatory Transfer Provision, including not amending the New Topco Articles prior to the New Topco Reduction Effective Time except as agreed between New Topco, Bovis Homes and the Company.

## **The Scheme**

### **1. Cancellation of the Scheme Shares**

- 1.1 Upon this Scheme becoming effective in accordance with clause 9, the share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares.
- 1.2 Subject to, and immediately upon, the Galliford Try Capital Reduction set out in clause 1.1 taking effect the reserve arising in the book of accounts of the Company as a result of the Galliford Try Capital Reduction shall be capitalised and applied in paying up in full at par such number of Galliford Try Shares as shall be equal to the number of Scheme Shares cancelled, which shall be allotted and issued (credited as fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of whatsoever nature and together with all rights attaching to them credited as fully paid) to New Topco and/or its nominee(s).

### **2. Consideration for the cancellation of the Scheme Shares**

- 2.1 In consideration for the cancellation of the Scheme Shares and the allotment and issue of the Galliford Try Shares as provided in clause 1 of this Scheme, New Topco shall (subject to the remaining provisions of this Scheme) allot and issue to, or for the account of, the Scheme Shareholders one New Topco A Share for each Scheme Share held by that holder (as appearing in the register of members of the Company at the Scheme Record Time).
- 2.2 The New Topco A Shares allotted and issued pursuant to clause 2.1 shall be issued credited as fully paid and shall be entitled to all dividends and other distributions declared, paid or made by New Topco on the ordinary share capital of New Topco by reference to a record date at or after the Effective Date.

### **3. New Topco Reduction of Capital**

- 3.1 Subject to:
  - (A) this Scheme becoming Effective;
  - (B) the register of members of New Topco being updated to reflect the allotment and issue of New Topco A Shares to Scheme Shareholders pursuant to clause 2.1; and
  - (C) the completion of the transfer of the entire issued share capital of Linden Homes from Galliford Try to New Topco pursuant to the Sale and Purchase Agreement,

New Topco shall issue, by way of bonus issue through the capitalisation of amounts standing to the credit of the share premium account of New Topco, New Topco B Shares to the Scheme Shareholders on the basis of one New Topco B Share for each New Topco A Share held by the relevant Scheme Shareholder.

- 3.2 Following the issue of the New Topco B Shares pursuant to clause 3.1, New Topco shall procure the delivery to the Commission of the documents required for the New Topco Reduction of Capital and, upon the New Topco Reduction of Capital taking effect by registration by the Commission, the share capital of New Topco shall be reduced by cancelling each of the New Topco B Shares.
- 3.3 The capital returned by the New Topco Reduction of Capital shall be returned by New Topco transferring the entire issued share capital of Galliford Try to New Galliford Try on the basis that New Galliford Try shall issue New Galliford Try Shares to the Scheme Shareholders on the basis of one New Galliford Try Share for each New Topco B Share held by the relevant Scheme Shareholder immediately before the New Topco Reduction of Capital.

### **4. Transfer of New Topco to Bovis Homes**

Subject to and immediately following the New Topco Reduction of Capital becoming effective and subject to the issue of a valid Call Notice, Bovis Homes shall acquire all of the New Topco A Shares pursuant to the

Mandatory Transfer Provision in the New Topco Articles and, in consideration for the transfer of the New Topco A Shares thereunder, Bovis Homes shall (subject to the provisions of this Scheme and the New Topco Articles) allot and issue an aggregate of 63,739,385 Consideration Shares to the holders of the New Topco A Shares (being the Scheme Shareholders) on the basis that such Consideration Shares shall be allotted and issued to the holders of the New Topco A Shares pro rata to their holdings of New Topco A Shares immediately before the acquisition of such New Topco A Shares by Bovis Homes.

## **5. Overseas Shareholders**

- 5.1 The issue of New Topco A Shares, New Topco B Shares, New Galliford Try Shares or Consideration Shares as described in this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any Scheme Shareholder with a registered address in a jurisdiction outside the United Kingdom or whom the relevant Issuer reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, the relevant Issuer is advised that the allotment and/or issue of New Galliford Try Shares or Consideration Shares (as applicable), would or may infringe the laws of such jurisdiction or would or may require the Company, New Topco, New Galliford Try or Bovis Homes (as the case may be) to comply with any governmental or other consent or any registration, filing or other formality with which the Company, New Topco, New Galliford Try or Bovis Homes is unable to comply or compliance with which the Company, New Topco, New Galliford Try or Bovis Homes regards as unduly onerous, then the relevant Issuer may, in its sole discretion, require the Company to exercise its authority under its articles of association to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such holder to a nominee to hold such Scheme Shares on trust for that holder, on terms that the nominee shall sell the New Galliford Try Shares and Consideration Shares, if any, that it receives pursuant to the Scheme in respect of such Scheme Shares as soon as practicable following the Effective Date.
- 5.2 Any sale under clause 5.1 shall be carried out at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all expenses and commissions incurred in connection with such sale, together with any value added tax thereon, including any tax or any foreign exchange conversion fees payable on the proceeds of sale) shall be paid to such Scheme Shareholder by sending a cheque in accordance with the provisions of this clause 5.
- 5.3 All cheques shall be in sterling drawn on a UK clearing bank and shall be made payable to the persons respectively entitled to the monies represented thereby (except that, in the case of joint holders, the relevant Issuer reserves the right to make such cheques payable to that one of the joint holders whose name stands first in the register of members of the relevant Issuer), and the encashment of any such cheque shall be a complete discharge of the relevant Issuer's obligations under this Scheme to pay the monies represented thereby.
- 5.4 To give effect to any sale under clause 5.1, the person appointed by the Company in accordance with clause 5.1 shall be authorised as attorney on behalf of the Scheme Shareholder concerned and shall be authorised, to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which he or she may consider necessary or expedient in connection with such sale. In the absence of bad faith or wilful default, none of the Company, New Galliford Try, Bovis Homes, New Topco (nor their respective directors or officers) or the persons so appointed shall have any liability for any determination made pursuant to clause 5.1 or for any loss or damage arising as a result of the timing or terms of any sale pursuant to clause 5.1.

## **6. Settlement**

- 6.1 New Topco shall allot and issue the New Topco A Shares due to Scheme Shareholders as consideration pursuant to clause 2 as soon as practicable after the Effective Date and in any event within one Business Day following the Effective Date. No share certificates shall be issued in respect of the New Topco A Shares and such shares shall not be admitted to CREST. New Topco shall allot and issue the New Topco B Shares by way of a bonus issue pursuant to clause 3 as soon as practicable

after the satisfaction of the conditions set out in clause 3.1 (A) to (C) (inclusive). No share certificates shall be issued in respect of the New Topco B Shares and such shares shall not be admitted to CREST.

- 6.2 As soon as practicable after the completion of the steps set out in clause 3.1, and in any event not later than 14 days after the Effective Date, New Galliford Try shall allot and issue the New Galliford Try Shares to the holders of the New Topco B Shares (being the Scheme Shareholders):
- (A) in the case of New Topco B Shares corresponding to Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of certificates for such Consideration Shares to the persons entitled thereto; and
  - (B) in the case of New Topco B Shares corresponding to Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such New Galliford Try Shares, provided that New Galliford Try reserves the right to settle all or part of such consideration in the manner set out in clause 6.2(A) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 6.2(B) or to do so would incur material additional costs.
- 6.3 As soon as practicable after the New Topco Reduction of Capital becomes effective and the issue of a valid Call Notice, Bovis Homes shall allot and issue the Consideration Shares to the holders of the New Topco A Shares (being the Scheme Shareholders).
- 6.4 Bovis Homes shall allot and issue the Consideration Shares to Scheme Shareholders in accordance with clause 6.3 and:
- (A) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, procure the despatch of certificates for such Consideration Shares to the persons entitled thereto; and
  - (B) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to credit the appropriate stock account in CREST of the relevant Scheme Shareholder with such Scheme Shareholder's entitlement to such Consideration Shares, provided that Bovis Homes reserves the right to settle all or part of such consideration in the manner set out in clause 6.4(A) if, for reasons outside its reasonable control, it is not able to effect settlement in accordance with this clause 6.4(B) or to do so would incur material additional costs.
- 6.5 All certificates required to be sent by New Galliford Try pursuant to clause 6.2 or Bovis Homes pursuant to clause 6.4 shall be sent by post in prepaid envelopes addressed to the persons respectively entitled thereto at their respective addresses appearing in the register of members of Galliford Try at the Scheme Record Time (or, in the case of joint holders, to the address of the joint holder whose name stands first in the register in respect of the joint holding) or in accordance with any special instructions regarding communications received at the registered office of Galliford Try prior to the Effective Date.
- 6.6 Neither Galliford Try nor New Galliford Try shall be responsible for any loss or delay in transmission of certificates sent in accordance with this clause 6.
- 6.7 The provisions of this clause 6 shall be subject to any condition or prohibition imposed by law.

## **7. Certificates and cancellation**

With effect from and including the Effective Date:

- 7.1 all certificates representing the Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised therein, and every holder thereof shall be bound at the request of the Company to deliver up such certificate(s) to the Company or as it may direct, or to destroy them;

- 7.2 in respect of those holders of Scheme Shares holding Scheme Shares in uncertificated form, Euroclear shall be instructed to cancel such holders' entitlements to such Scheme Shares; and
- 7.3 appropriate entries shall be made in the register of members of the Company to reflect the cancellation of the Scheme Shares with effect from the Effective Date.

## **8. Mandates**

All mandates, including any mandates relating to the payment of dividends or other amounts, and communication preferences, and other instructions given to the Company by Galliford Try Shareholders and in force at the Scheme Record Time relating to Scheme Shares shall, unless and until revoked or amended, be deemed as from the point at which the relevant shares are issued to be valid and effective mandates or instructions to:

- (A) New Galliford Try in relation to the New Galliford Try Shares; and
- (B) Bovis Homes in relation to the Consideration Shares, held by the relevant Galliford Try Shareholder except to the extent that a Galliford Try Shareholder already holds ordinary shares in Bovis Homes at the Scheme Record Time (and Bovis Homes' registrar is able to match such holdings), in which case any mandates and instructions in relation to those existing ordinary shares in Bovis Homes will also apply to the Consideration Shares received by that Galliford Try Shareholder under the terms of the Scheme.

## **9. Effective Date**

- 9.1 This Scheme shall become effective in accordance with its terms as soon as a copy of the Court Order and the Statement of Capital shall have been delivered to the Registrar of Companies for registration.
- 9.2 Unless this Scheme shall become effective on or before 2 January 2020 or such later date (if any) as the Company may agree and the Court may allow, this Scheme shall never become effective.

## **10. Modification**

The Company, New Topco, New Galliford Try and Bovis Homes may consent jointly on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose.

## **11. Costs**

The Company is authorised and permitted to pay all the costs and expenses relating to the negotiation, preparation and implementation of the Scheme.

## **12. Governing Law**

- 12.1 This Scheme and any dispute or claim arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 12.2 The courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Scheme.

Dated: 7 November 2019

## PART IX

### MANDATORY TRANSFER PROVISION IN THE NEW TOPCO ARTICLES

*Below is a summary of the mandatory transfer provisions that will be included in the New Topco Articles, pursuant to which (following the Demerger and subject to the issue of a Call Notice) Bovis Homes will acquire the entire issued share capital of New Topco in exchange for the Consideration Shares to be issued to the shareholders of New Topco (who will be the Galliford Try Shareholders).*

- 1.1 Notwithstanding any other provision of the New Topco Articles, upon the issue of a Call Notice to New Topco (as agent for each of the Shareholders) by any director of New Topco and provided the Demerger has taken place, all of the issued shares in the capital of New Topco shall be immediately transferred to Bovis Homes (and Bovis Homes shall be the beneficial holder of such shares from the issue of a Call Notice) in consideration for the issue of the Consideration Shares to the Shareholders (pro rata to their holdings of shares in New Topco) in accordance with this article and the Scheme subject to: (i) the provisions of paragraph 1.4 below in relation to fractional entitlements; and (ii) the provisions of clause 5 of the Scheme in respect of the Consideration Shares regarding overseas shareholders, including Restricted Overseas Shareholders (as defined in the Scheme), and for such purposes:
  - 1.1.1 New Topco is hereby appointed as agent of each of the Shareholders to receive any Call Notice that may be served and a Call Notice served on New Topco shall be deemed as being validly served on each of the Shareholders; and
  - 1.1.2 any director of New Topco, or any other person appointed by the directors of New Topco, is hereby appointed by each Shareholder as their/its attorney and/or agent and/or delegate and/or otherwise and shall be irrevocably authorised as such attorney and/or agent and/or delegate and/or otherwise on behalf of each Shareholder to: (i) execute and deliver as transferor a form of transfer or other instrument in relation to all of the shares in the New Topco in favour of Bovis Homes; and (ii) take such steps as such attorney and/or agent and/or delegate and/or otherwise may, in his or her absolute discretion, think necessary or desirable to effect such transfer, and every form or instrument of transfer so executed shall be as effective as if it had been executed by the relevant Shareholder holding the shares thereby transferred.
- 1.2 The Consideration Shares, subject as set out in paragraph 1.1, shall be delivered to the relevant Shareholders by means of CREST or delivery of definitive share certificates by Bovis Homes to the relevant Shareholders in accordance with the Scheme.
- 1.3 The Consideration Shares allotted and issued to the relevant Shareholder pursuant to these mandatory transfer provisions shall be issued fully paid, free from encumbrances and shall rank in all respects *pari passu* with the existing issued fully paid ordinary shares in the share capital of Bovis Homes as at the date of the transfer described in paragraph 1.1 including the right to receive all dividends and other distributions declared, made or paid by Bovis Homes after the date of the transfer described in paragraph 1.1, but excluding the Bovis Homes final dividend expected to be declared with Bovis Homes's full year results for the year ending 31 December 2019.
- 1.4 No fraction of a Consideration Share shall be allotted or issued to a Shareholder pursuant to these mandatory transfer provisions. Any fraction of a Consideration Share to which a Shareholder would otherwise have become entitled shall be aggregated with the fractional entitlements of any other Shareholders whose Consideration Shares are being issued under these mandatory transfer provisions and sold in the market and the net proceeds of sale (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in due proportion to the relevant Shareholders (rounded down to the nearest penny). However, fractional entitlements to amounts (after the deduction of all commissions and expenses incurred in connection with such sale, including any value added tax payable on the proceeds of sale) of £5.00 or less shall not be paid to the relevant Shareholders who would otherwise be entitled to them, but shall be retained for the benefit of the New Topco.

## PART X

### TAXATION

The following statements do not constitute tax advice and are intended as a general guide only to the UK tax position under current UK legislation and published HM Revenue & Customs (“**HMRC**”) practice as at the date of this document, both of which are subject to change at any time, possibly with retrospective effect.

These statements deal only with the position of Scheme Shareholders who are resident (and, in the case of individuals only, domiciled) solely in the UK for tax purposes and who hold their Scheme Shares as an investment and who are the absolute beneficial owners of the Scheme Shares and of all dividends of any kind paid in respect of them. They do not apply to certain categories of Scheme Shareholders, such as dealers in securities, persons who have or are deemed to have acquired their Scheme Shares by reason of their or another’s employment, persons who hold their Scheme Shares as part of hedging or conversion transactions, persons who hold their Scheme Shares in connection with a UK branch, agency or permanent establishment, persons who hold their Scheme Shares by virtue of an interest in any partnership, collective investment scheme, insurance company, life assurance company, mutual company, or persons who hold their Scheme Shares pursuant to a tax advantaged arrangement such as an Individual Savings Account.

Special tax provisions may apply to Scheme Shareholders who have acquired or who acquire their Scheme Shares by exercising options or awards acquired as part of the Share Plans, including provisions imposing a charge to income tax. This summary does not apply to such shareholders and such shareholders are advised to seek independent professional advice.

Scheme Shareholders who are in any doubt about their taxation position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.

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

##### ***Interposition of New Topco***

For the purposes of UK taxation of chargeable gains (“**CGT**”) the issue to Scheme Shareholders of New Topco A Shares in consideration for the cancellation of the Scheme Shares pursuant to the Scheme should be treated as a reorganisation of share capital. Accordingly, Scheme Shareholders should not be treated as making a disposal of all or part of their Scheme Shares and no liability to CGT should arise. Instead, the New Topco A Shares will, for CGT purposes, be treated as the same asset as the Scheme Shares and as having been acquired at the same time and for the same cost.

If a Scheme Shareholder alone, or together with persons connected with him, holds more than 5 per cent. of, or of any class of, the shares in Galliford Try (including the Scheme Shares), such Scheme Shareholder will be eligible for the above treatment only if the Scheme is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to UK CGT or corporation tax on chargeable gains. If these conditions are not met, such Scheme Shareholder will be treated as disposing of his Scheme Shares in consideration for the issue of his New Topco A Shares which may, depending on the Scheme Shareholder’s circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has been obtained from HMRC under section 138 Taxation of Chargeable Gains Act 1992 that the Scheme will be effected for *bona fide* commercial reasons and will not form part of such a scheme or arrangement.

##### ***The Bonus Issue of New Topco B Shares***

For the purposes of CGT, the issue to Scheme Shareholders of New Topco B Shares should be treated as a reorganisation of share capital. Accordingly, Scheme Shareholders should not be treated as making a disposal of all or part of their New Topco A Shares and no liability to CGT should arise. Instead, the New Topco A Shares and New Topco B Shares should, for CGT purposes, be treated as the same asset having been acquired at the same time and for the same cost.

### ***New Topco Reduction of Capital and Demerger***

For the purposes of CGT the New Topco Reduction of Capital and Demerger should be treated as a reorganisation of share capital. Accordingly, Scheme Shareholders should not be treated as making a disposal of all or part of their New Topco B Shares and no liability to CGT should arise. Instead, the New Galliford Try Shares that will be held by a shareholder following the New Topco Reduction of Capital and Demerger should be treated as the same asset, having been acquired at the same time and for the same consideration, as the New Topco B Shares which they represent.

If a Scheme Shareholder alone, or together with persons connected with him, will hold more than 5 per cent. of, or of any class of, the shares in New Topco, such Scheme Shareholder will be eligible for the above treatment only if the New Topco Reduction of Capital and Demerger is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to UK capital gains tax or corporation tax on chargeable gains. If these conditions are not met, such Scheme Shareholder will be treated as disposing of his New Topco B Shares in consideration for the issue of his New Galliford Try Shares which may, depending on the Scheme Shareholder's circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has been obtained from HMRC under section 138 Taxation of Chargeable Gains Act 1992 that the New Topco Reduction of Capital and Demerger will be effected for *bona fide* commercial reasons and will not form part of such a scheme or arrangement.

### ***Sale of the New Topco A Shares***

For the purposes of CGT the issue to Scheme Shareholders of Consideration Shares in consideration for their New Topco A Shares pursuant to the Transaction should be treated as a reorganisation of share capital. Accordingly, Scheme Shareholders should not be treated as making a disposal of all or part of their New Topco A Shares and no liability to CGT should arise. Instead, the Consideration Shares that will be held by a shareholder following the transaction should be treated as the same asset having been acquired at the same time and for the same consideration as the New Topco A Shares which they represent.

If a Scheme Shareholder alone, or together with persons connected with him, holds more than 5 per cent. of, or of any class of, the shares in New Topco, such Scheme Shareholder will be eligible for the above treatment only if the Transaction is effected for *bona fide* commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to UK capital gains tax or corporation tax on chargeable gains. If these conditions are not met, such Scheme Shareholder will be treated as disposing of his New Topco A Shares in consideration for the issue of his Consideration Shares which may, depending on the Scheme Shareholder's circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has been obtained from HMRC under section 138 Taxation of Chargeable Gains Act 1992 that the Transaction will be effected for *bona fide* commercial reasons and will not form part of such a scheme or arrangement.

### ***Combined effect of the Restructuring***

In summary, the New Galliford Try Shares and the Consideration Shares that will be held by Scheme Shareholders following the Restructuring should collectively be treated as the same asset, and as having been acquired at the same time and for the same consideration, as those Scheme Shares which they represent. Accordingly, following the Restructuring, on a disposal or deemed disposal of New Galliford Try Shares and/or Consideration Shares, an appropriate portion of a Scheme Shareholder's original base cost in their Scheme Shares will be deductible from the proceeds of the disposal in order to compute the chargeable gain. That proportion will be determined by applying the formula " $A/(A+B)$ ", where "A" is the consideration for the disposal and "B" is the market value, on the date of such disposal, of the New Galliford Try Shares and/or Consideration Shares which are retained.

### ***Subsequent disposal of New Galliford Try Shares or Consideration Shares***

A subsequent disposal or deemed disposal of New Galliford Try Shares or Consideration Shares by a shareholder who is resident in the United Kingdom for tax purposes may, depending on their particular

circumstances (including the availability of exemptions and reliefs), give rise to a chargeable gain or an allowable loss for the purposes of CGT.

## **2. Income Tax**

Neither the Scheme, the Bonus Issue, the New Topco Reduction of Capital and the Demerger nor the Transaction give rise to taxable income in the hands of Scheme Shareholders.

## **3. UK stamp duty and stamp duty reserve tax (“SDRT”)**

No UK stamp duty or SDRT will be payable by Scheme Shareholders as a result of (i) the Scheme, (ii) the Bonus Issue, (iii) the New Topco Reduction of Capital and Demerger or (iv) the Transaction.

## PART XI

### BUSINESS OVERVIEW OF THE BOVIS HOMES GROUP

*The following information, including statements in relation to the intentions and beliefs of Bovis Homes and any of the Bovis Homes Board has been reproduced directly from the Bovis Homes Prospectus (save for adapting the defined terms used in the Bovis Homes Prospectus to the defined terms used in this document).*

*Further information on Bovis Homes will be published in the Bovis Homes Prospectus which is expected to be made available on or around 8 November 2019 for information purposes on Bovis Homes' website at [www.bovishomesgroup.co.uk](http://www.bovishomesgroup.co.uk) and for information purposes via the Company's website at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).*

*The Company and the Directors (whose names are set out in part 3 of paragraph XII (Additional Information)) do not accept responsibility for the information contained in the Bovis Homes Prospectus.*

#### 1. Overview of Bovis Homes

Bovis Homes is a leading UK housebuilder of high quality, traditional homes. With seven operating regions and c. 1,300 employees at locations across England, it creates new sustainable communities. Bovis Homes has core expertise and competitive advantage in the key areas of land acquisition, design and planning, build, sales and customer service. Its shares are listed on the London Stock Exchange and Bovis Homes is a member of the FTSE 250.

Bovis Homes builds new homes for private sale and affordable housing. It has two businesses, the West and East, and seven operating regions, each with a regional head office well located for its developments. These include Kings Hill in Kent, which is also Bovis Homes' headquarters, Basingstoke, Exeter, Bishop's Cleeve near Cheltenham, Stafford, Coleshill near Birmingham and Milton Keynes.

Bovis Homes builds family homes on primarily greenfield land in prime edge-of-town and village locations. These are typically two-storey houses with a limited number of apartments. Bovis Homes' latest standard housing range, the "Phoenix Collection", was launched in April 2018 and incorporates 28 standard house types for both private and affordable house types. The first completions in the new range were completed in the first half of 2019, with very positive customer feedback.

Bovis Homes' Partnerships business was launched in early 2019 and works alongside the seven operating regions. It brings a more resilient revenue and profit stream that is less connected to the housing cycle, and its developments reflects the Bovis Homes Group's significantly improved relationships with housing associations. The business is focused on higher margin land-led development allowing the Bovis Homes Group to optimise returns from its land investment, in particular from the larger sites pulled through from its high quality strategic land bank.

In the financial years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019, Bovis Homes had revenue of £1,054.8 million, £1,028.2 million, £1,061.4 million and £472.3 million, respectively.

#### 2. History and development

In 1997, Bovis Homes was demerged from P&O where it had been a wholly-owned subsidiary since 1974. It was floated on the London Stock Exchange in December 1997, becoming Bovis Homes Group PLC.

Bovis Homes went through a challenging period in early 2017 with a high level of customer issues. In January 2017, Chief Executive, David Ritchie, stepped down and Bovis Homes announced its intention to slow production during that year to enable the business to reset.

In March 2017 the Bovis Homes Board acknowledged that it had received written proposals from Redrow plc and Galliford Try outlining their rationale for a potential merger. Following a review of each in detail,

the Bovis Homes Board concluded that neither proposal reflected the underlying value of Bovis Homes and both were rejected.

Greg Fitzgerald was appointed as Chief Executive of Bovis Homes in April 2017. Greg was formerly Chief Executive and Executive Chairman of Galliford Try, where he spent over 30 years of his career.

The Bovis Homes Group launched its “Partnerships Division” in February 2019 to operate alongside its seven operating regions. The business works with housing associations, in particular, to address the housing shortage in the UK through increased production and supply of new affordable homes.

Following a period of resetting the business, Bovis Homes reported significant operational and financial progress in the 12 months to December 2018 and six months ended 30 June 2019.

### **3. Strategy and objectives**

The Bovis Homes Group is focused on delivering controlled volume growth while driving margin progression. It sees increased growth opportunity from the development of its partnerships business, working alongside housing associations, in particular, to increase the supply of new affordable housing to the UK market.

On margin, specific initiatives include the roll-out of its latest standard housing range, the “Phoenix Collection” and an increase in the usage of its ‘select’ extras range. It has also implemented a programme of cost- saving initiatives across all areas of build including working with its supply chain to counter any build cost inflation and introduce Bovis Homes Group- wide build specification changes where appropriate.

The Bovis Homes Group set out clear medium- term targets in September 2017 to be achieved by 2020 to return it to being a leading UK housebuilder and deliver significantly improved returns to shareholders. Much progress has been made against these objectives with a number already achieved. Bovis Homes has a clear set of strategic priorities which underpin how it operates across all aspects of the business and support driving the business forward.

People development is a key priority and Bovis Homes is investing more in the training and development of its people than ever before. Bovis Homes has developed a culture of “hands-on-leadership” with a greater operational focus, facilitating quicker decision- making and accountability across the business. Its employee incentive packages are closely aligned with its strategic goals and medium-term targets.

Delivering its customers high-quality new homes and a high level of customer service that meets with their expectations throughout their entire journey with Bovis Homes is a key priority. Bovis Homes has seen a step change in its levels of customer satisfaction since 2017, was awarded a 4-star HBF Customer Satisfaction Rating in 2018 and is now trending at 5-star. There has also been a significant improvement across build quality metrics, which are now at least in line with industry benchmarks.

Bovis Homes is committed to delivering a high standard of health and safety for all employees, sub-contractors and other on-site visitors. It has a three-year strategy plan for health and safety and is continually looking to improve its systems and processes in this area.

Bovis Homes is committed to building upon the significant progress made over the past two years and has a range of initiatives and a programme of investment designed to build a better Bovis Homes. It continues to undertake research and development to improve the processes, materials and products used in the construction of its developments and to enhance the energy efficiency of its range of homes.

The Bovis Homes Group is focused on returning Bovis Homes to being a leading UK housebuilder and delivering enhanced returns to shareholders through increased profitability, return on capital employed and total shareholder returns.

### **4. Organisational structure**

The Bovis Homes Group consists of one main trading entity and is structured into seven regions (being Mercia, West Midlands, Western, South West, Northern Home Counties, South East and Southern Counties).

Bovis Homes is the holding company of the Bovis Homes Group. Following Completion, the members of the Disposal Group will become wholly-owned indirect subsidiaries of Bovis Homes.

### ***Significant subsidiaries***

Bovis Homes is the parent company of the Bovis Homes Group. A full list of Bovis Homes' principal subsidiaries, which are considered by Bovis Homes to be likely to have a significant effect on the assessment of the assets and liabilities, the financial position and the profits and losses of Bovis Homes, is set out in paragraph 9 of Part XV – "Additional Information" of the Bovis Homes Prospectus.

## **5. Principal activities**

Bovis Homes is a top 10 UK housebuilder with a strategic focus on the south of England, excluding London, that designs and develops high-quality private and affordable housing. Bovis Homes purchases land in targeted prime locations, typically on the edge of towns or villages, with over 90 per cent. on greenfield sites. It has specialist land buyers in each of its operating regions who work with land vendors, including local authorities, to identify land opportunities that at least meet its minimum hurdle rates and enable the Bovis Homes Group to create sustainable places for its customers to live.

Bovis Homes designs homes and places for its customers using its latest standard housing designs. Launched in April 2018, the "Phoenix Collection" includes 28 standard house types for both private and affordable homes and encompasses two-bedroom starter properties through to larger four- and five-bedroom family homes. This range reflects modern living and includes more open plan space, larger bedrooms and better storage. The first completions with the new house types were in the first half of 2019, with excellent customer feedback.

Bovis Homes typically operates from c. 85 to 90 sites across its seven operating regions, with each site managed by a Bovis Homes site team including a site manager and an assistant site manager. Bovis Homes employs traditional methods of construction and uses local and regional suppliers, providing benefits to the wider community through job creation and opportunities for other local businesses to support the development. Bovis Homes works closely with its supply chain to ensure timely delivery of its homes in an environmentally and socially aware way. Suppliers and sub-contractors are involved at an early stage in site development to ensure adequate resource planning is in place and health and safety is a number one priority.

Bovis Homes has strong in-house sales and marketing expertise, with customer satisfaction a key priority and central to all that the Bovis Homes Group does. There has been a step change in Bovis Homes customer satisfaction rating over the past two years, and Bovis Homes is now trending at an 5-star HBF Customer Satisfaction Rating. Bovis Homes continues to invest in its customer service function and has recently implemented a new end-to-end customer relationship management system designed to provide an enhanced customer experience.

## **6. Land acquisition and landbank**

Bovis Homes' strategy is to maintain a high quality owned landbank equivalent to 3.5 to 4.0 years' land supply for the Bovis Homes Group (including its share of joint ventures). In addition, Bovis Homes has strength in securing attractive strategic land opportunities and will continue to invest in strategic land going forward.

As at 30 June 2019, Bovis Homes total owned landbank including joint ventures was 16,215 plots. Including Bovis Homes' share of joint venture plots of 1,527 as at 30 June 2019 and assuming the Bovis Homes Group's target of 4,000 total completions, the Bovis Homes Group had 3.7 years' supply of owned land. The expected future average selling price of the owned land plots was £316,000, with an average land cost per plot of £58,000. To best meet future market demand, Bovis Homes is focused on the acquisition of smaller product, increasing its proportion of two- and three- bedroom homes and reducing the overall Bovis Homes average selling price. Within the owned landbank, 72 per cent. of the plots were for private units, 4 per cent. for private apartments and 24 per cent. for affordable housing. Bovis Homes has a strong track record of acquiring strategic land and at 30 June 2019 had a total of 19,745 strategic land plots. There is a strong pipeline of land to be pulled through into the owned landbank with 6,000 of these strategic plots already

having planning agreed and a further c. 2,700 with a planning application. Bovis Homes continues to pursue attractive new strategic land opportunities.

Bovis Homes has good forward visibility on land supply and has all of its units for 2020 secured and 83 per cent. for 2021. It continues to see good opportunities in the land market that at least meet its minimum hurdle rates. Bovis Homes holds a balanced land portfolio across all seven operating regions.

## **7. Principal markets**

Demand for housing in the UK continues to outstrip supply, with the market consistently falling short of the 250,000 new homes it needs each year. In 2018, a total of 198,930 new homes were completed in the UK.

Whilst affordability remains a challenge, demand is supported by a favourable lending environment with healthy competition between lenders and historically low interest rates. The Government's "Help to Buy" equity loan scheme, first introduced in 2013, has supported and continues to support home purchases, in particular, first- time buyers.

Various factors contribute to constrain the supply of housing in the UK, with the key ones including:

- the relatively complex, time-consuming and expensive land planning system in the UK;
- delays by a large number of local authorities in putting into place housing supply plans, as required under the National Planning Policy Framework;
- not enough land which is suitable for housebuilding;
- shortage of skilled labour;
- difficulties faced by smaller developers in accessing development funds;
- the continued political uncertainty surrounding the UK's exit from the EU; and
- a lack of investment by housebuilders in innovative methods of construction due to the significant financial risks involved.

There is strong support from the UK Government for increasing the housing supply.

The Housing White Paper, "Fixing our broken housing market", issued in February 2017, described a number of initiatives which, taken together, are aimed at securing a step change in housing supply. These include:

- ensuring the planning system supports the Government's housing supply objectives;
- improving productivity and competition in the housing market, opening it up to smaller builders and those who embrace innovative and efficient methods;
- delivering the "Housing Infrastructure Fund" grant funding to provide infrastructure which unlocks homes in areas where housing need is greatest;
- supporting local authorities and housing associations to increase the supply of affordable homes;
- boosting availability of land in the right places for homes and ensuring that better use is made of underused land;
- making the most of surplus land already in public ownership, release surplus central government land and support local authorities to release their land;
- supporting ambitious local authorities to bring forward land to create new settlements;
- increasing home ownership and housing supply through the "Help to Buy Equity Loan" scheme; and

- encouraging best practice in delivering high-quality design to underpin the creation of great places to live.

## 8. Investments

During the period of the historical financial information, and prior to 31 December 2018, the Bovis Homes Group's material investments included two Private Rented Sector ("PRS") joint ventures. The first, formed in December 2009, was Bovis Homes Peer LLP, a 50:50 jointly controlled venture with Peer Group. The second, formed in November 2013, was a 26.6 per cent. interest with joint control in IIH Oak Investors LLP with the Mill Group. Both joint ventures were formed from the sale of the Bovis Homes Group's product into the joint ventures and received funding from external banks (IIH Oak Investors LLP also supported by funding from Homes England). The PRS portfolios have been successful, with low void rates, and, during the period of the historical financial information, the controlling entities have been disposing of the properties to close down the joint ventures. The remaining investment in these PRS joint ventures is not expected to be material as at 31 December 2019 assuming that the planned disposal of these PRS joint ventures completes.

The Bovis Homes Group will retain a material investment in its two development joint ventures: Stanton Cross Developments LLP with Riverside Housing Association (Wellingborough) and Bovis Homes Sherford Latimer LLP with Clarion Housing Association.

In December 2018, the Bovis Homes Group entered into its first major joint venture at Sherford, near Plymouth, with Clarion Housing Group. As part of the initial transaction, land and infrastructure owned by the Bovis Homes Group was sold into the joint venture, Bovis Homes Latimer (Sherford) LLP. The overall development, which Bovis Homes is developing in consortium with Linden Homes and Taylor Wimpey, has received support from Homes England.

In April 2019, the Bovis Homes Group entered into a 50:50 joint venture, Stanton Cross Developments LLP, with Riverside Housing Association (Wellingborough) for the development of the new community at Stanton Cross, near Wellingborough. The Bovis Homes Group provides ongoing services to this LLP for construction, sales and company secretarial support. The Bovis Homes Group has realised a net cash benefit from the transaction of £69.5 million which arose from a cash receipt of £33.1 million and the transfer of a loan provided by Homes England of £36.4 million into the joint venture.

In addition to the joint ventures disclosed above, Bovis Homes has a joint arrangement with Livewest Housing Association at Tavistock. Formed in September 2018, this is a 50:50 arrangement with joint control, and the financial impact is reflected in the accounts on a proportional consolidation basis. Bovis Homes has entered into similar arrangements for developments at Exeter (Alphington) and Taunton (Comeytrowe) with Livewest since 30 June 2019.

## 9. Regulatory environment

The Bovis Homes Group is wholly UK-based, operating in England and Wales. The Bovis Homes Group is dependent on macroeconomic factors as well as the conditions of the UK residential property market. The Bovis Homes Group may be particularly adversely affected by any factor that reduces sales prices or transaction volumes or presents constraints in the supply chain in the UK residential property market. Despite ongoing market uncertainty relating to Brexit, demand in the housing market continues to outstrip supply and the industry has generally encountered difficulties in meeting the demand over recent years. This has resulted in the UK facing a severe housing shortage, although this demand has also meant that the outlook for the industry remains positive, with output continuing to increase and prices that have remained stable.

Additionally, while the Government has continued to be supportive of the housing industry generally, recognising the importance of continuing to build new homes to meet the current housing shortage, there have been some recent items that have led to some fallout within the industry. For example, the Government is reviewing the use of leaseholds to sell houses and is considering banning the use thereof related to the sale of houses. However, this is not a practice that was adopted by Bovis Homes and it will therefore have no

impact. Similarly, the perceived fall in the quality of new homes being produced has been reviewed by the Government and has led to the announcement of a new Ombudsman to protect the interests of homebuyers and hold developers to account. The powers, authority and scope of this Ombudsman are not yet clear, but Bovis Homes is focused on delivering great quality homes to its customers and therefore will work with whatever measures are implemented. Finally, the Oliver Letwin review into build-out rates by the Government was published in October 2018. This concluded that the homogeneity of the types and tenures of the homes on offer on sites, and the limits on the rate at which the market will absorb such homogeneous products, are the fundamental drivers of the slow rate of build-out. Most of the recommendations to speed up the rate of development relate to potential changes to planning policy, although the key challenges in delivering this are expected to include the uncertainty of demand in specific locations and the unavailability of labour.

The lack of skills to meet labour demand is a challenge for Bovis Homes' industry and may be compounded by the outcome of Brexit if such outcome leads, over time, to reduced access to skilled European workers. Any restrictions in the availability of EU labour could have significant consequences for the availability of labour (which is already a constraint to growth). There are also regulatory uncertainties around current EU legislation, especially from an environmental perspective, and potential impacts on Bovis Homes' supply chain in terms of logistics and potential changes in tariffs.

## **10. Trends**

The Bovis Homes Group reported a 15 per cent. increase in its private sales rate in the first six months to 30 June 2019, increasing to 0.60 (2018: 0.52) sales per active site per week. The Bovis Homes Group has continued to see sales at this level on average for the weeks since 1 July 2019. This trend reflects a step change in the Bovis Homes Group's performance against a backdrop of ongoing market uncertainty.

"Help to Buy" remains an important scheme supporting the purchase of new homes, in particular for first-time buyers. In the first half of 2019, 25 per cent. of the Bovis Homes Group's total completions utilised the scheme.

The Bovis Homes Group has seen a controlled increase in its use of part exchange, with 9 per cent. of completions in the first six months to 30 June 2019 on that basis. The Bovis Homes Group maintains very tight control around its part exchange stock levels and holds none or very few properties for longer than three months. The Bovis Homes Group is operating from c. 88 sites and expects this to remain relatively stable.

The Bovis Homes Group has seen a significant improvement in its levels of customer satisfaction levels increasing by 2 stars to being awarded a 4-star rating in the HBF Customer Satisfaction Rating for 2018. The Bovis Homes Group is currently trending at a 5-star HBF Customer Satisfaction Rating for the 2019 year to date.

The Bovis Homes Group reported a 36 per cent. and 20 per cent. increase in operating profit for the 12 months to 31 December 2018 and the 26 weeks to 30 June 2019, respectively, driven by a strong improvement in the Bovis Homes Group's gross margin. The Bovis Homes Group reported a gross margin of 21.8 per cent. for the 12 months ended 31 December 2018 (2017: 18.0 per cent.) and expects to achieve its gross margin target of 23.5 per cent. for 2020. With improved profits and an optimised balance sheet, the Bovis Homes Group reported an increase in return on capital employed to 19.3 per cent. (2017: 13.7 per cent.) for the 12 months ended 31 December 2018.

## PART XII

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names are set out in paragraph 3 of this Part XII (Additional Information) below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Incorporation and registered office

The Company's legal and commercial name is Galliford Try plc. The Company is a public limited company and was incorporated under the Companies Act, 1948 in England on 3 February 1965 as a company limited by shares with the name Galliford & Sons (Holdings) Limited and registered number 00836539. The Company's name changed on several occasions and most recently it changed its name from Galliford plc to Galliford Try plc on 18 September 2000. The Company's registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL (telephone number 01895 855 000). The Company's website is [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).

The principal laws and legislation under which the Company operates, and under which the Ordinary Shares have been issued, are the Companies Act and the regulations made thereunder.

#### 3. Directors

The Directors of the Company are:

<i>Name</i>	<i>Position</i>
Peter Ventress	Chairman
Graham Prothero	Chief Executive
Andrew Duxbury	Finance Director
Terry Miller	Senior Independent Non-Executive Director
Gavin Slark	Non-Executive Director
Jeremy Townsend	Non-Executive Director
Marisa Cassoni	Non-Executive Director

#### 4. Directors' shareholdings and options

##### 4.1 *Holdings in Ordinary Shares*

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company are as set out in the following table:

<i>Name</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of issued Ordinary Shares (%)</i>
Graham Prothero	88,940	0.08010
Andrew Duxbury	2,939	0.00265
Terry Miller	2,066	0.00186
Gavin Slark	1,600	0.00144
Jeremy Townsend	3,333	0.00300
Marisa Cassoni	—	—
Peter Ventress	14,098	0.01270

## 4.2 *Other interests*

Details of options and awards over Ordinary Shares held by the Directors are set out below. These options and awards are not included in the interests of the Directors shown in the table above.

As at the Latest Practicable Date, the following options and awards over Ordinary Shares have been granted to certain Directors:

### **LTIP awards outstanding**

<i>Date of award</i>	<i>No. of shares under award</i>	<i>Exercise price</i>	<i>Actual or anticipated vesting date</i>
<b>Graham Prothero</b>			
20 September 2018	57,148	Nil	20 September 2021
22 September 2017	48,914	Nil	22 September 2020
16 November 2016	33,330	Nil	16 November 2019
<b>Andrew Duxbury</b>			
20 September 2018	27,260	Nil	20 September 2021
<b>Total</b>	<u>166,652</u>		

### **Sharesave options outstanding**

<i>Year of invitation</i>	<i>No. of shares under options</i>	<i>Option price (£)</i>	<i>Period in which options can be exercised</i>
<b>Graham Prothero</b>			
2018 Sharesave	2,551	£8.23	1 January 2024 – 30 June 2024
<b>Andrew Duxbury</b>			
2018 Sharesave	188	£8.23	1 January 2022 – 30 June 2022
2017 Sharesave	740	£9.276	1 January 2021 – 30 June 2021
2016 Sharesave	445	£9.357	1 January 2020 – 30 June 2020
<b>Total</b>	<u>3,924</u>		

### **Annual Bonus Plan awards subject to restrictions**

<i>Date of award</i>	<i>No. of shares under award</i>	<i>Date on which shares released</i>
<b>Graham Prothero</b>		
19 September 2019	7,002	19 September 2022
20 September 2018	8,819	20 September 2021
<b>Total</b>	<u>15,821</u>	

No consideration was payable in respect of the grant of any of these options.

## **5. Employee share plan proposals**

New Galliford Try has confirmed to the Company that, following the Scheme becoming Effective, it proposes to continue to use employee share plans to incentivise employees of New Galliford Try and its subsidiaries. Accordingly, New Galliford Try has confirmed to the Company that the New Galliford Try Directors will adopt the New Galliford Try LTIP subject to the approval of the Company's Shareholders at the General Meeting and conditional on the Scheme becoming Effective. The New Galliford Try LTIP broadly mirrors the LTIP. New Galliford Try has confirmed to the Company that any awards to be granted to directors of New Galliford Try under the New Galliford Try LTIP in the period following Admission of the New Galliford Try Shares and before the annual general meeting of New Galliford Try to be held in 2020 are intended to be granted in line with the Company's directors' remuneration policy (as approved by Shareholders on 10 November 2017). No new rights will be granted under the Share Plans following the Effective Date.

## 6. Directors' service contracts and letters of appointment

Key details on the terms of the Directors' service contracts and letters of appointment providing for benefits upon termination of employment are summarised below.

### 6.1 *Executive Directors*

The Company has entered into service agreements with each of the Executive Directors, the particulars of which as at the Latest Practicable Date are:

<i>Name</i>	<i>Date of appointment</i>	<i>Notice period</i>
Graham Prothero	18 June 2012	12 months
Andrew Duxbury	26 March 2019	12 months

The Executive Directors' service agreements are terminable by either party on 12 months' prior written notice or by the Company immediately in the case of gross misconduct (amongst other circumstances), and by the Company on short notice (the statutory minimum period of time plus one week) should the Executive Director be absent from work due to incapacity for the requisite periods of time. The service agreements contain provisions relating to pay, pension contributions payable by the Company and holiday entitlement. At the Company's discretion, a sum equivalent to 12 months' salary and benefits may be paid in lieu of notice under the agreement. The service agreements contain mitigation provisions to pay any such lump sum in monthly instalments, subject to offset against earnings elsewhere. The Company may, once notice of termination has been given by either side, require the Executive Director to take a period of gardening leave during which he will be entitled to salary and benefits.

### 6.2 *Non-Executive Directors*

The following directors are appointed as Non-Executive Directors of the Company under letters of appointment effective from the dates stated below, pursuant to which they are appointed for an initial three-year term which may be extended. Each Non-Executive Director's appointment is subject to re-election where appropriate at any annual general meeting of the Company. Each Non-Executive Director is entitled to receive a fee in relation to his or her appointment paid monthly in arrears in addition to reasonable expenses incurred in carrying out their duties. They are entitled to benefit from appropriate liability insurance put in place by the Company and must notify the Chairman, Group General Counsel and Company Secretary of any conflict of interest which arises as a result of their other business interests. Each Non-Executive Director's appointment may be terminated upon six months' written notice, except in certain limited circumstances (including fraud or bankruptcy) in which case an appointment can be terminated immediately. On termination, each Non-Executive Director will only be entitled to accrued fees as at the date of termination, together with reimbursement of any expenses properly incurred prior to that date.

<i>Name</i>	<i>Date of appointment</i>	<i>Notice period</i>
Peter Ventress	30 April 2015	Terminable on six months' notice
Terry Miller	1 February 2014	Terminable on six months' notice
Gavin Slark	13 May 2015	Terminable on six months' notice
Jeremy Townsend	1 September 2017	Terminable on six months' notice
Marisa Cassoni	1 September 2018	Terminable on six months' notice

## 7. Major shareholders

The following table sets out the names of each person who is directly, or indirectly, interested in voting rights representing three per cent., or more of the total voting rights in respect of the Company's issued share capital as at the Latest Practicable Date, insofar as it is known to the Company by virtue of notifications made to it pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules or otherwise.

<i>Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>Percentage of voting rights %</i>
BlackRock, Inc	10,942,578	9.85
Standard Life Aberdeen plc	6,259,040	5.64
J O Hambro Capital Management Limited	5,738,929	5.17
Brewin Dolphin Ltd	5,169,266	4.66
Norges Bank Investment Management	3,415,248	3.08

## 8. Related party transactions

Details of related party transactions (which, for these purposes, are those set out and adopted according to Regulation (EC) No 1606/2002) that the Company has entered into:

- 8.1 during the financial year ended 30 June 2017 are disclosed, in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002, on page 114 of the Company's 2017 Annual Report;
- 8.2 during the financial year ended 30 June 2018 are disclosed, in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002, on page 122 of the Company's 2018 Annual Report; and
- 8.3 during the financial year ended 30 June 2019 are disclosed, in accordance with the respective standard adopted according to Regulation (EC) No 1606/2002, on page 134 of the Company's 2019 Annual Report.

The details of related party transactions in paragraphs 8.1, 8.2 and 8.3 of this Part XII (Additional Information) are incorporated by reference into this document.

Between the period from 1 July 2019 and the Latest Practicable Date the Company has entered into the following related party transactions:

	<i>Sales to related parties £m</i>	<i>Purchases from related parties £m</i>	<i>Amounts owed by related parties £m</i>	<i>Amounts owed to related parties £m</i>
<b>Trading transactions</b>				
Joint ventures	35.1	0.1	329.8	19.0
				<i>Interest and dividend income from related parties £m</i>
<b>Non-trading transactions</b>				
Joint ventures				5.0

## 9. Material contracts

Set out below is a summary of each contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Continuing Group:

- 9.1 within the two years immediately preceding the date of this document and which are or may be material to the Continuing Group or the Disposal Group; or

- 9.2 which contain any provisions under which any member of the Continuing Group has any obligation or entitlement which is material to the Continuing Group or the Disposal Group as at the date of this document,

the details of which the Directors consider that Galliford Try Shareholders might reasonably require for the purpose of making a properly informed assessment about how to exercise their voting rights in connection with the Disposal Resolution.

The obligations of Galliford Try under the PP Bond summarised below will be assumed by Bovis Homes in accordance with the provisions in the Sale and Purchase Agreement at Completion and prior to Admission of the New Galliford Try Shares.

As at the Latest Practicable Date, the RCF summarised below remains in place, but it is expected that on receipt of the Cash Consideration on Completion the amount outstanding under the RCF will be prepaid and cancelled by Galliford Try.

### ***The Continuing Group***

#### ***Sale and Purchase Agreement and Transitional Services Agreement***

A summary of the principal terms and conditions of the Sale and Purchase Agreement and the Transitional Services Agreement is set out in Part III (Summary of the principal terms of the Transaction Documents) of this document.

#### ***PP Bond***

Galliford Try entered into a note purchase agreement dated 16 February 2017 in relation to £100,000,000 4.03 per cent. senior notes as issuer with The Prudential Insurance Company of America, Pruco Life Insurance Company, Pensionskasse des Bundes Publica, Zurich Insurance Public Limited Company (UK Branch) and Hermit Private Placement Investors L.P. as original purchasers.

The key terms of the note purchase agreement are set out below:

- (a) **Notes**  
The notes consists of £100 million sterling senior notes. The full £100 million of the notes was drawn down on 16 February 2017.
- (b) **Purpose**  
The notes may be used towards the general corporate purposes of the Group.
- (c) **Repayment**  
The notes are due for repayment in full on 16 February 2027.  
  
The notes are subject to a change of control prepayment requirement whereby if any person or persons acting in concert gains control of Galliford Try, Galliford Try must make an offer to the noteholders to acquire 100 per cent. of the outstanding notes at par.
- (d) **Interest and fees**  
The notes bear interest at 4.03 per cent. per annum. Any optional prepayment of the notes shall incur a make-whole penalty determined on the basis of reinvestment yield to original maturity of the prepaid notes.
- (e) **Guarantee and Security**  
The notes are unsecured and rank pari passu with all other unsecured obligations. Each guarantor guarantees the performance by Galliford Try and each other guarantor under the note purchase agreement and the related guarantee agreement.
- (f) **Covenants**  
The note purchase agreement requires Galliford Try to comply with the following financial covenants:
  - (i) the ratio of consolidated EBIT to net consolidated finance charges shall not be less than 3:1 at any time;

- (ii) the ratio of consolidated total net debt and land creditor debt (without double counting) to consolidated tangible net assets shall not exceed 1.10:1; and
- (iii) consolidated tangible net assets must not be less than £383,500,000 at any time after 30 June 2016, but on 30 June of each subsequent year this figure is increased by an amount equal to 80 per cent. of the Group profit for the financial year just ended less minority interests of, and dividends paid by, the Group in that financial year.

The note purchase agreement also contains certain other covenants which, amongst other things, limits to certain thresholds further borrowings, creation of security and disposal of assets, and imposes restrictions on, amongst other things, mergers and change of business.

The note purchase agreement also contains a most favoured lender clause, whereby if a new financial covenant is granted, or a financial covenant for which an analogous provision exists in the note purchase agreement is tightened, in a material credit facility (each facility of the Group exceeding £50 million or, if there is no such facility, the largest facility of the Group at such time), the purchasers will also receive the benefit of this new covenant or, as the case may be, covenant tightening under the note purchase agreement. Similarly, if a financial covenant that has been added in to the note purchase agreement or tightened by virtue of the most favoured lender provision and such covenant is later deleted or relaxed in the relevant material credit facility, such deletion or relaxation will also apply to the note purchase agreement provided that no default is continuing at such time.

(g) Events of Default

The note purchase agreement contains customary events of default including payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults, certain events of insolvency, audit qualification and material adverse change.

*Revolving Credit Facility (“RCF”)*

Galliford Try entered into a £450 million Sterling revolving credit facility agreement dated 18 February 2014 (as amended on 13 February 2015 and 30 March 2016 and as amended and restated on 20 December 2016) as an original borrower and an original guarantor with HSBC as facility agent and Barclays Bank PLC, HSBC, Abbey National Treasury Services plc and The Royal Bank of Scotland plc as mandated lead arrangers, original lenders and original hedge counterparties. As at the Latest Practicable Date, the RCF remains in place, but it is expected that on receipt of the Cash Consideration on Completion the amount outstanding under the RCF will be prepaid and cancelled by Galliford Try. The key terms of the facility agreement are set out below:

(a) Facility

The facility consists of a £450 million Sterling revolving loan facility. A lender may make all or part of its commitment available to the borrowers as either loans or ancillary facilities.

(b) Purpose

The facility shall be used firstly towards the refinancing and cancellation of a then existing RCF agreement originally dated 25 May 2011 and thereafter towards the general corporate purposes of the Group.

(c) Repayment

The full facility of £450 million is available for utilisation until 18 January 2022 and all outstanding amounts must be repaid on 18 February 2021. The facility provides that Galliford Try may request that the lenders extend the facility for up to one year and each lender may in its sole discretion agree to such request. The facility may only be extended if all the lenders agree to the extension or if all the extending lenders agree to take on the commitments of the non-extending lenders.

The facility is subject to a change of control prepayment event whereby if any person or persons acting in concert gains control of Galliford Try, the lenders have the right to cancel their commitments and require prepayment.

If certain further unsecured debt is incurred above a set level, the facility must be partially cancelled in an amount equal to the unsecured debt incurred above that level.

(d) Interest and fees

Advances under the facility bear interest at a rate equal to the relevant rate of LIBOR plus the applicable margin. The margin varies between 2.00 per cent. and 2.30 per cent. per annum according to the percentage of the total RCF commitments that are drawn (including as deemed increased by certain other unsecured debt) on the first day of the relevant interest period.

Certain fees and expenses apply, including arrangement fees, facility agency fees, commitment fees, ancillary facility fees and, where applicable, extension fees.

(e) Guarantee and Security

The facility is unsecured and is to rank pari passu with all other unsecured obligations. Each guarantor (including Galliford Try) guarantees the performance by each other obligor under the facility agreement.

(f) Covenants

The facility agreement requires Galliford Try to comply with the following financial covenants:

- (i) the ratio of consolidated EBIT to net consolidated finance charges shall not be less than 3:1 at any time;
- (ii) the ratio of consolidated total net debt and land creditor debt (without double counting) to consolidated tangible net assets shall not exceed 1.10:1; and
- (iii) consolidated tangible net assets must not be less than £383,500,000 at any time after 30 June 2016, but on 30 June of each subsequent year this figure is increased by an amount equal to 80 per cent. of the Group profit for the financial year just ended less minority interests of, and dividends paid by, the Group in that financial year.

The facility agreement also contains certain other covenants which, amongst other things, limits to certain thresholds further borrowings, creation of security and disposal of assets, and imposes restrictions on, amongst other things, mergers, acquisitions and change of business.

(g) Events of Default

The facility agreement contains customary events of default including payment defaults, breaches of representations and warranties, covenant defaults, cross-defaults, certain events of insolvency, audit qualification and material adverse change.

*Sponsors' Agreement*

On 8 November 2019, the Company and New Galliford Try entered into a sponsors' agreement, pursuant to which the Company and New Galliford Try appointed HSBC and Peel Hunt as joint sponsors in connection with the applications for Admission of New Galliford Try and the publication of this document and the New Galliford Try Prospectus (the "**Sponsors' Agreement**"). The Company and New Galliford Try have given certain customary representations and warranties, agreed to comply with certain customary undertakings and given certain customary indemnities to HSBC and Peel Hunt. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount. HSBC and Peel Hunt may by notice to the Company and New Galliford Try terminate the Sponsors' Agreement in certain customary limited circumstances prior to Admission of New Galliford Try.

## ***The Disposal Group***

### ***Sale and Purchase Agreement and Transitional Services Agreement***

A summary of the principal terms and conditions of the Sale and Purchase Agreement and the Transitional Services Agreement is set out in Part III (Summary of the principal terms of the Transaction Documents) of this document.

### ***RCF***

A summary of the RCF is set out above in this paragraph 9 of Part XII (Additional Information) of this document.

### ***PP Bond***

A summary of the PP Bond is set out above in this paragraph 9 of Part XII (Additional Information) of this document.

## **10. Significant litigation**

### **10.1 *The Continuing Group***

The Continuing Group, through its joint arrangement with Balfour Beatty, is continuing to negotiate a significant claim against the client on the Aberdeen Western Peripheral Route contract (which relates to the construction of the Aberdeen Western Peripheral Route), construction of which was substantially concluded in early 2019, whilst preparing to pursue this through initiating formal dispute resolution by December 2019 should these negotiations not reach a satisfactory conclusion. Over the last three financial years, the Continuing Group has recorded £152 million of exceptional losses in relation to this contract. Consultants have advised an expected recovery of around £100 million to the Continuing Group, although the total assessed value in respect of the claims under the contract is over twice that level. In assessing the final losses on this contract, the Continuing Group has assumed recoveries from its share of the claims against the client. The client has notified (but not deducted) a claim for contractual lane occupation charges. In arriving at its expected recovery, the Continuing Group has assumed it will not pay such charges. If the Continuing Group is not successful in its negotiation or alternatively any formal recovery action commenced, the assumed recoveries may not be realised and the Continuing Group may be subject to such counter claims and/or financial charges which could have a significant adverse cash impact on the Continuing Group. The contract recovery recorded in the balance sheet of the Continuing Group is determined from the consultant's estimate referred to above. Negotiations remain in progress with the client but the final outcome is unknown and when concluded could result in a material difference to the position assumed. There are also claims against other parties involved in the Aberdeen Western Peripheral Route contract, including designers and insurers against which no value is recognised in the balance sheet due to the Company's accounting policy on downstream claims. As noted in paragraph 14 of this Part XII (Additional Information) of this document, the FRC is currently reviewing certain aspects of the Group's accounting treatment, including in relation to the Aberdeen Western Peripheral Route contract and other third-party claims. Separately, the Continuing Group has submitted claims of approximately £54 million, and recognised significant value, in respect of three contracts with entities owned by a major infrastructure fund of a blue-chip listed company.

Other than as set out in paragraph 10.1 of this Part XII (Additional information) there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Company is aware) during the 12 months immediately prior to the date of this document, which may have, or have had in the recent past, a significant effect on the Company or the Continuing Group's financial position or profitability.

### **10.2 *Disposal Group***

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings pending or threatened of which the Company is aware) during the 12 months

immediately prior to the date of this document, which may have, or have had in the recent past, a significant effect on the Disposal Group's financial position or profitability.

## **11. Key individuals**

The following individual is deemed to be key individual to Linden Homes:

<i>Name</i>	<i>Position</i>
Andrew Hammond	Chief Executive of Linden Homes

The following individual is deemed to be key individual to Partnerships & Regeneration:

<i>Name</i>	<i>Position</i>
Stephen Teagle	Chief Executive of Partnerships & Regeneration

Each of Andrew Hammond and Stephen Teagle will be joining Bovis Homes on Completion.

## **12. Working capital**

The Company is of the opinion that the Continuing Group, taking into account the net proceeds of the Transaction, has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

## **13. Significant change**

### **13.1 *The Continuing Group***

There has been no significant change in the financial performance or financial position of the Continuing Group since 30 June 2019, the date to which the last published financial statements of the Group were prepared.

### **13.2 *The Disposal Group***

There has been no significant change in the financial performance or financial position of the Disposal Group since 30 June 2019, the date to which the historical financial information relating to the Disposal Group in Part V (Historical financial information relating to the Disposal Group) of this document was prepared.

## **14. FRC review of 2018 financial statements**

As reported in the Group's 2019 Annual Report, the Group's 2018 financial statements are subject to an ongoing review by the FRC's Corporate Reporting Review team. This review relates principally to: i) revenue recognition in respect of construction contracts; ii) accounting treatment of third-party claims; and iii) estimation uncertainty in relation to construction contracts. The review includes the Group's accounting treatment in respect of the significant outstanding claim relating to the Aberdeen Western Peripheral Route contract. The Group continues to be in discussions with the FRC and has responded to queries relating to the 2018 financial statements. No final determination or recommendations have been reached by the FRC in relation to their ongoing review, however it is possible that the FRC may make recommendations to the Group at the conclusion of its review.

## **15. Consents**

Each of Rothschild & Co, HSBC and Peel Hunt has given and not withdrawn its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

PwC has given and has not withdrawn its written consent to the inclusion in Part VI (Unaudited pro forma financial information of the Continuing Group) of this document of its report on the pro forma financial information on the Continuing Group as at 30 June 2019 in the form and context in which it is included.

#### **16. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sunday and UK public holidays excepted) up to and including the date of the General Meeting at the Company's registered office, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL and on the Company's website [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk):

- (a) this document;
- (b) the Articles of Association;
- (c) the written consents referred to in paragraph 15 of this Part XII (Additional Information) above;
- (d) the Sale and Purchase Agreement;
- (e) the report from PwC set out in Section B of Part VI (Unaudited pro forma financial information of the Continuing Group) of this document; and
- (f) the audited financial statements of the Group for the financial years ended 30 June 2017, 30 June 2018 and 30 June 2019.

## PART XIII

### INFORMATION INCORPORATED BY REFERENCE

The table below sets out the various information incorporated by reference into this document, so as to provide the information required under the Listing Rules. These documents are also available at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).

<i>Document</i>	<i>Information incorporated by reference</i>	<i>Page number(s) in this document</i>
Company's 2019 Annual Report	Details of related party transactions that the Company has entered into for the financial year ended 30 June 2019 (page 134)	85
Company's 2018 Annual Report	Details of related party transactions that the Company has entered into for the financial year ended 30 June 2018 (page 122)	85
Company's 2017 Annual Report	Details of related party transactions that the Company has entered into for the financial year ended 30 June 2017 (page 114)	85

Information that is itself incorporated by reference in the above documents is not incorporated by reference into this document. It should be noted that, except as set forth above, no other portion of the above documents are incorporated by reference into this document and those portions which are not specifically incorporated by reference in this document are either not relevant for Shareholders or the relevant information is included elsewhere in this document.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

## PART XIV

### DEFINITIONS

The following definitions apply throughout this document (with the exception of Part VIII (The Scheme), unless the context requires otherwise:

<b>“Admission”</b>	admission to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective;
<b>“Annual Bonus Plan”</b>	the Galliford Try annual bonus plan 2007, as amended by the remuneration committee on 11 March 2013 and 1 March 2018;
<b>“Articles of Association”</b>	the articles of association of the Company as at the date of this document;
<b>“Board”</b>	the board of directors of the Company;
<b>“Bonus Issue”</b>	the issue of the New Topco B Shares to the Scheme Shareholders pursuant to the Restructuring;
<b>“Bovis Homes”</b>	Bovis Homes Group PLC, a public limited company incorporated in England and Wales with registered number 00306718, whose registered office is at 11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY;
<b>“Bovis Homes Board”</b>	the board of directors of Bovis Homes;
<b>“Bovis Homes General Meeting”</b>	the general meeting (including any adjournment thereof) of the holders of Bovis Homes Shares to be convened in connection with the Transaction;
<b>“Bovis Homes Group”</b>	Bovis Homes together with its subsidiaries and subsidiary undertakings;
<b>“Bovis Homes Prospectus”</b>	the prospectus issued by Bovis Homes in connection with the issue of the Consideration Shares, published on 7 November 2019;
<b>“Bovis Homes Recommendation”</b>	the unanimous and unqualified recommendation by the Bovis Homes Board to the holders of Bovis Homes Shares to vote in favour of the Bovis Homes Resolutions;
<b>“Bovis Homes Resolutions”</b>	the resolutions to approve and provide all necessary authorities in order to implement the Transaction and the Transaction Documents to be proposed at the Bovis Homes General Meeting;
<b>“Bovis Homes Shareholders”</b>	the holders of Bovis Homes Shares;
<b>“Bovis Homes Shares”</b>	the ordinary shares of fifty pence (£0.50) each in the share capital of Bovis Homes;
<b>“Business Day”</b>	a day, other than a Saturday or a Sunday or public holiday or bank holiday, on which banks are generally open for business in the City of London;
<b>“Call Notice”</b>	means a notice in substantially the form set out in the Annex to the New Topco Articles which may be served on New Topco by any director of New Topco (as agent for each of the Shareholders);

<b>“Cash Consideration”</b>	the payment by Bovis Homes of £300 million in cash to Galliford Try (adjusted according to the TGAV of the Disposal Group), pursuant to the terms of the Sale and Purchase Agreement;
<b>“certificated” or “in certificated form”</b>	a share or other security which is not in uncertificated form (that is, not in CREST);
<b>“Companies Act”</b>	the Companies Act 2006 including any statutory modification or re-enactment thereof from time to time in force;
<b>“Company” or “Galliford Try”</b>	Galliford Try plc, a public limited company incorporated in England and Wales with registered number 00836539, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL;
<b>“Completion”</b>	completion of the Transaction in accordance with the terms of the Sale and Purchase Agreement;
<b>“Computershare”</b>	Computershare Investor Services PLC, registrars to Bovis Homes;
<b>“Conditions”</b>	the conditions of the Scheme, set out in paragraph 7 of Part VII (Explanatory Statement for the Scheme);
<b>“Consideration Shares”</b>	63,739,385 fully paid ordinary shares of fifty pence (£0.50) each in the share capital of Bovis Homes;
<b>“Construction”</b>	the Construction division of Galliford Try, the intermediate holding company of the division being Galliford Try Construction & Investments Holdings Limited, a private limited company incorporated in England and Wales with registered number 04530735, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL;
<b>“Continuing Group”</b>	the Company, its subsidiaries and subsidiary undertakings (and, for the avoidance of doubt, excluding the Disposal Group), being the continuing businesses of the Group following Completion;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“Court Hearing”</b>	the hearing by the Court to sanction the Scheme under section 899 of the Companies Act including any adjournments thereof;
<b>“Court Meeting”</b>	the meeting of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act to consider, and if thought fit, approve (with or without modification) the Scheme, notice of which is set out in Part XV (Notice of Court Meeting) of this document, including any adjournment thereof;
<b>“Court Order”</b>	the order or orders of the Court sanctioning the Scheme under section 899 of the Companies Act and confirming the Galliford Try Capital Reduction under section 648 of the Companies Act;
<b>“CREST”</b>	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear;
<b>“CREST Manual”</b>	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;

<b>“CREST Proxy Instruction”</b>	a proxy appointment or instruction made via CREST, authenticated in accordance with Euroclear’s specifications and containing the information set out in the CREST Manual;
<b>“Deed of Novation”</b>	the instrument implementing the novation of the PP Bond from Galliford Try to Bovis Homes;
<b>“Demerger”</b>	the demerger of the Continuing Group and Partnerships & Regeneration to be effected by New Topco to New Galliford Try in consideration for the issue of shares by New Galliford Try to the Shareholders;
<b>“Directors”</b>	the directors of the Company at the date of this document, details of which are set out in paragraph 3 of Part XII (Additional information) of this document and “Director” means any one of them;
<b>“Disclosure Guidance and Transparency Rules”</b>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA (and contained in the FCA’s publication of the same name), as amended from time to time;
<b>“Disposal Group”</b>	Linden Homes and Partnerships & Regeneration, together with their respective subsidiaries and subsidiary undertakings;
<b>“Disposal Resolution”</b>	the ordinary resolution to be proposed and considered at the General Meeting to approve the disposal of the Disposal Group, forming part of the General Meeting Resolutions;
<b>“EBIT”</b>	earnings before interest and taxes;
<b>“EBITDA”</b>	earnings before interest, taxes, depreciation and amortisation;
<b>“Effective”</b>	the Scheme having become effective in accordance with its terms;
<b>“Effective Date”</b>	the date on which the Scheme becomes Effective, expected to be 2 January 2020;
<b>“Enlarged Bovis Homes Group”</b>	the Bovis Homes Group following Completion, including the Disposal Group;
<b>“Equiniti” or “Registrar”</b>	Equiniti Limited, registrars to the Company;
<b>“EU”</b>	the European Union;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 02878738;
<b>“Executive Directors”</b>	the executive directors of the Company at the date of this document and “ <b>Executive Director</b> ” means any one of them;
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority of the United Kingdom and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Financial Conduct Authority;
<b>“Form(s) of Proxy”</b>	either or both of the BLUE Form of Proxy for use at the Court Meeting and the WHITE Form of Proxy for use at the General Meeting which accompany this document, as the context requires;
<b>“FRC”</b>	Financial Reporting Council;

<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time;
<b>“General Meeting”</b>	the general meeting of the Galliford Try Shareholders (including any adjournment thereof) to be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at 10.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded) on 29 November 2019, notice of which is set out in Part XVI (Notice of General Meeting) of this document;
<b>“General Meeting Resolutions”</b>	the resolutions to be proposed at the General Meeting, as set out in the notice of the General Meeting in Part XVI (Notice of General Meeting) of this document;
<b>“Galliford Try Capital Reduction”</b>	the reduction of the Company’s share capital pursuant to Chapter 10 of Part 17 of the Companies Act, involving the cancellation and extinguishing of the Scheme Shares provided for by the Scheme;
<b>“Galliford Try Recommendation”</b>	the unqualified recommendation by the Board to the holders of Ordinary Shares to vote in favour of the General Meeting Resolutions;
<b>“Galliford Try Shareholders”</b>	the holders of Ordinary Shares;
<b>“Galliford Try Scheme Shares”</b>	the new ordinary shares of fifty pence (£0.50) each in the capital of the Company to be issued in accordance with clause 1 of the Scheme;
<b>“Group”</b>	the Company together with its subsidiaries and subsidiary undertakings as at the date of this document;
<b>“HBF Customer Satisfaction Rating”</b>	the rating from the National New Homes Customer Satisfaction Survey (out of a total 5 stars);
<b>“holder”</b>	a registered holder and includes any person entitled by transmission;
<b>“HSBC”</b>	HSBC Bank plc;
<b>“IFRS”</b>	International Financial Reporting Standards, as issued by the International Accounting Standards Board from time to time;
<b>“Latest Practicable Date”</b>	7 November 2019 (being the latest practicable date prior to the publication of this document);
<b>“LIBOR”</b>	London Inter-Bank Offered Rate;
<b>“Linden Homes”</b>	the Linden Homes division of Galliford Try, or where the context requires Galliford Try Homes Limited, a private limited company incorporated in England and Wales with registered number 03158857, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL (being the intermediate holding company of the Linden Homes division) and its subsidiaries and subsidiary undertakings;
<b>“Linden Homes Shares”</b>	the 72,675 A ordinary shares of £1.00 each, 21,472 MHL Management shares of £0.01 each and 171,000 ordinary shares of £1.00 each, being the entire issued share capital of Linden Homes (other than the Linden Homes Special Share), and <b>“Linden Homes Share”</b> means any one of them;

<b>“Linden Homes Special Share”</b>	the special share of £0.50 in the share capital of Linden Homes, having the rights set out in the Linden Homes articles of association;
<b>“Listing Rules”</b>	the listing rules made by the FCA under Part VI of FSMA (and contained in the FCA’s publication of the same name), as amended from time to time;
<b>“London Stock Exchange”</b>	London Stock Exchange plc, together with any successor thereto;
<b>“Long Term Bonus Plan”</b>	the Galliford Try plc long term bonus plan;
<b>“LTIP”</b>	the Galliford Try plc long term incentive plan 2016;
<b>“Meetings”</b>	the Court Meeting and/or the General Meeting as the case may be;
<b>“New Galliford Try”</b>	Galliford Try Holdings plc, a public limited company incorporated in England and Wales with registered number 12216008, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL;
<b>“New Galliford Try Articles”</b>	the articles of association of New Galliford Try;
<b>“New Galliford Try Directors”</b>	the directors of New Galliford Try;
<b>“New Galliford Try LTIP”</b>	the Galliford Try Holdings plc long term incentive plan, the principal terms of which are summarised in the appendix to the notice of the General Meeting in Part XVI (Notice of General Meeting) of this document;
<b>“New Galliford Try Prospectus”</b>	the prospectus of New Galliford Try in relation to Admission of the New Galliford Try Shares, which is expected to be published on or around 25 November 2019;
<b>“New Galliford Try Shares”</b>	the ordinary shares of fifty pence (£0.50) each in the capital of New Galliford Try;
<b>“New Topco”</b>	Goldfinch (Jersey) Limited, a private limited company incorporated in Jersey with registration number 130175 whose registered office is at 47 Esplanade, St Helier, Jersey JE1 0BD;
<b>“New Topco Articles”</b>	the articles of association of New Topco;
<b>“New Topco A Shares”</b>	A ordinary shares in the capital of New Topco;
<b>“New Topco B Shares”</b>	B ordinary shares in the capital of New Topco;
<b>“New Topco Reduction of Capital”</b>	the reduction of capital of New Topco to take place immediately following the issue of the New Topco B Shares as described in paragraph 2 of Part VII (Explanatory Statement for the Scheme) of this document;
<b>“New Topco Shareholders”</b>	the holders of New Topco Shares at any relevant date or time and a <b>“New Topco Shareholder”</b> shall mean any one of those New Topco Shareholders;
<b>“New Topco Shares”</b>	the entire issued and to be issued share capital of New Topco immediately prior to Completion (and excluding for the avoidance of doubt, any share cancelled pursuant to the New Topco Reduction of Capital);

<b>“Non-Executive Directors”</b>	the non-executive directors of the Company at the date of this document and <b>“Non-Executive Director”</b> means any one of them;
<b>“Official List”</b>	the Official List maintained by the FCA;
<b>“Ordinary Shares”</b>	ordinary shares of fifty pence (£0.50) each in the capital of the Company;
<b>“Overseas Shareholders”</b>	Shareholders (or nominees of, or custodians or trustees for the Shareholders) not resident in, or nationals or citizens of, the United Kingdom;
<b>“Partnerships &amp; Regeneration”</b>	the Partnerships & Regeneration division of Galliford Try, or where the context requires Galliford Try Partnerships Limited, a private limited company incorporated in England and Wales with registered number 00800384, whose registered office is at Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL (being the intermediate holding company of the Partnerships & Regeneration division) and its subsidiaries and subsidiary undertakings;
<b>“Partnerships &amp; Regeneration Shares”</b>	means 100,000 ordinary shares of £1.00 each, being the entire issued share capital of Partnerships & Regeneration, and <b>“Partnerships &amp; Regeneration Share”</b> means any one of them;
<b>“Peel Hunt”</b>	Peel Hunt LLP;
<b>“PP Bond”</b>	the £100,000,000 ten year 4.03 per cent. unsecured notes issued by Galliford Try and due in February 2027;
<b>“PRA” or “Prudential Regulation Authority”</b>	the Prudential Regulation Authority of the United Kingdom and, where applicable, includes any successor body or bodies carrying out the functions currently carried out by the Prudential Regulation Authority;
<b>“Prospectus Regulation Rules”</b>	the prospectus regulation rules made by the FCA under Part VI of FSMA (and contained in the FCA’s publication of the same name), as amended from time to time;
<b>“PwC”</b>	PricewaterhouseCoopers LLP;
<b>“RCF”</b>	the £450 million sterling revolving credit facility agreement dated 18 February 2014 (as amended on 13 February 2015 and 30 March 2016 and as amended and restated on 20 December 2016) as an original borrower and an original guarantor with HSBC as facility agent and Barclays Bank PLC, HSBC, Abbey National Treasury Services plc and The Royal Bank of Scotland plc as mandated lead arrangers, original lenders and original hedge counterparties;
<b>“Reduction Resolution”</b>	the special resolution to be proposed and considered at the General Meeting in respect of the Galliford Try Capital Reduction, forming part of the General Meeting Resolutions;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulations”</b>	the Uncertificated Securities Regulations 2001 as amended from time to time;
<b>“Regulatory Information Service”</b>	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information from listed companies;

<b>“Remuneration Committee”</b>	the Company’s remuneration committee;
<b>“Restructuring”</b>	the steps set out in paragraph 2 in Part VII (Explanatory Statement for the Scheme) of this document, together with such other further ancillary steps as are required to implement the Transaction;
<b>“Rothschild &amp; Co”</b>	N.M. Rothschild & Sons Limited;
<b>“Sale and Purchase Agreement” or “SPA”</b>	the sale and purchase agreement between, among others, the Company and Bovis Homes as described in paragraph 1 of Part III (Summary of the principal terms of the Transaction Documents) of this document;
<b>“Scheme”</b>	the proposed scheme of arrangement made under Part 26 of the Companies Act between the Company and the Scheme Shareholders in its present form or with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed to by the Company;
<b>“Scheme Record Time”</b>	6.00 p.m. on the Effective Date;
<b>“Scheme Shareholders”</b>	the holders of Scheme Shares at any relevant date or time and a “Scheme Shareholder” shall mean any one of those Scheme Shareholders;
<b>“Scheme Shares”</b>	<p>(a) the Ordinary Shares in issue at the date of the Scheme;</p> <p>(b) any Ordinary Shares issued after the date of the Scheme and before the Voting Record Time; and</p> <p>(c) any Ordinary Shares issued at or after the Voting Record Time and prior to the Scheme Record Time, on terms that the holder shall be bound by the Scheme or, in the case of any holders of any such shares issued prior to the amendment to the Articles of Association to be adopted at the General Meeting, in respect of which the holder shall have agreed in writing to be bound by the Scheme;</p> <p>and in each case (where the context requires) remaining in issue at the Scheme Record Time;</p>
<b>“Shareholder(s)”</b>	Galliford Try Shareholders and Scheme Shareholders;
<b>“Share Plans”</b>	the Sharesave, the LTIP, the Annual Bonus Plan and the Long Term Bonus Plan;
<b>“Sharesave”</b>	the Galliford Try plc 2005 savings related share option plan;
<b>“Statement of Capital”</b>	the statement of capital (approved by the Court) showing, as altered by the Court Order, the information required by section 649 of the Companies Act with respect to the Company’s share capital;
<b>“Subscriber Share”</b>	one ordinary share of fifty pence (£0.50) in the capital of New Topco in issue before the Effective Date;
<b>“subsidiary” or “subsidiaries”</b>	has the meaning given in section 1159 of the Companies Act 2006;
<b>“Tax Indemnity”</b>	the tax indemnity to be entered into on Completion;
<b>“TGAV”</b>	total net assets of the relevant entity or entities, excluding cash, debt, goodwill and intangible assets;

<b>“Transaction”</b>	the proposed sale of the Disposal Group on the terms and subject to the conditions set out in the Sale and Purchase Agreement, including, where the context so requires, the Restructuring;
<b>“Transaction Documents”</b>	the Sale and Purchase Agreement, the Tax Indemnity and the Transitional Services Agreement;
<b>“Transitional Services Agreement”</b>	the transitional services agreement between the Company and Bovis Homes as described in paragraph 2 of Part III (Summary of the principal terms of the Transaction Documents) of this document;
<b>“Transferring Pension Schemes”</b>	the Galliford Try Final Salary Pension Scheme and the Kendall Cross (Holdings) Ltd Assurance & Pension Scheme;
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
<b>“US Exchange Act”</b>	the United States Securities Exchange Act of 1934, as amended;
<b>“US Securities Act”</b>	the United States Securities Act of 1933, as amended;
<b>“US Shareholders”</b>	Shareholders (or nominees of, or custodians or trustees for the Shareholders) resident in, nationals or citizens of, the United States;
<b>“Voting Record Time”</b>	6.30 p.m. on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two days before the date of such adjourned meeting; and
<b>“W&amp;I Insurance Policy”</b>	the warranty and indemnity insurance policy between the W&I insurer and Bovis Homes dated on or around the date of the Sale and Purchase Agreement to cover losses arising in relation to breaches of Galliford Try’s warranties under that agreement and the Tax Indemnity.

## PART XV

### NOTICE OF COURT MEETING

IN THE HIGH COURT OF JUSTICE

2019-006243

BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

IN THE MATTER OF GALLIFORD TRY PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that by an Order dated 7 November 2019 made in the above matters, the Court has given permission for Galliford Try plc (the “**Company**”) to convene a meeting (the “**Court Meeting**”) of the holders of the Scheme Shares (as defined in the Scheme referred to below), for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement pursuant to section 899 of the Companies Act 2006 proposed to be made between the Company and the holders of the Scheme Shares and that such meeting will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4N 6AF on 29 November 2019 at 10.00 a.m. (London time) at which place and time all holders of the Scheme Shares are requested to attend.

A copy of the said Scheme of Arrangement and a copy of the explanatory statement required to be furnished pursuant to section 897 of the Companies Act 2006 are incorporated in the document of which this notice forms part.

At the Court Meeting, the following resolution will be proposed:

*“That the Scheme between the Company and the Scheme Shareholders, a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, in its original form or as amended in accordance with its terms or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and New Topco be approved.”*

Holders of Scheme Shares entitled to attend, speak and vote at the meeting may vote in person at the Court Meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their place. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this notice.

Holders of Scheme Shares are entitled to appoint a proxy in respect of some or all of their Scheme Shares. Holders of Scheme Shares are also entitled to appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. A space has been included in the BLUE Form of Proxy to allow holders of Scheme Shares to specify the number of Scheme Shares in respect of which that proxy is appointed. Holders of Scheme Shares who return the BLUE Form of Proxy duly executed but leave this space blank or specify a number of Scheme Shares in excess of those held by the holder of Scheme Shares at the time referred to below, will be deemed to have appointed the proxy in respect of all of their Scheme Shares.

Holders of Scheme Shares who wish to appoint more than one proxy in respect of their shareholding should read the notes on the BLUE Form of Proxy and note the principles that will be applied in relation to multiple proxies.

It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such authority) be lodged with the Company’s registrar, Equiniti Limited (“**Equiniti**”), in accordance with the instructions printed thereon not later than 10.00 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed

for the adjourned Court Meeting. If the BLUE Form of Proxy for use at the Court Meeting is not lodged before this time, it may be handed to the Chairman of the Court Meeting or to Equiniti before the taking of the poll at the Court Meeting and will still be valid.

You may appoint a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and entering your voting ID, task ID and shareholder reference number shown in your BLUE Form of Proxy. We request that electronic proxy voting instructions be submitted not later than 10.00 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting. Full details of the procedure for appointing a proxy electronically are on the website. Further information is also included on the BLUE Form of Proxy.

Holders of Scheme Shares who hold their shares through CREST and who wish to appoint a proxy or proxies for the Court Meeting or any adjournments thereof may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Proxies submitted via CREST must be received by Equiniti not later than 10.00 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

Completion and return of a BLUE Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment thereof, if he or she wishes to do so and where a holder of Scheme Shares does so, their proxy appointment will be automatically terminated.

Entitlement to attend, speak and vote at the Court Meeting, or any adjournment thereof, and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two days before the date of the Court Meeting or adjourned meeting (as the case may be). In each case, changes to the register of members of the Company after such time will be disregarded in determining the rights of any person to attend, speak or vote at the meeting, or at any adjournment thereof.

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person or by proxy, at the Court Meeting, however the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

Voting at the Court Meeting will be conducted on a poll (rather than a show of hands), which shall be conducted as the Chairman of the Court Meeting shall determine.

By the said Order, the Court has appointed Peter Ventress or, failing him, Andrew Duxbury or failing him, any other director of the Company to act as Chairman of the Court Meeting and has directed the Chairman to report the result of the Court Meeting to the Court.

The said Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 8 November 2019

**CMS Cameron McKenna Nabarro Olswang LLP**

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

Solicitors for Galliford Try plc

**Notes:**

1. A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him or her provided that if more than one proxy is appointed, each proxy is appointed to exercise rights attaching to different shares.
2. A proxy need not be a member of the Company. Completion and return of a BLUE Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this notice forms part), will not prevent a member from attending, speaking and voting in person at the meeting, or any adjournment thereof, in person if he or she wishes to do so.
3. To appoint more than one proxy, please photocopy the BLUE Form of Proxy indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed and follow the instructions set out in the BLUE Form of Proxy. Multiple proxy appointments should be returned together in the same envelope.
4. A BLUE Form of Proxy is enclosed with this notice. Instructions for use are shown on the form. To be valid, the completed BLUE Form of Proxy should be returned (together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such authority) to the Company's registrar, Equiniti, in accordance with the instructions printed thereon, not later than 10.00 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting. If the BLUE Form of Proxy for use at the Court Meeting is not lodged before this time, it may be handed to the Chairman of the Court Meeting or to Equiniti before the taking of the poll at the Court Meeting and will still be valid.
5. Each Scheme Shareholder present at this meeting will be entitled to one vote for every Scheme Share registered in his or her name and each corporate representative or proxy will be entitled to one vote for each Scheme Share which he/she represents. Scheme Shareholders who submit a BLUE Form of Proxy with voting instructions in advance of this meeting specifying the Chairman of the Company as their proxy, but who attend this meeting in person, need not complete a poll card unless they wish to change their vote.
6. You may appoint a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and entering your voting ID, task ID and shareholder reference number shown in your BLUE Form of Proxy. Full details of the procedure for appointing a proxy electronically are on the website at [www.sharevote.co.uk](http://www.sharevote.co.uk). Further information is also included on the BLUE Form of Proxy. Other than the appointment of a proxy through CREST (see note 7 below), we request that electronic proxy voting instructions be submitted using the website [www.sharevote.co.uk](http://www.sharevote.co.uk) not later than 10.00 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned Court Meeting.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by the latest time for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be transmitted so as to be received by the issuer's agent (CREST ID RA19) by no later than 10.00 a.m. on 27 November 2019.
8. Except as provided above, members who wish to communicate with the Company in relation to the matters set out in this notice should do so in writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by phone on 0371 384 2911 from within the UK or +44 121 415 0889 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or Transaction (or any proposals relating to them) nor give any personal, financial, legal or tax advice. No other methods of communication will be accepted.
9. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed BLUE Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

10. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
11. The BLUE Form of Proxy must be executed by or on behalf of the Scheme Shareholder making the appointment. A corporation may execute the BLUE Form of Proxy either under its common seal or signed by an officer, an attorney or another person authorised to sign it. Any power of attorney or any other authority under which the BLUE Form of Proxy is signed (or a notarially certified of such power or authority) must be included with the BLUE Form of Proxy.
12. If two or more valid, but differing, appointments of proxy are delivered or received in respect of the same share, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered or received, none of them shall be treated as valid in respect of that share.
13. As at 7 November 2019 (being the latest business day before publication of this notice), the Company's issued share capital consisted of 111,032,617 ordinary shares of fifty pence (£0.50) each and carrying one vote each. The Company currently holds no shares in treasury. The total voting rights in the Company as at 7 November 2019 were 111,032,617.
14. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for this meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
15. The statements of the rights of Scheme Shareholders in relation to the appointment of proxies in this notice do not apply to Nominated Persons. Those rights can only be exercised by Scheme Shareholders. If you are receiving this notice as such a Nominated Person, you are reminded that your main contact in terms of your investment remains as it was (the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration of it) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters which are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

## PART XVI

### NOTICE OF GENERAL MEETING

#### GALLIFORD TRY PLC

*(registered in England with registered number 00836539)*

NOTICE IS HEREBY GIVEN that a general meeting of Galliford Try plc (the “**Company**”) will be held at the offices of CMS Cameron McKenna Nabarro Olswang LLP at Cannon Place, 78 Cannon Street, London EC4N 6AF on 29 November 2019 at 10.15 a.m. (or as soon thereafter as the Court Meeting (as defined in the document of which this notice forms part) shall have concluded or been adjourned), for the purposes of considering and, if thought fit, passing the following resolutions:

#### SPECIAL RESOLUTION

##### Resolution 1 – Scheme of Arrangement

**THAT** for the purpose of giving effect to the scheme of arrangement dated 7 November 2019 between the Company and the Scheme Shareholders (each as defined in the said scheme), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman hereof, its original form or as amended in accordance with its terms or with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Goldfinch (Jersey) Limited (“**New Topco**”) (the “**Scheme**”):

1. the directors of the Company be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect;
2. the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares (as defined in the Scheme);
3. subject to and forthwith upon the reduction of share capital referred to in paragraph 2 above taking effect and notwithstanding anything to the contrary in the articles of association of the Company:
  - 3.1 the reserve arising in the books of account of the Company as a result of the reduction of share capital referred to in paragraph 2 above shall be applied by the Company in paying up in full at par such number of new ordinary shares of fifty pence (£0.50) each in the capital of the Company (“**New Ordinary Shares**”) as shall be equal to the number of Scheme Shares cancelled pursuant to paragraph 2 above, which shall be allotted and issued, credited as fully paid, to New Topco and/or its nominee(s) in accordance with the terms of the Scheme;
  - 3.2 conditional on the Scheme becoming effective in accordance with its terms, in addition to all existing authorities, for the purposes of section 551 of the Companies Act 2006 (and so that expressions used in this resolution shall bear the same meaning as in the said section 551), the directors be generally and unconditionally authorised to exercise all the powers of the Company to allot the New Ordinary Shares, provided that: (1) the maximum aggregate nominal amount of relevant securities that may be allotted under this authority shall be the aggregate nominal amount of the said New Ordinary Shares referred to in paragraph 3.1 above; (2) this authority shall expire (unless previously revoked, varied or renewed) on the fifth anniversary of this resolution; and (3) this authority shall be in addition and without prejudice to any other authority under section 551 of the Companies Act 2006 previously granted and in force on the date on which this resolution is passed; and
4. subject to and conditional upon the Scheme becoming effective, New Ordinary Shares be delisted from the Official List and removed from trading on the London Stock Exchange’s main market for listed securities.
5. With effect from the passing of this resolution, the articles of association of the Company be amended by the adoption and inclusion of the following new article 154:

#### **“154. Scheme of Arrangement**

- 154.1 In this article 154, the “**Scheme**” means the scheme of arrangement dated 7 November 2019, between the Company and the holders of its Scheme Shares (each as defined in the Scheme) under section 899 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and/or agreed by the Company and (save as defined in this article) expressions defined in the Scheme shall have the same meanings in this article.
- 154.2 Notwithstanding any other provision of these articles, if the Company issues any shares (other than to Goldfinch (Jersey) Limited (“**New Topco**”) or its nominee(s)) after the adoption of this article and before the Scheme Record Time (as defined in the Scheme), such shares shall be issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the new member, and any subsequent holder of such shares (other than *New Topco* and/or its nominee or nominees), shall be bound by the Scheme accordingly.
- 154.3 Subject to the Scheme becoming Effective (as defined in the Scheme), if any shares are issued to any person (a “**New Member**”) (other than under the Scheme or to Galliford Try Holdings plc (“**New Galliford Try**”) or its nominee(s)) on or after the Scheme Record Time (as defined in the Scheme) (the “**Transfer Shares**”), they shall be immediately transferred to New Galliford Try (or as it may direct) in consideration for the issue of one ordinary share in the capital of New Galliford Try, credited as fully paid.
- 154.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) after the Scheme has become Effective, the number of shares in the capital of New Galliford Try to be issued pursuant to article 154.3 shall be adjusted by the Board in such manner as the Auditors may determine to be appropriate to reflect such reorganisation or alteration. References in this article to shares shall, following such adjustment, be construed accordingly.
- 154.5 To give effect to any transfer required by paragraph 154.3 above, the Company may appoint any person as agent and/or attorney for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to transfer the Transfer Shares to New Galliford Try or its nominee(s) and do all such other things and execute and deliver all such documents as may in the opinion of the agent and/or attorney be necessary or desirable to vest the Transfer Shares in New Galliford Try or its nominee(s) and pending such vesting to exercise all such rights attaching to the Transfer Shares as New Galliford Try may direct. If an agent and/or attorney is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that the agent and/or attorney fails to act in accordance with the directions of New Galliford Try) be entitled to exercise any rights attaching to the Transfer Shares unless so agreed by New Galliford Try. The agent and/or attorney shall be empowered to execute and deliver as transferor a form of transfer or instructions of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of New Galliford Try or its nominee(s) and may register New Galliford Try or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Transfer Shares.
- 154.6 In connection with the Scheme, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom or who any Issuer reasonably believes is a citizen, resident or national of a jurisdiction outside the United Kingdom, the relevant Issuer is advised that the allotment and/or issue of the New Galliford Try Shares or the Consideration Shares pursuant to the Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require the Company, New Galliford Try or Bovis Homes to observe any governmental or other consent or any registration, filing or other formality with which the Company, New Galliford Try or Bovis Homes cannot comply or compliance with which the Company, New Galliford Try or Bovis Homes considers unduly onerous, the relevant Issuer may (unless such shareholder satisfies the Company that no such infringement or requirement would apply), in its sole discretion, require the Company to appoint any

person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such holder to a nominee to hold such Scheme Shares on trust for that holder, on terms that the nominee shall sell the New Galliford Try Shares or the Consideration Shares, if any, that it receives pursuant to the Scheme in respect of such Scheme Shares as soon as practicable following the Effective Date provided always that any such sale shall be at the best price which can reasonably be obtained at the time of sale and that the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to such shareholder in accordance with the provisions of Clause 5 of the Scheme.

- 154.7 The instrument of transfer executed by an appointee of the Company pursuant to article 154.6 above shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to the Scheme Shares to which such instrument relates and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto.
- 154.8 To give effect to any sale of New Galliford Try Shares or Consideration Shares following the Effective Date pursuant to article 154.6 above, the nominee referred to in such article shall be authorised as attorney on behalf of the holder concerned to execute and deliver as transferor an instrument or instruction of transfer and to give such instructions and do all other things which he may consider necessary or expedient in connection with the sale.
- 154.9 In the absence of bad faith or wilful default, neither the Company, New Galliford Try or Bovis Homes (nor any of their respective directors or officers), nor any nominee or person appointed by the Company pursuant to articles 154.6 above shall be responsible for any loss or damage to any person arising from any transaction pursuant articles 154.6 or for any alleged insufficiencies of the terms or the timing of such sale.
- 154.10 In the case of Scheme Shares held in uncertificated form through CREST, the provisions of articles 154.6 above are subject to any restrictions applicable under the Uncertificated Securities Regulations 2001.
- 154.11 If the Scheme shall not have become Effective by the date referred to in clause 9 of the Scheme, this article 154 shall be of no effect.
- 154.12 Notwithstanding any other provision of these Articles, neither the Company nor the Board shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date.”

6. With effect from the passing of this resolution:

- 6.1 the articles of association of the Company be amended to include rights attaching to a deferred share of £0.50 (the “**Deferred Share**”) by the adoption and inclusion of the following new Article 155:

**“155. Deferred Share**

- 155 The Deferred Share of £0.50 shall have all the rights of an ordinary share as set out in these articles, save that:
- (i) the holder of the Deferred Share shall not be entitled to receive a dividend or other distribution or to have any other right to participate in the profits of the Company;
  - (ii) the holder of the Deferred Share shall have no right to attend or vote at any general meeting of the Company; and
  - (iii) on a return of capital on a winding-up of the Company, the holder of the Deferred Share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up or credited as paid up on such shares, to repayment of the amount paid up or credited as paid up on the Deferred Share, but shall have no further or other right to participate in the assets of the Company.”
- 6.2 the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 to allot the said Deferred Share, provided

that (1) this authority shall expire on the fifth anniversary of the date of this resolution and (2) this authority shall be in addition and without prejudice to any authority under the said section 551 previously granted and in force on the date on which this resolution is passed; and

- 6.3 pursuant to and during the period of the said authority the directors of the Company be empowered to allot the said Deferred Share wholly for cash as if section 561(1) of the said Act did not apply to any such allotment.

## ORDINARY RESOLUTION

### Resolution 2 – Approval of the Transaction

**THAT**, subject to the passing of Resolution 1 (Scheme of Arrangement Resolution) set out above and subject to the Scheme becoming effective, the proposed disposal by the Company of Linden Homes and Partnerships & Regeneration pursuant to a sale and purchase agreement entered into on 7 November 2019 (the “**Sale and Purchase Agreement**”) (as defined and described in the circular sent to shareholders of the Company dated 8 November 2019 (the “**Circular**”)) on and subject to the terms and conditions of the Sale and Purchase Agreement and which, as set out in the Circular, comprises a class 1 transaction under the Listing Rules of the Financial Conduct Authority, be approved and that the directors of the Company (the “**Board**”) (or a duly authorised committee of the Board) be authorised:

- 2.1 to take all such steps as the Board considers to be necessary or desirable in connection with, and to implement, the disposal of Linden Homes and Partnerships & Regeneration; and
- 2.2 to agree such modifications, variations, revisions, waivers, extensions and amendments to any of the terms and conditions of the disposal of Linden Homes and Partnerships & Regeneration and/or the Sale and Purchase Agreement and the associated and ancillary agreements and documents contemplated in the Sale and Purchase Agreement and/or as described in the Circular (provided such modifications, variations, revisions, waivers, extensions or amendments are not of a material nature), as they may in their absolute discretion think fit.

### Resolution 3 – Approval of the New Galliford Try Long Term Incentive Plan

**THAT**, subject to the passing of Resolution 1 (Scheme of Arrangement Resolution) and the passing of Resolution 2 (Approval of the Transaction) set out above and subject to the Scheme becoming effective, the rules of the Galliford Try Holdings plc Long Term Incentive Plan (“**New Galliford Try LTIP**”), the principal terms of which are summarised in the Appendix to this notice and a copy of the rules for which is now produced to the meeting and initialled by the Chairman for the purposes of identification be hereby approved and the directors be authorised to:

- 3.1 make such modifications to the draft rules of the New Galliford Try LTIP as they may consider necessary or desirable to take account of the requirements of the FCA or any similar body or successor body, the London Stock Exchange plc and best practice and to adopt the New Galliford Try LTIP as so modified and to do all acts and things which they consider necessary or expedient for the purposes of implementing and operating the New Galliford Try LTIP; and
- 3.2 establish such further plans based on the New Galliford Try LTIP but modified to take account of local tax, exchange control, securities laws or other laws in overseas territories.

Dated 8 November 2019

*By order of the Board*

**Kevin Corbett**  
*Company Secretary*

*Registered office:*  
**Cowley Business Park**  
**Cowley**  
**Uxbridge**  
**Middlesex**  
**UB8 2AL**

## APPENDIX

### Summary of the principal terms of the Galliford Try Holdings plc Long Term Incentive Plan (“New Galliford Try LTIP”)

#### General

The New Galliford Try LTIP will be administered by the remuneration committee of the board of directors of New Galliford Try (the “**Committee**”). Employees (including executive directors) of New Galliford Try and its subsidiaries (the “**Group**”) will be eligible to participate in the New Galliford Try LTIP at the discretion of the Committee.

#### Grant of awards

The Committee may grant awards to acquire New Galliford Try Shares within six weeks beginning with (i) the dealing day after the Admission of the New Galliford Try Shares or (ii) the dealing day after the end of a closed period of New Galliford Try as determined in accordance with the rules governing market abuse. The Committee may also grant awards at any other time when the Committee considers there are sufficiently exceptional circumstances which justify the granting of awards.

The Committee may grant awards as conditional share awards, nil (or nominal) cost options or forfeitable shares. The Committee may also decide to grant cash-based awards of an equivalent value to share-based awards, satisfy share-based awards in cash, and, other than in the case of the executive directors, grant cash awards with or without a deferral period.

The New Galliford Try LTIP will expire on tenth anniversary of the date the New Galliford Try LTIP is approved by Shareholders. Further awards may not be granted after this date.

No payment will be required for the grant of an award. Awards will not be transferable, except on death. Awards will not be pensionable.

Participation in the New Galliford Try LTIP by the executive directors of New Galliford Try (“**New Galliford Try Executive Directors**”) will be limited to participation consistent with the relevant approved directors’ remuneration policy. In the context of awards granted in the period following Admission of the New Galliford Try Shares and before the annual general meeting of New Galliford Try to be held in 2020, such awards are intended to be granted in line with the Company’s directors’ remuneration policy approved by Shareholders on 10 November 2017.

#### Individual limit for share-based awards

An employee may not receive awards in any financial year over or in relation to New Galliford Try Shares which have a market value in excess of 200 per cent. of their annual base salary in that financial year. Market value for the purposes of this limit shall be based on the market value of New Galliford Try Shares at the time of grant (ordinarily, being determined by reference to the value of New Galliford Try Shares on the dealing day immediately preceding the grant of an award or by reference to a short averaging period). Capped value awards over New Galliford Try Shares (if relevant) shall also operate within the above limit.

#### Performance conditions

The extent of vesting of awards granted to New Galliford Try Executive Directors will be determined by the achievement of performance conditions (set by the Committee when awards are granted) which are attached to the award. This may be the same in the case of awards granted to others. Performance conditions may also be set for other participants in the New Galliford Try LTIP, as determined by the Committee.

#### Vesting of awards

Awards granted to New Galliford Try Executive Directors shall normally vest on the third anniversary of grant or following the determination of the performance conditions, usually measured over a period of at

least three years. The Committee may specify different vesting or performance periods in relation to awards granted to participants who are not New Galliford Try Executive Directors.

Where awards are granted in the form of options, once vested, such options will then be exercisable up until the tenth anniversary of grant (or such shorter period specified by the Committee at the time of grant). Shorter exercise periods shall apply in the case of “good leavers” and/or vesting of awards in connection with corporate events.

### **Dividend equivalents**

The Committee may decide that participants will receive a payment (in cash and/or New Galliford Try Shares) on or shortly following the vesting of their awards, of an amount equivalent to the dividends payable on vested New Galliford Try Shares between the date of grant and the vesting of an award (or if later, and only whilst the award remains unexercised in respect of vested New Galliford Try Shares, the expiry of any holding period or such shorter relevant period set for the award). This amount may assume the reinvestment of dividends.

### **Leaving employment**

As a general rule, an award will lapse upon a participant ceasing to hold employment or be a director within the Group. However, if a participant ceases to be an employee or a director because of death or his employing company or the business for which he works being sold out of the Group or in other circumstances at the discretion of the Committee, then the Committee may determine that his award shall not lapse and shall instead vest on the date when it would have vested if he had not ceased such employment or office. The extent to which an award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied over the original performance measurement period, and (ii) the portion of the performance period during which they were in employment with the Group.

Alternatively, if a participant ceases to be an employee or director in the Group and is deemed by the Committee to be a “good leaver” (based on the determination set out above) the Committee can decide that his award will vest when the participant leaves, subject to: (i) the performance conditions measured at that time; and (ii) the portion of the performance period during which they were in employment with the Group. The Committee has the discretion not to pro-rate an award or pro-rate to a lesser extent where it feels it is appropriate to do so and (for New Galliford Try Executive Directors) where it is permitted by the directors’ remuneration policy.

### **Corporate events**

In the event of a takeover or winding up of New Galliford Try (not being an internal corporate reorganisation) all awards will vest early subject to: (i) the extent that the performance conditions (if any) are determined as satisfied, as calculated on such basis as the Committee considers appropriate; and (ii) the portion of the performance period which has elapsed at the time of event, although the Committee can decide not to pro-rate an award (or pro-rate to a lesser extent) if it regards it as inappropriate to do so in the particular circumstances.

In the event of an internal corporate reorganisation, share-based awards may be replaced by equivalent new awards over shares in a new holding company unless the Committee decides that awards should vest on the basis which would apply in the case of a takeover.

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of New Galliford Try Shares to a material extent, then the Committee may decide that awards will vest on such basis as it decides.

### **Participants' rights**

Awards settled in New Galliford Try Shares will not confer any shareholder rights until the awards have vested or the options have been exercised as relevant and the participants have received their New Galliford Try Shares.

### **Rights attaching to New Galliford Try Shares**

Any New Galliford Try Shares allotted when an award vests or is exercised will rank equally with New Galliford Try Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

### **Variation of capital**

In the event of any variation of New Galliford Try's ordinary share capital or in the event of a demerger, payment of a special dividend or similar event which materially affects the market price of the New Galliford Try Shares, the Committee may make such adjustment as it considers appropriate to the number of New Galliford Try Shares subject to an award and/or the exercise price payable (if any).

### **Overall plan limits**

The New Galliford Try LTIP may operate over new issue New Galliford Try Shares, treasury shares or New Galliford Try Shares purchased in the market.

In any ten calendar year period, New Galliford Try may not issue (or grant rights to issue) more than 10 per cent. of the issued ordinary share capital of New Galliford Try under the New Galliford Try LTIP and any other employee share plan adopted by New Galliford Try. Furthermore, in the same period as noted above, New Galliford Try may not issue (or grant rights to issue) more than 5 per cent. of the issued ordinary share capital of New Galliford Try under the New Galliford Try LTIP and any other executive share plan adopted by New Galliford Try.

Treasury shares will count as new issue New Galliford Try Shares for the purposes of this limit unless institutional investors decide that they need not count.

### **Alterations**

The Committee may, at any time, amend the New Galliford Try LTIP in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of New Galliford Try shares or the transfer of treasury shares, the basis for determining a participant's entitlement to, and the terms of, the New Galliford Try shares to be acquired and the adjustment of such awards.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the New Galliford Try LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group. Shareholder approval will also not be required for any amendments to any performance condition applying to an award varied on its terms.

### **Recovery and withholding**

The Committee may apply the New Galliford Try LTIP's recovery and withholding provisions if, within a specified time of the vesting (or grant, if relevant) of an award, it is discovered that there has been a material misstatement in New Galliford Try's audited accounts, an error in assessing any applicable performance condition or if an event of gross misconduct is discovered.

The recovery and withholding may be satisfied by way of a reduction in the amount of any future bonus, subsisting award or future share awards and/or a requirement to make a cash payment. If a participant is declared bankrupt, all unvested or unexercised awards would lapse.

**Notes:**

1. A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him or her provided that if more than one proxy is appointed each proxy is appointed to exercise rights attaching to different shares. A proxy need not be a member of the Company.
2. A WHITE Form of Proxy is enclosed with this notice. Instructions for use are shown on the form.
3. To appoint more than one proxy, please photocopy the WHITE Form of Proxy indicating on each copy the name of the proxy you wish to appoint and the number of shares in respect of which the proxy is appointed and follow the instructions set out in the WHITE Form of Proxy. Multiple proxy appointments should be returned together in the same envelope.
4. The resolutions to be put to the General Meeting will be voted on by way of a poll and not by show of hands. The Company believes that a poll is more representative of shareholders' voting intentions because shareholder votes are counted according to the number of shares held and all votes tendered are taken into account.
5. The "Vote Withheld" option is provided to enable you to abstain on the resolutions. However, it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" the specified resolution.
6. To be valid, the WHITE Form of Proxy, together with any power of attorney or other authority under which it is signed, or a notarially certified copy thereof, must be received at the offices of Equiniti ("Equiniti") at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not later than 10.15 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned General Meeting.
7. You may appoint a proxy electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk) and entering your voting ID, task ID and shareholder reference number shown in your WHITE Form of Proxy. Full details of the procedure for appointing a proxy electronically are on the website AT [www.sharevote.co.uk](http://www.sharevote.co.uk). Further information is also included on the WHITE Form of Proxy. Other than the appointment of a proxy through CREST (see note 8 below), we request that electronic proxy voting instructions be submitted using the website [www.sharevote.co.uk](http://www.sharevote.co.uk) not later than 10.15 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned General Meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service for the General Meeting and any adjournment(s) thereof may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (CREST ID RA19) by the latest time for receipt of proxy appointments specified below. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be transmitted so as to be received by the issuer's agent (CREST ID RA19) by no later than 10.15 a.m. on 27 November 2019 or, in the case of any adjournment, not later than 48 hours before the time appointed for the adjourned General Meeting.
9. Completion and return of a WHITE Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described in the document of which this notice forms part), will not prevent a member of the Company from attending, speaking and voting in person at the General Meeting, or any adjournment thereof, if he or she wishes to do so and where a member of the Company does so, their proxy appointment will be automatically terminated.
10. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that entitlement to attend and vote at the meeting or any adjournment thereof, and the number of votes which may be cast thereat, will be determined by reference to the register of members of the Company at 6.30 p.m. on the date two days before the date of the meeting or any adjourned meeting (as the case may be). Changes to the register of members after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.

11. Except as provided above, members who wish to communicate with the Company in relation to the matters set out in this notice should do so in writing to Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by phone on 0371 384 2911 from within the UK or +44 121 415 0889 if calling from outside the UK. Lines are open between 8.30 a.m. and 5.30 p.m. (London time) Monday to Friday (excluding public holidays in England and Wales). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Scheme or Transaction (or any proposals relating to them) nor give any personal, financial, legal or tax advice. No other methods of communication will be accepted.
12. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first-named being the most senior).
13. You may not use any electronic address provided either in this notice or in any related documents (including the enclosed WHITE Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
14. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at this meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares.
15. The WHITE Form of Proxy must be executed by or on behalf of the Shareholder making the appointment. A corporation may execute the WHITE Form of Proxy either under its common seal or signed by an officer, an attorney or another person authorised to sign it. Any power of attorney or any other authority under which the WHITE Form of Proxy is signed (or a notarially certified copy of such power or authority) must be included with the WHITE Form of Proxy.
16. If two or more valid, but differing, appointments of proxy are delivered or received in respect of the same share, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which instrument was last validly delivered or received, none of them shall be treated as valid in respect of that share.
17. As at 7 November 2019 (being the latest business day before publication of this notice), the Company's issued share capital consisted of 111,032,617 ordinary shares of fifty pence (£0.50) each and carrying one vote each. The total voting rights in the Company as at 7 November 2019 were 111,032,617.
18. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for this meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
19. The statements of the rights of Shareholders in relation to the appointment of proxies in this notice do not apply to Nominated Persons. Those rights can only be exercised by Shareholders. If you are receiving this notice as such a Nominated Person, you are reminded that your main contact in terms of your investment remains as it was (the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration of it) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters which are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.
20. Under section 319A of the Companies Act 2006, any Shareholder attending this meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at this meeting but no such answer need be given if:
  - a. to do so would interfere unduly with the preparation for this meeting or involve the disclosure of confidential information;
  - b. the answer has already been given on a website in the form of an answer to a question; or
  - c. it is undesirable in the interests of the Company or the good order of this meeting that the question be answered.
21. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.gallifordtry.co.uk](http://www.gallifordtry.co.uk).
22. Copies of the Company's existing articles of association and the articles of association as proposed to be amended by the special resolution set out in this notice are available for inspection at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London, EC4N 6AF during normal business hours on any day (excluding Saturdays, Sundays and public holidays in England and Wales), until the opening of business on the day on which the meeting is held, and will also be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.





