

14 June 2019

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**THIS ANNOUNCEMENT IS BEING MADE PURSUANT TO RULE 2.5 OF THE IRISH TAKEOVER RULES**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**RECOMMENDED CASH OFFER**

**FOR**

**SCISYS GROUP PLC**

**BY**

**CGI GROUP HOLDINGS EUROPE LIMITED**

**A WHOLLY-OWNED INDIRECT SUBSIDIARY OF CGI INC.**

**TO BE IMPLEMENTED BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER CHAPTER 1 OF PART 9 OF THE COMPANIES ACT 2014**

**Summary**

- CGI Inc. (“**CGI**”) and SCISYS Group plc (“**SCISYS**”) are pleased to announce that they have reached agreement on the terms of a cash offer, unanimously recommended by the SCISYS Board, pursuant to which CGI Group Holdings Europe Limited (“**Bidco**”), a wholly owned indirect subsidiary of CGI, will acquire the entire issued and to be issued ordinary share capital of SCISYS.
- Under the terms of the Acquisition, SCISYS Shareholders will be entitled to receive:
  - for each SCISYS Share 254.15 pence in cash (the “Consideration”)**
- The Acquisition values the entire issued and to be issued ordinary share capital of SCISYS at approximately £78.9m.
- The Acquisition represents a premium of approximately:
  - 24.6 per cent. to SCISYS’ Closing Price of 204.00 pence on 13 June 2019 (being the last practicable date prior to the publication of this Announcement);
  - 43.7 per cent. to SCISYS’ volume weighted average Closing Price of approximately 176.89 pence over the six month period ended on 13 June 2019; and

- 47.0 per cent. to SCISYS' volume weighted average Closing Price of approximately 172.91 pence over the twelve month period ended on 13 June 2019.
- The Consideration is in addition to the payment of the final dividend of 1.73 pence per SCISYS Share for the period to 31 December 2018 approved by SCISYS Shareholders at the annual general meeting on 6 June 2019 (the "**Declared Dividend**"), which will be paid on 26 July 2019 to holders of SCISYS Shares who are on the register of members at the close of business on 28 June 2019.
- If any dividend or other distribution (whether in cash, assets, shares or other securities of any member of the SCISYS Group) is authorised, declared, made or paid in respect of the SCISYS Shares on or after the date of this Announcement, other than the Declared Dividend, Bidco reserves the right to reduce the Consideration by the aggregate amount of such dividend or other distribution.
- Commenting on the Acquisition, Mike Love, Chairman of SCISYS, said:
 

*"The Board of SCISYS is unanimously recommending this deal to shareholders, viewing it as a wholesale endorsement of the success SCISYS has achieved to date. We believe SCISYS and CGI are highly complementary businesses sharing similar values and are confident that the combination will enable SCISYS to benefit from CGI's size, strength and global reach."*
- Commenting on the Acquisition, George Schindler, President and CEO of CGI said:
 

*"CGI's offer to merge its operations with those of SCISYS is aligned to our Build and Buy strategy, providing opportunities to expand our industry depth in space, defense, government and media in the UK and Germany. SCISYS' industry-leading expertise and IP-based services and solutions will provide an opportunity to globalise certain platforms utilizing the broader CGI geographic footprint and client relationships."*
- Tara McGeehan, CGI President of UK operations of CGI said:
 

*"We look forward to welcoming SCISYS' highly-skilled innovators to CGI, sharing and collaborating with a focus on the success of our clients."*
- Torsten Strass, CGI President of Central and Eastern Europe Operations of CGI said:
 

*"The addition of SCISYS consultants and IP to CGI's local presence and global reach will benefit our clients, and in particular making our investment in the European space industry more relevant than ever before."*
- It is intended that the Acquisition will be implemented by means of a High Court sanctioned scheme of arrangement under Chapter 1 of Part 9 of the Act (or, if Bidco elects, subject to the terms of the Transaction Agreement and with the consent of the Panel, a Takeover Offer). The Acquisition is conditional on, among other things, (i) the approval by SCISYS Shareholders of the Scheme Meeting Resolution and the EGM Resolutions; (ii) the sanction of the Scheme and the confirmation of the Reduction of Capital, by the High Court; and (iii) receipt of required regulatory and other necessary approvals.

- Having taken into account the relevant factors and applicable risks, the SCISYS Board, which has been so advised by finnCap, financial adviser to SCISYS, considers the terms of the Acquisition as set out in this Announcement to be fair and reasonable. In providing such advice, finnCap has taken into account the commercial assessments of the SCISYS Directors. finnCap is providing independent financial advice to the SCISYS Directors for the purposes of Rule 3 of the Takeover Rules.
- Accordingly, the SCISYS Board unanimously recommends that SCISYS Shareholders vote in favour of the Acquisition and all of the Resolutions. Each SCISYS Director has irrevocably undertaken to vote in favour of the Acquisition and all of the Resolutions in respect of in aggregate, 7,406,133 SCISYS Shares which represent, in aggregate, approximately 25.0 per cent. of the existing issued share capital of SCISYS at 13 June 2019, being the last practicable date prior to the publication of this Announcement.
- The Scheme Document, which will contain, amongst other things, further information about the Acquisition, notices convening the Scheme Meeting and the Extraordinary General Meeting, the expected timetable for Completion and action to be taken by SCISYS Shareholders, will be published as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this Announcement. It is anticipated that the Scheme will, subject to obtaining the necessary regulatory and other necessary approvals, be declared effective in the second half of 2019.

### **About CGI**

CGI is a public corporation incorporated under the laws of the province of Quebec, Canada and its corporate identification number is 1142478016. CGI's registered address is at 1350 Rene-Levesque Blvd West, Montreal, Quebec, H3G 1T4, Canada. The shares of CGI are listed on the Toronto Stock Exchange and the New York Stock Exchange.

Founded in 1976, CGI is a leading independent information technology ("IT") and business consulting services firm. Approximately 77,000 consultants and professionals serve thousands of global clients from offices and delivery centers across the Americas, Europe and Asia Pacific, leveraging an end-to-end portfolio of capabilities, including high-end business and IT consulting, systems integration, application development and maintenance and infrastructure management, as well as 150 IP-based services and solutions. For the year ended 30 September 2018, CGI reported annual revenue of C\$11.5 billion and an order backlog of C\$22.6 billion.

Bidco is a private limited liability company incorporated under the laws of England and Wales and a wholly owned indirect subsidiary of CGI. Bidco's business registration number is 03290026 and its registered address is at 20 Fenchurch Street, 14th Floor, London, United Kingdom, EC3M 3BY. Bidco is a holding entity.

### **About SCISYS**

Employing approximately 670 staff, SCISYS Group, whose holding company, SCISYS, is a public limited company incorporated under the laws of Ireland, is a leading developer of information and communications technology services, e-business, web and mobile applications, editorial newsroom solutions and advanced technology solutions. SCISYS operates in a broad spectrum of market sectors, including Media & Broadcast, Space, Government and Defence and Commercial sectors. SCISYS' clients are predominantly blue-chip and public-sector organisations. Customers include the Environment Agency, the Ministry of Defence, Airbus Defence & Space, Thales Alenia Space, Arqiva, Vodafone, the

European Space Agency, Eumetsat, the BBC, Radio France, RTL, RNLI, Pets at Home, Siemens and the National Trust. SCISYS' registered office is in Dublin, with UK offices in Chippenham, Bristol, Leicester and Reading and German offices in Bochum, Dortmund, Darmstadt and Munich.

**This summary should be read in conjunction with the full text of the following Announcement and its appendices.**

The Conditions to, and certain further terms of, the Acquisition are set out in Appendix C to this Announcement and the Acquisition is subject to further terms to be set out in the Scheme Document. Appendix A to this Announcement contains certain sources of information and bases of calculation contained in this Announcement. Certain terms used in this Announcement are defined in Appendix B to this Announcement.

This Announcement contains inside information and has been issued pursuant to Article 2.1(b) of Commission Implementing Regulation (EU) 2016/1055. The date and time of this Announcement is the same as the date and time that it has been communicated to the media.

**Enquiries:**

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**Statements required by the Takeover Rules**

The CGI Directors and the Bidco Directors accept responsibility for the information contained in this Announcement other than that relating to SCISYS, the SCISYS Group and the SCISYS Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the CGI Directors and the Bidco Directors (who, in each case, have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for

which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The SCISYS Directors accept responsibility for the information contained in this Announcement relating to SCISYS, the SCISYS Group and the SCISYS Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the SCISYS Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to CGI and Bidco and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than CGI and Bidco for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this Announcement or any matter referred to herein.

finnCap, which is authorised and regulated by the Financial Conduct Authority in the UK, is acting exclusively as financial adviser, nominated adviser, Euronext Growth Market adviser and AIM broker to SCISYS and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than SCISYS for providing the protections afforded to clients of finnCap, or for providing advice in connection with the matters referred to herein. Neither finnCap nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this Announcement or any matter referred to herein.

This Announcement is for information purposes only and is not intended to, and does not, constitute or form any part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Takeover Offer Document).

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

This Announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

### **Cautionary Statement Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to CGI, Bidco and SCISYS. These forward-looking statements can be identified by the fact that they relate to future events or circumstances and which do not directly and exclusively relate to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “predict”, “project”, “aim”, “foresee”, “seek”, “strive”, “potential”, “continue” “believe”, “will”, “may”, “might”,

“would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to CGI, Bidco and SCISYS intentions, plans, expectations, beliefs, objectives, future performance, and strategy, including the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the CGI Group or the SCISYS Group; and (iii) the effects of government regulation on the business of the CGI Group or the SCISYS Group.

These forward-looking statements involve known and unknown risks, uncertainties and other factors, which many are beyond the control of CGI, Bidco and SCISYS, and which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on perception of historic trends, current conditions and expected future developments, as well as numerous assumptions, both general and specific, regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to CGI, Bidco or SCISYS or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither CGI, Bidco or SCISYS undertake any obligation to update publicly or revise forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

#### **Disclosure requirements of the Takeover Rules**

Under the provisions of Rule 8.3 of the Takeover Rules, if any person is, or becomes, “interested” (directly or indirectly) in, 1% or more of any class of “relevant securities” of SCISYS, all “dealings” in any “relevant securities” of SCISYS (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by not later than 3:30 pm (Irish time) on the “business” day in Dublin following the date of the relevant transaction. This requirement will continue until the date on which the “offer period” ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of SCISYS, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Rules.

Under the provisions of Rule 8.1 of the Takeover Rules, all “dealings” in “relevant securities” of SCISYS by CGI Inc. or Bidco, or by any party Acting in Concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the business day in Dublin following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, can be found on the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Takeover Rules, which can also be found on the Irish Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

### **No profit forecasts, estimates or asset valuations**

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share, for CGI, Bidco or SCISYS, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for CGI, Bidco or SCISYS, respectively. No statement in this Announcement constitutes an asset valuation.

### **Right to switch to a Takeover Offer**

Bidco reserves the right to elect, subject to the terms of the Transaction Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of SCISYS as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Appendix C to this Announcement and in the Transaction Agreement.

### **Publication on website**

Pursuant to Rule 2.6(c) of the Takeover Rules, this Announcement will be made available to CGI's employees on CGI's website (<https://www.cgi.com/en/SCISYS>) and to SCISYS employees on SCISYS' website (<https://www.SCISYS.co.uk/who-we-are/investors/soa.html>).

Neither the content of this website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this Announcement.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **General**

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in Ireland or the United Kingdom. Persons who are not resident in Ireland or the United Kingdom, or who are subject to laws of any jurisdiction other than Ireland or the United Kingdom, should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction.

The release, publication or distribution of this Announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this Announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To

the fullest extent permitted by applicable law, the CGI Group, Bidco and SCISYS disclaim any responsibility or liability for the violations of any such restrictions by any person.



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FOR IMMEDIATE RELEASE

14 June 2019

**RECOMMENDED CASH OFFER**  
**FOR**  
**SCISYS GROUP PLC**  
**BY**  
**CGI GROUP HOLDINGS EUROPE LIMITED**  
**A WHOLLY-OWNED INDIRECT SUBSIDIARY OF**  
**CGI INC.**

**TO BE IMPLEMENTED BY MEANS OF A SCHEME OF ARRANGEMENT**  
**UNDER CHAPTER 1 OF PART 9 OF THE COMPANIES ACT 2014**

**1 Introduction**

The respective boards of directors of CGI and SCISYS are pleased to announce that they have reached agreement on the terms of a cash offer, unanimously recommended by the SCISYS Board, pursuant to which Bidco will acquire the entire issued and to be issued share capital of SCISYS. It is intended that the Acquisition will be implemented by means of a scheme of arrangement under Chapter 1 of Part 9 of the Act.

**2 Summary Terms of the Acquisition**

2.1 The Acquisition is subject to the Conditions set out in Appendix C to this Announcement and to be set out in the Scheme Document.

2.2 Under the terms of the Acquisition, SCISYS Shareholders will be entitled to receive:

**for each SCISYS Share                      254.15 pence in cash**

2.3 The Acquisition values the entire issued and to be issued ordinary share capital of SCISYS at approximately £78.9m.

2.4 The Acquisition represents a premium of approximately:

- 2.4.1 24.6 per cent. to SCISYS' Closing Price of 204.00 pence on 13 June 2019 (being the last practicable date prior to the publication of this Announcement);
- 2.4.2 43.7 per cent. to SCISYS' volume weighted average Closing Price of approximately 176.89 pence over the six month period ended on 13 June 2019; and
- 2.4.3 47.0 per cent. to SCISYS' volume weighted average Closing Price of approximately 172.91 pence over the twelve month period ended on 13 June 2019.
- 2.5 In consideration of these payments, the SCISYS Shares will be cancelled and SCISYS will issue new SCISYS Shares to Bidco.
- 2.6 The Consideration is in addition to the Declared Dividend, which will be paid on 26 July 2019 to holders of SCISYS Shares who are on the register of members at the close of business on 28 June 2019.
- 2.7 If any dividend or other distribution (whether in cash, assets, shares or other securities of any member of the SCISYS Group) is authorised, declared, made or paid in respect of the SCISYS Shares on or after the date of this Announcement, other than the Declared Dividend, Bidco reserves the right to reduce the Consideration by the aggregate amount of such dividend or other distribution.

### **3 SCISYS Recommendation**

- 3.1 Having taken into account the relevant factors and applicable risks, the SCISYS Board which has been so advised by finnCap, financial adviser to SCISYS, considers the terms of the Acquisition as set out in this Announcement to be fair and reasonable. In providing such advice, finnCap has taken into account the commercial assessments of the SCISYS Directors. finnCap is providing independent financial advice to the SCISYS Directors for the purposes of Rule 3 of the Takeover Rules.
- 3.2 Accordingly, the SCISYS Board unanimously recommends that SCISYS Shareholders vote in favour of the Acquisition and all of the Resolutions. Each SCISYS Director has irrevocably undertaken to vote in favour of the Acquisition and all of the Resolutions in respect of, in aggregate, 7,406,133 SCISYS Shares, which represent, in aggregate, approximately 25.0 per cent. of the existing issued share capital of SCISYS as at 13 June 2019 (being the last practicable date prior to the publication of this Announcement).

### **4 Irrevocable Undertakings**

- 4.1 Bidco has received irrevocable undertakings from each of the SCISYS Directors to vote in favour of the Scheme at the Scheme Meeting and each of the EGM Resolutions to be proposed at the Extraordinary General Meeting in respect of, in aggregate, 7,406,133 SCISYS Shares, which represent, in aggregate, approximately 25.0 per cent of the issued share capital of SCISYS as at 13 June 2019 (being the last practicable date prior to the publication of this Announcement).
- 4.2 The irrevocable undertakings received from each of the SCISYS Directors will cease to have effect if:

4.2.1 the Scheme or the Offer lapses or is withdrawn (other than in circumstances where there is a switch from a Scheme to an Offer in accordance with clause 3.6 of the Transaction Agreement) with, to the extent required, the approval of the Panel or the High Court; or

4.2.2 the Acquisition is not completed by the End Date.

## 5 **SCISYS Background to and Reasons for Recommending the Acquisition**

Since the restructuring undertaken by SCISYS in 2018 by means of a scheme of arrangement whereby SCISYS, a public limited company incorporated in Ireland, became the SCISYS Group's parent company in tandem with the listing of the SCISYS Shares on the Euronext Growth Market of Euronext Dublin, as well as AIM (the "**Restructuring**"), the SCISYS Board has been encouraged by the positive response to this process. Evidence of such response was readily visible in the raft of contract wins SCISYS was able to announce during December 2018 and January 2019. The Restructuring was undertaken to mitigate the possible negative effects of Brexit on SCISYS' space business, with the wider purpose of protecting shareholder value, so to be able to announce such contract wins was particularly pleasing for the SCISYS Board and a vindication of its strategy.

However, notwithstanding such response and the overall improvement in the SCISYS share price since the start of 2019, the SCISYS Directors believe that:

- the Acquisition allows SCISYS Shareholders to realise a cash exit at an attractive price. The Consideration represents a 24.6 per cent. premium to the Closing Price per SCISYS Share on 13 June 2019 being the last practicable date prior to the date of this Announcement, which itself is currently at a higher level than at almost any other time during the tenure of the current SCISYS management team, which dates back to 2007;
- attempts to scale the SCISYS business, in particular by means of acquisitions have been hampered in the past by the limited size and capacity of the SCISYS management team. In the context of a small publicly traded company the bandwidth of the SCISYS management team for acquisition analysis, execution and integration has been limited. Consequently, the combination of SCISYS with a business of CGI's scale and capacity is expected to be highly beneficial;
- attempts to scale SCISYS by acquisition have also been frustrated by the low rating of SCISYS Shares compared with many other quoted technology companies, whose earnings are of a more recurring nature, relying on high levels of repeating licence income. The Directors believe that SCISYS' earnings, relying as they do on the success of larger discrete contracts, as well as SCISYS' ability to continue to win and retain its clients, are less well rated by the stock market which has in turn placed SCISYS at a disadvantage when seeking to use its equity as a means of acquisition funding; and
- CGI and SCISYS have several areas of operations that are highly complementary to each other and consequently the SCISYS Directors believe that the combination of the two businesses will provide a strong platform with the critical mass to grow in North America and Europe with an enhanced proposition, broadening and improving SCISYS' standalone offering.

The SCISYS Directors have also considered the Acquisition in light of the limited trading liquidity in SCISYS Shares and believe that the Acquisition presents an opportunity for all SCISYS Shareholders to realise their investment in SCISYS in whole and at a premium to the prevailing

share price which the SCISYS Directors consider may not otherwise be achievable in the near-term.

## **6 Recommendation**

The SCISYS Directors have carefully evaluated the Acquisition on behalf of SCISYS Shareholders as a whole. Accordingly, having taken into account the relevant factors and applicable risks, the SCISYS Board, which has been so advised by finnCap as financial adviser to SCISYS, considers the terms of the Acquisition as set out in this Announcement to be fair and reasonable. In providing its advice to the SCISYS Board, finnCap has taken into account the commercial assessments of the SCISYS Directors. Accordingly, the SCISYS Board unanimously recommends that SCISYS Shareholders vote in favour of the Acquisition and all of the Resolutions. Each SCISYS Director has given an irrevocable undertaking to vote in favour of the Acquisition and all of the Resolutions in respect of, in aggregate, 7,406,133 SCISYS Shares which represent, in aggregate, approximately 25.0 per cent. of the existing issued share capital of SCISYS as at the last practicable date before the publication of this Announcement being 13 June 2019.

## **7 Certain Financial Information**

### **7.1 Current trading and prospects of SCISYS**

On 28 March 2019 SCISYS announced its preliminary results for the financial year ended 31 December 2018. These results reflected the adoption of the new revenue recognition accounting standard (IFRS 15) with the 2017 results restated to reflect retrospective implementation.

The SCISYS Board was pleased to report adjusted operating profit up 16 per cent. to £5.1m (2017: £4.4m restated) with revenues up 10 per cent. to £58.4m (2017: £53.2m restated), and a record order book of £98.6m (2017: £88.2m restated). The final proposed dividend was increased by 10 per cent. to 1.73 pence per share on increased adjusted basic earnings per share of 13.1p (2017: 9.3p) (based on the profit for the year before post-tax exceptional items, share-based payments and amortisation of acquisition-related intangible assets) and basic EPS of 4.9p (2017: 10.8p restated). At the same time, net debt was reduced to £3.1m (2017: £5.9m) despite exceptional cash outflows (associated with the Restructuring), as referred to above, other internal reorganisation costs and the final earnout payment in connection with the acquisition of Annova in December 2016.

With the delivery of these results, the SCISYS Directors were able to report the successful achievement of one of its long-term strategic goals, originally outlined in the 2013 SCISYS annual report, of revenues of £60m (pre-IFRS 15 impact) and consequently took the opportunity to provide new medium-term aspirational targets for the SCISYS Group of revenue of £75m and adjusted operating profits of approximately £7m by the end of the year to 31 December 2022 ("FY22") (the "FY22 Profit Forecast"). This forecast was based on the SCISYS Directors' belief that the recently experienced growth of SCISYS during 2018 could be continued into 2019 and beyond, assisted by a shift in strategic focus towards revenue growth, including investments in sales, infrastructure, product improvement and innovation, with some minor attrition to the rate of profitability.

Since the preliminary results announcement on 28 March 2019, the SCISYS Group has continued to trade in line with the SCISYS Directors' expectations as confirmed in SCISYS' AGM statement of 6 June 2019, albeit the SCISYS Directors did clarify in the same statement that they expected SCISYS' earnings in 2019 to be more weighted towards the second half of the year, in contrast to 2018 though in common with prior years.

## 7.2 SCISYS Profit Forecast

On 28 March 2019, SCISYS released the FY22 Profit Forecast, as explained in paragraph 7.1 above. The FY22 Profit Forecast comprised the following statement:

*".....we are updating our medium-term revenue aspiration to £75m by the end of 2022, with an adjusted operating profit of approximately £7m. We will carefully monitor progress on this strategy, while constantly assessing options for further margin improvement."*

The FY22 Profit Forecast has been prepared on a basis consistent with the accounting policies adopted by SCISYS for the year ended 31 December 2018 and those that will be applicable for the year ended 31 December 2019. These policies are in accordance with IFRS. In confirming the FY22 Profit Forecast the SCISYS Directors have made the following assumptions:

Assumptions outside of SCISYS' influence or control

- (a) there will be no material change to SCISYS' commercial relationships; and
- (b) there will be no material change to SCISYS' business model or market environment before the end of FY22.

Assumptions within SCISYS' influence or control

- (a) there are no material investments or capital expenditure, in addition to those already planned;
- (b) there will be no material change in the existing operational strategy of SCISYS; and
- (c) there will be no material acquisitions or disposals.

The SCISYS Directors have considered the FY22 Profit Forecast and confirm that it remains valid as at the date of this document, that the FY22 Profit Forecast has been properly compiled on the basis of the assumptions set out above and that the basis of accounting used is consistent with SCISYS' accounting policies, which are in accordance with IFRS and are those that SCISYS expects to apply in preparing its annual report and accounts for the financial year ending 31 December 2019.

## 8 CGI Background to and Rationale for the Acquisition

CGI is unique compared to most organisations. It not only has a vision, but also a dream: "To create an environment in which we enjoy working together and, as owners, contribute to building a company we can be proud of." This dream has motivated it since CGI's founding in 1976 and

drives its vision: "To be a global, world-class end-to-end IT and business consulting services leader helping our clients succeed."

In pursuing its dream and vision, CGI has been highly disciplined in executing a "Build and Buy" profitable growth strategy, combining profitable organic growth through the pursuit of contracts with new and existing clients in CGI's targeted industries ("Build") and accretive acquisitions of targets which will strengthen CGI's local proximity in metro markets leveraging strong relationships with customers and industry expertise and enhancing CGI's services and solutions ("Buy").

CGI is managed through nine strategic business units, including one located in the UK and one in Central and Eastern Europe (including primarily Netherlands and Germany), both of which are important drivers of growth for CGI. CGI therefore believes that the proposed combination with SCISYS represents an attractive opportunity to execute on its "Buy" growth strategy in the UK and to continue its acquisition strategy in Germany, as well as strengthen its leading capabilities in both the UK and Germany. The combined resources would also deepen CGI's expertise in the space and defence sectors and would provide an ideal platform in which employees could be actively engaged to serve clients, to win larger scale opportunities, and to offer to the combined client base a diverse portfolio of services and IP-led solutions in these countries. Additionally, the integration of SCISYS into the CGI Group's operations would expand CGI's footprint within the UK and Germany in metro-markets where it currently does not have offices. It is also anticipated that further revenue opportunities will be available to the combined business through the enhanced offering of both geographic and product services to both CGI and SCISYS clients. CGI believes that SCISYS joining a larger and financially strong international group will provide a better platform for organic growth and will be beneficial to both SCISYS and CGI's employees and clients in those countries.

## **9 Information on CGI and Bidco**

Founded in 1976, CGI is a public corporation incorporated under the laws of the province of Quebec, Canada and its corporate identification number is 1142478016. CGI's registered address is at 1350 Rene-Levesque Blvd West, Montreal, Quebec, H3G 1T4, Canada. The shares of CGI are listed on the Toronto Stock Exchange and the New York Stock Exchange.

CGI is a leading IT and business consulting services firm. Approximately 77,000 consultants and professionals serve thousands of global clients from offices and delivery centers across the Americas, Europe and Asia Pacific, leveraging an end-to-end portfolio of capabilities, including high-end business and IT consulting, systems integration, application development and maintenance and infrastructure management, as well as 150 IP-based services and solutions. For the year ended 30 September 2018, CGI reported consolidated revenues of C\$11.5 billion.

Bidco is a wholly owned indirect subsidiary of CGI and a private limited liability company incorporated under the laws of England and Wales. Its business registration number is 03290026 and its registered address is at 20 Fenchurch Street, 14th Floor, London, UK, EC3M 3BY. Bidco is a holding entity.

## 10 **Information on SCISYS**

Employing approximately 670 staff, SCISYS Group, whose holding company, SCISYS, is a public limited company incorporated under the laws of Ireland, is a leading developer of information and communications technology services, e-business, web and mobile applications, editorial newsroom solutions and advanced technology solutions. SCISYS operates in a broad spectrum of market sectors, including Media & Broadcast, Space, Government and Defence and Commercial sectors. SCISYS' clients are predominantly blue-chip and public-sector organisations. Customers include the Environment Agency, the Ministry of Defence, Airbus Defence & Space, Thales Alenia Space, Arqiva, Vodafone, the European Space Agency, Eumetsat, the BBC, Radio France, RTL, RNLI, Pets at Home, Siemens and the National Trust. SCISYS' registered office is in Dublin, with UK offices in Chippenham, Bristol, Leicester and Reading and German offices in Bochum, Dortmund, Darmstadt and Munich.

## 11 **Structure of the Acquisition**

### 11.1 **Scheme**

11.1.1 It is intended that the Acquisition will be effected by a High Court-sanctioned scheme of arrangement in accordance with Chapter 1 of Part 9 of the Companies Act 2014. Under the Scheme, all SCISYS Shares held by SCISYS Shareholders will be cancelled pursuant to sections 84 to 86 of the Companies Act 2014 in accordance with the terms of the Scheme. SCISYS will then issue new SCISYS Shares to Bidco in place of the SCISYS Shares that were cancelled pursuant to the Scheme and the Reduction of Capital and Bidco will pay the Consideration for the Acquisition to the SCISYS Shareholders.

11.1.2 As a result of these arrangements, SCISYS will become a wholly-owned subsidiary of Bidco.

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

11.2.1 Once the approvals of the SCISYS Shareholders have been obtained at the Scheme Meeting and the Extraordinary General Meeting, and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the High Court at the Court Hearing.

11.2.2 The Scheme will become Effective in accordance with its terms on delivery to the Registrar of Companies of the Court Order together with the minute required by Section 86 of the Act confirming the Reduction of Capital to take place in connection with the Acquisition and the Reduction of Capital becomes effective upon the registration of the Court Order and minute by the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all SCISYS Shareholders, irrespective of whether or not they attended or voted at the Scheme Meeting or Extraordinary General Meeting, or whether they voted in favour of or against the Scheme.

### 11.3 **Full details of the Scheme to be set out in the Scheme Document**

11.3.1 The Scheme will be governed by the laws of Ireland. The Scheme will be subject to the applicable requirements of the Takeover Rules and, where relevant, the Act.

11.3.2 The Scheme is subject to the satisfaction (or, where applicable, waiver) of the Conditions and the full terms and conditions to be set out in the Scheme Document. Further details of the Scheme will be set out in the Scheme Document, including the expected timetable and the action to be taken by SCISYS Shareholders.

#### **11.4 Conditions to the Acquisition**

The Acquisition shall be subject to the Conditions and further terms set out in full in Appendix C to this Announcement and to be set out in the Scheme Document.

#### **11.5 Scheme timetable/further information**

11.5.1 A full anticipated timetable will be set out in the Scheme Document.

11.5.2 At this stage, subject to the approval and availability of the High Court and obtaining the necessary regulatory and other necessary approvals, Bidco expects the implementation of the Acquisition to occur in the second half of 2019.

### **12 Effect of the Scheme on SCISYS Share Plans**

In accordance with Rule 15 of the Takeover Rules, Bidco will make appropriate proposals to SCISYS Optionholders in relation to their respective SCISYS Options. SCISYS Optionholders will be contacted separately, if practicable, at the time of publication of the Scheme Document, regarding the effect of the Acquisition on their respective SCISYS Options under the SCISYS Share Plans and the relevant details will be summarised in the Scheme Document. Participants in the SCISYS Share Incentive Plan 2019 will be contacted by the trustee of the plan, if practicable, at the time of the publication of the Scheme Document to explain the choices they may have in connection with the Acquisition.

### **13 Financing of the Acquisition**

13.1 The Consideration payable by Bidco under the terms of the Acquisition will be funded by cash on hand and Bidco's own financial resources. Further information on the Consideration will be set out in the Scheme Document.

13.2 HSBC, as financial adviser to CGI and Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the Consideration payable under the terms of the Acquisition.

### **14 Board, Management and Employees**

14.1 Bidco confirms that, where employees of SCISYS have existing employment rights, including pension rights, under applicable laws, those rights and agreements will be safeguarded following the Scheme becoming Effective.

14.2 Bidco intends to carry out a detailed review in order to assess and identify integration benefit opportunities (subject to applicable law and consultation processes). Bidco has not yet completed this review and has not reached any conclusions as to its likely outcome. As with previous CGI integration planning exercises, the review will be carried out in consultation with stakeholders taking into account the views of colleagues at CGI Group and SCISYS and will be focused on (i) finding ways to extend the services offered by existing employees of CGI Group



and SCISYS to each other's clients whom they have not previously served and (ii) identifying areas where, in doing this, cost or productivity efficiencies can be achieved. The expanded client base brought to the SCISYS business by CGI Group may, following the review mentioned above, lead to deferral or reconfiguration of certain aspects of the SCISYS and/or CGI Group's respective resources, subject to this being considered by CGI Group to be both appropriate and likely to lead to improved quality of client service and efficiencies. Maintaining the quality of service to clients of both SCISYS and CGI Group is, and will remain at all times, a key priority of CGI Group. CGI fully respects the different employee representation structures, where applicable, in the countries in which SCISYS operates, and recognises the constructive relationship that SCISYS has developed with employee representative groups across its business and is therefore committed to ensure that these standards continue to be met.

14.3 It is the intention of Bidco to put in place appropriate arrangements for management of SCISYS and its Subsidiaries following completion of the Acquisition.

14.4 CGI Bidco and the SCISYS Directors currently intend that:

14.4.1 each of the non-executive SCISYS Directors will resign with effect from the Effective Time; and

14.4.2 immediately after the Scheme becomes Effective, CGI Bidco will procure that notice of termination is given in respect of the directorships and service agreements of each of the executive SCISYS Directors on terms that each such SCISYS Director may be required to assist, and each such SCISYS Director shall agree to assist, in connection with the integration of the SCISYS Group into the CGI Group for a period not exceeding two months, upon the expiry of such period, and subject to compliance with the Takeover Rules, CGI Bidco intends to pay each SCISYS Director a lump sum in lieu of notice for the remainder of such SCISYS Director's notice period and any other amount owed pursuant to the respective employment contract as well as provide each SCISYS Director with such benefits owed to him under the respective employment contract in case of termination by SCISYS, subject to such SCISYS Director entering into a settlement agreement with SCISYS in a form acceptable to the relevant director, acting reasonably: (i) providing that save as set out above they have no claims against any member of the SCISYS Group in respect of the termination of their employment; and restating the restrictive covenants as set out in their respective contracts of employment, if any. Should Bidco and the SCISYS Directors agree that any SCISYS Director shall continue to be employed by SCISYS or within the CGI Group, any such employment would be on terms and conditions to be negotiated between the relevant parties.

## 15 **Acquisition Related Arrangements**

### 15.1 **Transaction Agreement**

15.1.1 Bidco and SCISYS have entered into the Transaction Agreement which contains, amongst other things, certain obligations and commitments in relation to the implementation of the Acquisition and provisions in relations to the conduct of SCISYS' business up to the Effective Date. A summary of the principal terms of the Transaction Agreement will be set out in the Scheme Document.

15.1.2 The Transaction Agreement provides that where the SCISYS Board determines that a SCISYS Alternative Proposal that constitutes a SCISYS Superior Proposal has been received, SCISYS shall provide Bidco with an opportunity, for a period of four Business Days following the time of delivery to Bidco of the Superior Proposal Notice to discuss in

good faith the terms and conditions of the Transactions, including an increase in, or modification of, the Consideration, and such other terms and conditions such that the relevant SCISYS Alternative Proposal no longer constitutes a SCISYS Superior Proposal.

## 15.2 Expenses Reimbursement Agreement

SCISYS has entered into an expenses reimbursement agreement, dated 14 June 2019, with Bidco, the terms of which have been approved by the Panel. Under the Expenses Reimbursement Agreement, SCISYS has agreed to pay, or will at Bidco's direction procure that a member of the SCISYS Group will pay, an amount equal to all documented, specific quantifiable third party costs and vouched expenses incurred by Bidco or any member of the CGI Group, or on its or their behalf, for the purposes of, in preparation for, or in connection with the Acquisition, exploratory work carried out in contemplation of and in connection with the Acquisition, legal, financial, accounting and commercial due diligence, arranging financing and engaging advisers to assist in the process ("**CGI Bidco Reimbursement Payments**") provided that the gross amount payable to Bidco shall not, in any event, exceed £788,530 (the "**Cap**"). The amount payable by SCISYS to Bidco under such provisions of the Expenses Reimbursement Agreement will exclude any amounts in respect of VAT incurred by Bidco or any other member of the CGI Group attributable to such third party costs other than Irrecoverable VAT incurred by Bidco and such member of the CGI Group.

The circumstances in which such payment will be made are:

### 15.2.1 the Transaction Agreement is terminated:

- (a) by Bidco for the reason that the SCISYS Board or any committee thereof:
  - (i) withdraws (or modifies in any manner adverse to Bidco), or fails to make when required pursuant to the Transaction Agreement, or proposes publicly to withdraw (or modify in any manner adverse to Bidco), the Scheme Recommendation or, if applicable, the recommendation to the holders of SCISYS Shares from the SCISYS Board to accept the Takeover Offer; or
  - (ii) approves, recommends or declares advisable or proposes publicly to approve, recommend or declare advisable, any SCISYS Alternative Proposal (it being understood, for the avoidance of doubt, that the provision by SCISYS to Bidco of notice or information in connection with a SCISYS Alternative Proposal or SCISYS Superior Proposal as required or expressly permitted by the Transaction Agreement shall not, in and of itself, satisfy this paragraph (ii)); or
  - (iii) otherwise takes any action or discloses a position that is deemed to be a "SCISYS Change of Recommendation" under clause 5.2.4 of the Transaction Agreement; or
- (b) by SCISYS, at any time prior to sanction of the Scheme by the High Court (or in the case of a Takeover Offer prior to the Final Closing Date) in order to enter into

any agreement, understanding or arrangement providing for a SCISYS Superior Proposal in circumstances permitted by the Transaction Agreement; or

15.2.2 all of the following occur:

- (a) prior to the Scheme Meeting (or, in the case of a Takeover Offer prior to the Final Closing Date), a SCISYS Alternative Proposal is formally publicly disclosed by SCISYS or any person shall have formally publicly announced an intention (whether or not conditional) to make a SCISYS Alternative Proposal and, in each case, such disclosure or announcement is not publicly and irrevocably withdrawn without qualification at least three Business Days before the date of the Scheme Meeting or Final Closing Date; and
- (b) the Transaction Agreement is terminated by Bidco for the reason that SCISYS shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in the Transaction Agreement, which breach or failure to perform:
  - (i) would result in a failure of any of the Conditions; and
  - (ii) is not reasonably capable of being cured by the End Date or, if curable, Bidco shall have given SCISYS written notice, delivered at least 30 days prior to such termination, stating Bidco' intention to terminate the Transaction Agreement pursuant to clause 9.1(a)(vi) of the Transaction Agreement and the basis for such termination and such breach, failure to perform or inaccuracy shall not have been cured within 30 days following the delivery of such written notice or, if earlier, by the End Date; and
- (c) a SCISYS Alternative Proposal is consummated, or a definitive agreement providing for a SCISYS Alternative Proposal is entered into within 12 months after such termination and such SCISYS Alternative Proposal is consummated pursuant to that definitive agreement (in each case, regardless of whether such SCISYS Alternative Proposal is the same SCISYS Alternative Proposal referred to in paragraph 15.2.2(a); or

15.2.3 all of the following occur:

- (a) prior to the Scheme Meeting (or, in the case of a Takeover Offer prior to the Final Closing Date), a SCISYS Alternative Proposal is formally publicly disclosed by SCISYS or any person shall have formally publicly announced an intention (whether or not conditional) to make a SCISYS Alternative Proposal and, in each case, such disclosure or announcement is not publicly and irrevocably withdrawn without qualification at least three Business Days before the date of the Scheme Meeting or Final Closing Date; and
- (b) the Transaction Agreement is terminated by either SCISYS or Bidco for the reason that the Scheme Meeting or the EGM shall have been completed and the Scheme Meeting Resolution or the EGM Resolutions, as applicable, shall not

have been approved by the requisite majority of votes (or, in the case of a Takeover Offer, the Final Closing Date having passed without the Takeover Offer becoming unconditional as to acceptances); and

- (c) the SCISYS Alternative Proposal referred to in paragraph 15.2.3(a) above is consummated, or a definitive agreement providing for a SCISYS Alternative Proposal is entered into with the person referred to in paragraph 15.2.3(a) above within 12 months after such termination and such SCISYS Alternative Proposal is consummated pursuant to that definitive agreement or a SCISYS Alternative Proposal is consummated with a person who is not connected in any way to the person referred to in paragraph 15.2.3(a) above within 12 months after the date of this Announcement and the value of the consideration offered under such SCISYS Alternative Proposal is at least equal to the consideration offered under the Acquisition.

If and to the extent that any relevant Tax Authority determines that the CGI Bidco Reimbursement Payment is consideration for a Taxable supply made to any member of the SCISYS Group and that member of the SCISYS Group is liable to account to a Tax Authority for VAT in respect of such supply, then (a) the CGI Bidco Reimbursement Payment shall be deemed to be exclusive of any such applicable VAT and any such VAT shall be due and payable by SCISYS or the relevant member of the SCISYS Group in addition to the CGI Bidco Reimbursement Payment, in accordance with applicable VAT Law (subject to the provisions of (b)); (b) to the extent that such VAT is Irrecoverable VAT for the relevant member of the SCISYS Group, the amount payable by SCISYS by way of the CGI Bidco Reimbursement Payment, together with any Irrecoverable VAT arising in respect of the supply for which the payment is consideration, shall not exceed the Cap; and (c) to the extent that SCISYS has already paid an amount in respect of the CGI Bidco Reimbursement Payment which exceeds the amount described in (b) above, Bidco shall repay to SCISYS the portion of the Irrecoverable VAT in excess of the Cap.

finnCap, financial adviser to SCISYS, along with the directors of SCISYS, have each confirmed in writing to the Panel that in their respective opinions in the context of the Note to Rule 21.2 of the Takeover Rules and the Acquisition, the Expenses Reimbursement Agreement is in the best interests of SCISYS Shareholders.

## **16 Delisting and Cancellation of Trading of SCISYS Shares**

- 16.1 An application will be made to the London Stock Exchange and Euronext Dublin prior to the Effective Date to cancel the admission of the SCISYS Shares to trading on AIM and the Euronext Growth Market respectively, with effect from shortly after the Effective Date, subject to and following the Scheme becoming effective.
- 16.2 It is intended that dealing in SCISYS Shares on AIM and the Euronext Growth Market will be suspended on or around the Effective Date.
- 16.3 Following the Effective Date, it is intended that SCISYS will be re-registered as a private company limited by shares.

## 17 **Interests and Short Positions in SCISYS**

- 17.1 As at the close of business on 13 June 2019 (being the last practicable date prior to the release of this Announcement), none of CGI, Bidco or, so far as Bidco is aware, any person Acting in Concert with Bidco:
- 17.1.1 had an interest in Relevant Securities of SCISYS;
  - 17.1.2 had any short position in any class of Relevant Securities of SCISYS;
  - 17.1.3 had received an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of Relevant Securities of SCISYS other than as described in this Announcement; or
  - 17.1.4 had borrowed or lent any SCISYS Shares.
- 17.2 Furthermore, no arrangement to which Rule 8.7 of the Takeover Rules applies exists between CGI, Bidco or SCISYS or a person Acting in Concert with CGI, Bidco or SCISYS in relation to Relevant Securities of SCISYS. For these purposes, an “arrangement to which Rule 8.7 of the Takeover Rules applies” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, between two or more persons relating to Relevant Securities of SCISYS which is or may be an inducement to one or more of such persons to deal or refrain from dealing in such securities.
- 17.3 In the interests of confidentiality, CGI and Bidco have made only limited enquiries in respect of certain parties who may be deemed by the Panel to be Acting in Concert with them for the purposes of the Acquisition. Further enquiries will be made to the extent necessary as soon as practicable following the date of this Announcement and any disclosure in respect of such parties will be included in the Scheme Document.

## 18 **Rule 2.10 Disclosure**

- 18.1 In accordance with Rule 2.10 of the Takeover Rules, SCISYS confirms that as at the close of business on 13 June 2019, being the last practicable date before this Announcement, it had 29,608,160 SCISYS Shares in issue with voting rights, with no SCISYS Shares held in treasury. The ISIN for the SCISYS Shares is IE00BD9PKV79.
- 18.2 At that date there were outstanding SCISYS Options to subscribe for 1,418,000 SCISYS Shares which have been granted by SCISYS, including 722,000 SCISYS Options which are vested and exercisable.

## 19 **General**

- 19.1 The Acquisition and the Scheme will be made subject to the Conditions and the further terms and conditions to be set out in the Scheme Document. The Scheme Document will include full details of the Acquisition and will be accompanied by the appropriate forms of proxy and forms of direction.
- 19.2 finnCap and HSBC have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

- 19.3 The Scheme Document and the forms of proxy and forms of direction will be despatched to SCISYS Shareholders as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this Announcement. The Scheme Document will include full details of the Acquisition, together with the expected timetable, and will specify the necessary action to be taken by SCISYS Shareholders in order to vote in favour of the Scheme at the Scheme Meeting and the EGM.
- 19.4 The Acquisition will be governed by the laws of Ireland and will be subject to the requirements of the Takeover Rules and applicable Law. This Announcement is being made pursuant to Rule 2.5 of the Takeover Rules.
- 19.5 Appendix A to this Announcement contains further details of the sources of information and bases of calculations set out in this Announcement; Appendix B to this Announcement contains definitions of certain expressions used in this Announcement; Appendix C to this Announcement contains the Conditions of the Acquisition and the Scheme.

#### **Enquiries:**

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##### **SCISYS**

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Natasha Laird (Legal Director)

##### **finnCap (Financial Adviser and Rule 3 Adviser to SCISYS)**

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Andrew Burdis (ECM)

#### **Statements required by the Takeover Rules**

The CGI Directors and the Bidco Directors accept responsibility for the information contained in this Announcement other than that relating to SCISYS, the SCISYS Group and the SCISYS Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the CGI Directors and the Bidco Directors (who, in each case, have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for

which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The SCISYS Directors accept responsibility for the information contained in this Announcement relating to SCISYS, the SCISYS Group and the SCISYS Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the SCISYS Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and in the United Kingdom regulated by the Financial Conduct Authority and the Prudential Regulation Authority, is acting as financial adviser to CGI and Bidco and no one else in connection with the matters described in this Announcement and will not be responsible to anyone other than CGI and Bidco for providing the protections afforded to clients of HSBC, or for providing advice in connection with the matters referred to herein. Neither HSBC nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of HSBC in connection with this Announcement or any matter referred to herein.

finnCap, which is authorised and regulated by the Financial Conduct Authority in the UK, is acting exclusively as financial adviser to SCISYS and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than SCISYS for providing the protections afforded to clients of finnCap, or for providing advice in connection with the matters referred to herein. Neither finnCap nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of finnCap in connection with this announcement or any matter referred to herein.

Matheson and CMS Cameron McKenna Nabarro Olswang LLP are acting as legal advisers to CGI and Mason Hayes & Curran and Burges Salmon LLP are acting as legal advisers to SCISYS.

This Announcement is for information purposes only and is not intended to, and does not, constitute or form any part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Takeover Offer Document).

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

This Announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

## **Cautionary Statement Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to CGI, Bidco and SCISYS. These forward-looking statements can be identified by the fact that they relate to future events or circumstances and which do not directly and exclusively relate to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “predict”, “project”, “aim”, “foresee”, “seek”, “strive”, “potential”, “continue”, “believe”, “will”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to CGI, Bidco and SCISYS intentions, plans, expectations, beliefs, objectives, future performance and strategy, including the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the CGI Group or the SCISYS Group; and (iii) the effects of government regulation on the business of the Bidco and the CGI Group or the SCISYS Group

These forward-looking statements involve known and unknown risks, uncertainties and other factors which many are beyond the control of CGI, Bidco and SCISYS, and which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on perception of historic trends, current conditions and expected future developments as well as numerous assumptions, both general and specific, regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to Bidco, CGI or SCISYS or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither Bidco, CGI nor SCISYS undertake any obligation to update publicly or revise forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

## **Disclosure requirements of the Takeover Rules**

Under the provisions of Rule 8.3 of the Takeover Rules, if any person is, or becomes, “interested” (directly or indirectly) in, 1% or more of any class of “relevant securities” of SCISYS, all “dealings” in any “relevant securities” of SCISYS (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by not later than 3:30 pm (Irish time) on the “business” day following the date of the relevant transaction. This requirement will continue until the date on which the “offer period” ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of SCISYS, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Rules.

Under the provisions of Rule 8.1 of the Takeover Rules, all “dealings” in “relevant securities” of SCISYS by CGI or Bidco, or by any party Acting in Concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, can be found on the Irish Takeover Panel’s website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.



Terms in quotation marks are defined in the Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

### **No profit forecasts, estimates or asset valuations**

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share, for CGI, Bidco or SCISYS, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for CGI, Bidco or SCISYS, respectively. No statement in this Announcement constitutes an asset valuation.

### **Right to switch to a Takeover Offer**

Bidco reserves the right to elect, subject to the terms of the Transaction Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of SCISYS as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Appendix C to this Announcement and in the Transaction Agreement.

### **Publication on website**

Pursuant to Rule 2.6(c) of the Takeover Rules, this Announcement will be made available to CGI employees on CGI's website (<https://www.cgi.com/en/SCISYS>) and SCISYS employees on SCISYS' website (<https://www.SCISYS.co.uk/who-we-are/investors/soa.html>).

Neither the content of this website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this Announcement.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **General**

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in Ireland or the United Kingdom. Persons who are not resident in Ireland or the United Kingdom, or who are subject to laws of any jurisdiction other than Ireland or the United Kingdom, should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction.

The release, publication or distribution of this Announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this Announcement and all other

documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the CGI Group, Bidco and SCISYS disclaim any responsibility or liability for the violations of any such restrictions by any person.

## Appendix A

### SOURCES AND BASES OF INFORMATION

In this Announcement, unless otherwise stated or the context otherwise requires, the bases of calculation and sources of information are as described below.

- 1 The financial information relating to SCISYS is extracted from the SCISYS Annual Report.
- 2 The value of the Acquisition is based upon the Consideration due under the terms of the Acquisition and on the basis of the issued and to be issued ordinary share capital of SCISYS referred to in paragraph 3 below.
- 3 The issued and to be issued ordinary share capital of SCISYS is calculated on the basis of:
  - 3.1 the number of issued SCISYS Shares as at the close of business on 13 June 2019 (being the last practicable date prior to the publication of this Announcement), being 29,608,160 SCISYS Shares (excluding shares in treasury); and
  - 3.2 any further SCISYS Shares which may be issued on or after the date of this Announcement on the exercise of SCISYS Options prior to the Effective Date, which options have been, or are expected to be, granted on or before the Effective Date amounting in aggregate up to 1,418,000 SCISYS Shares.
- 4 Unless otherwise stated, all prices for SCISYS Shares are the Closing Price for the relevant dates.
- 5 The prices of SCISYS Shares used for the premium calculations are:
  - 5.1 204.00 pence, being SCISYS' Closing Price on 13 June 2019 (the last practicable date prior to the publication of this Announcement);
  - 5.2 approximately 176.89 pence, being SCISYS' volume weighted average Closing Price over the six month period ended on 13 June 2019; and approximately 172.91 pence, being SCISYS' volume weighted average Closing Price over the twelve month period ended on 13 June 2019; and
  - 5.3 The volume weighted average Closing Price per SCISYS Share for the six month and twelve month periods to 13 June 2019 is derived from data provided by FactSet.

## Appendix B

### DEFINITIONS

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

**“Acquisition”**: the proposed acquisition by Bidco of SCISYS by means of the Scheme (as described in this Announcement) or a Takeover Offer (and any such Scheme or Takeover Offer as it may be revised, amended or extended from time to time) (including the payment by Bidco of the aggregate cash consideration pursuant to the Scheme or such Takeover Offer) pursuant to the Transaction Agreement;

**“Act”**: the Companies Act 2014, all enactments which are to be read as one with, or construed or read together as one with the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force;

**“Acting in Concert”**: has the meaning given to that term in the Irish Takeover Panel Act 1997, as amended;

**“AIM”**: the Alternative Investment Market of the London Stock Exchange plc;

**“AIM Rules”**: the AIM Rules published by the London Stock Exchange plc as in force from time to time;

**“Announcement”**: this announcement, made in accordance with Rule 2.5 of the Takeover Rules, dated 14 June 2019, including its summary and appendices;

**“Antitrust Law”**: any federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade;

**“Antitrust Order”**: any legislative, administrative or judicial action, decree, judgment, injunction, decision or other order (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Acquisition or any other transactions contemplated by the Transaction Agreement under any Antitrust Law;

**“Benefit Plan”**: each:

- (a) employee benefit plan;
- (b) bonus, share option, share purchase, share ownership, restricted share, equity, phantom-equity or other equity-based, incentive, deferred compensation, retirement, pension, profit sharing, retiree medical, life insurance, supplemental retirement, vacation, medical, dental, vision, prescription, cafeteria, fringe benefit, relocation or expatriate benefit, perquisite, disability, accident, leave, employee assistance, supplemental unemployment benefit or other compensation or benefit plans, programs, agreements or arrangements; and
- (c) employment, termination, severance, redundancy, layoff, change in control, salary continuation, transaction bonus, retention or other plans, programs, agreements or arrangements, in each case whether written or oral, and whether for the benefit of one individual or more than one individual;

**“Bidco”**: CGI Group Holdings Europe Limited, a private limited liability company incorporated in England & Wales with registered number 03290026 and having its registered office at 20 Fenchurch Street, 14th Floor, London, United Kingdom, EC3M 3BY;

**“Bidco Directors”**: the members of the board of directors of Bidco;

**“Business Day”**: any day, other than a Saturday, Sunday or public holiday in Ireland, London or Canada;

**“CGI”**: CGI Inc. a company incorporated pursuant to the laws of Quebec whose registered office is at 1350 René-Lévesque Blvd West, Montréal, Quebec, H3G 1T4, Canada;

**“CGI Group”**: CGI and all of its Subsidiaries, including Bidco;

**“CGI Directors”**: the members of the board of directors of CGI;

**“Clearances”**: all consents, clearances, permissions and waivers that need to be obtained, all applications and filings that need to be made and all waiting periods that may need to have expired, from or under the Law or practices applied by any Governmental Body in connection with the implementation of the Scheme and / or the Acquisition and, in each case, that constitute a Condition; and any reference to Conditions having been “satisfied” shall be construed as meaning that the foregoing have been obtained, or where appropriate, made or expired in accordance with the relevant Condition;

**“Closing Price”**: the closing price for a SCISYS Share at the close of business on the day to which the price relates, derived from FactSet for that day;

**“CMA”**: the United Kingdom Competition and Markets Authority;

**“Completion”**: the completion of the Scheme in accordance with the terms and conditions of the Transaction Agreement;

**“Concert Parties”**: in relation to any Party, such persons as are deemed to be Acting in Concert with that Party pursuant to Rule 3.3 of Part A of the Takeover Rules and such persons as are Acting in Concert with that Party;

**“Conditions”**: the conditions to the Scheme and the Acquisition set out in Appendix C of this Announcement and “Condition” means any one of them;

**“Consideration”**: the 254.15 pence per SCISYS Share to be paid pursuant to the Scheme to SCISYS Shareholders;

**“Constitution”** the constitution of SCISYS as in effect from time to time and filed with the Registrar of Companies;

**“Court Hearing”**: the hearing by the High Court of the Petition to sanction the Scheme under Section 453 of the Act;

**“Court Order”**: the order or orders of the High Court sanctioning the Scheme under Section 453 of the Act and confirming the related reduction of capital that forms part of it under Sections 84 and 85 of the Act;

**“Declared Dividend”**: the final dividend of 1.73 pence per SCISYS Share for the period to 31 December 2018 approved by SCISYS Shareholders at the annual general meeting on 6 June 2019, which will be

paid on 26 July 2019 to holders of SCISYS Shares who are on the register of members at the close of business on 28 June 2019;

**“Disclosed”**: the information disclosed by or on behalf of SCISYS in sufficient detail as to enable a reasonable person to make an informed and reasonable assessment of the nature and scope of the matter disclosed:

- (a) in the SCISYS Annual Report;
- (b) in this Announcement;
- (c) in any other public announcement, by or on behalf of SCISYS (in each case) prior to the date of this Announcement; or
- (d) as otherwise disclosed to a member of the CGI Group (or its officers, employees, agents or advisors) prior to the date of this Announcement (including the Disclosure Material);

**“Disclosure Material”** the information disclosed on or before midnight on 13 June 2019 on the Burges Salmon data site maintained by SCISYS in connection with the Acquisition;

**“Effective”**: in the context of the Acquisition: (i) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery to the Registrar of Companies of the Court Order together with the minute required by Section 86 of the Act confirming the Reduction of Capital and such Reduction of Capital having become effective upon the registration of the Court Order and minute by the Registrar of Companies; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Rules;

**“Effective Date”**: (a) the date on which the Scheme becomes effective in accordance with its terms or (b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having become (or having been declared) unconditional in all respects;

**“Effective Time”**: the time on the Effective Date at which the Court Order and a copy of the minute required by Section 86 of the Act are registered by the Registrar of Companies or, as the case may be, the Takeover Offer becomes (or is declared) unconditional in all respects in accordance with the Takeover Offer Documents and the requirements of the Takeover Rules;

**“EGM” or “Extraordinary General Meeting”**: the extraordinary general meeting of SCISYS Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, expected to be convened as soon as the Scheme Meeting shall have been concluded (it being understood that if the Scheme Meeting is adjourned, the EGM shall be correspondingly adjourned);

**“EGM Resolutions”**: the resolutions to be proposed at the EGM for the purposes of approving and implementing the Scheme, the related reduction of capital of SCISYS, changes to the Constitution and such other matters as SCISYS reasonably determines to be necessary for the purposes of implementing the Scheme or, subject to the consent of Bidco (which may not be unreasonably withheld, conditioned or delayed) desirable for the purposes of implementing the Scheme;

**“End Date”**: 14 June 2020 or such later date as Bidco and SCISYS may, with (if required) the consent of the Panel, agree and (if required) the High Court may allow;

**“Euronext Growth Market”** the Euronext Growth Market for Companies operated by the Irish Stock Exchange plc, trading as Euronext Dublin;

**“Euronext Rules”** the Euronext Growth Market Rules for Companies published by the Irish Stock Exchange plc, trading as Euronext Dublin, as amended from time to time;

**“EU”**: the European Union;

**“Euronext Dublin”**: the Irish Stock Exchange plc, trading as Euronext Dublin;

**“finnCap”**: finnCap Ltd, financial adviser, nominated adviser, Euronext Growth Market adviser and Rule 3 adviser to SCISYS;

**“Expenses Reimbursement Agreement”**: the expenses reimbursement agreement dated 14 June 2019 hereof between Bidco and SCISYS, the terms of which have been approved by the Panel;

**“Governmental Body”**: any Irish, UK, German, Canadian, foreign or supranational, federal, state, local or other governmental or regulatory authority, agency in any jurisdiction, commission, board, body, bureau, arbitrator, arbitration panel, or other authority, agency, including courts and other judicial bodies, or any competition, antitrust, foreign investment review or supervisory body, central bank or other governmental, trade or regulatory agency or body, securities exchange, stock exchange or any self-regulatory body or authority, including any instrumentality or entity designed to act for or on behalf of the foregoing, in each case, in any jurisdiction (provided it has jurisdiction over the applicable person or its activities or property);

**“Group”**: in relation to any body corporate, means any bodies corporate which are holding companies or wholly owned subsidiaries (as such terms are defined in the Act) or subsidiary undertakings (as such terms are defined in the Act) of it or of any such holding company;

**“High Court”**: the High Court of Ireland;

**“HSBC”**: HSBC Bank plc, Financial Adviser to CGI and Bidco;

**“Indebtedness”**: any and all:

- (a) indebtedness for borrowed money, whether current or funded, secured or unsecured, including that evidenced by notes, bonds, debentures or other similar instruments (and including all outstanding principal, prepayment premiums, if any, and accrued interest, fees and expenses related thereto);
- (b) amounts owed with respect to drawn letters of credit;
- (c) cash overdrafts, and
- (d) outstanding guarantees of obligations of the type described in sub-clauses (a) through (c) above;

but not including, for the avoidance of doubt, any working capital items, trade credit or ordinary course of business liabilities or any liabilities for amounts due other than on account of financing or credit facilities advanced to the SCISYS Group;

**“Ireland”**: the island of Ireland, excluding Northern Ireland (the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone), and the word **“Irish”** shall be construed accordingly;

**“Irrecoverable VAT”**: in relation to any person, any amount in respect of VAT which that person (or a member of the same VAT Group as that person) has incurred and in respect of which neither that person nor any other member of the same VAT Group as that person is entitled to a refund (by way of credit or repayment) from any relevant Tax Authority pursuant to and determined in accordance with section 59 of the Value Added Tax Consolidation Act 2010 and any regulations made under that Act;

**“ISIN”**: International Securities Identification Number;

**“Law”**: any applicable federal, state, local, municipal, foreign, supranational or other law, statute, constitution, principle of common law, resolution, ordinance, code, agency requirement, licence, permit, edict, binding directive, decree, rule, regulation, judgment, order, injunction, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body;

**“London Stock Exchange”**: the London Stock Exchange plc;

**“Panel”**: the Irish Takeover Panel;

**“Parties”**: SCISYS and Bidco and **“Party”** shall mean either of them (as the context requires);

**“Petition”**: the petition to the High Court seeking the Court Order;

**“Person”** or **“person”**: an individual, group, body corporate, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organisation or other entity or any Governmental Body or any department, agency or political subdivision thereof;

**“Reduction of Capital”**: the reduction of the share capital of SCISYS by the cancellation of the SCISYS Shares, to be effected as part of the Scheme under Sections 84 to 86 of the Act;

**“Registrar of Companies”**: the Registrar of Companies in Dublin, Ireland as defined in Section 2 of the Act;

**“Relevant Securities”**: has the meaning given to that term by the Takeover Rules;

**“Resolutions”**: collectively, the Scheme Meeting Resolution and the EGM Resolutions, which will be set out in the Scheme Document;

**“Restricted Jurisdiction”**: any jurisdiction where local laws or regulations may result in a risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction;

**“Sanction Date”**: has the meaning set out in Appendix C, paragraph 2.3 of this Announcement;

**“Scheme”** or **“Scheme of Arrangement”**: the proposed scheme of arrangement under Chapter 1 of Part 9 of the Act and the capital reduction under Sections 84 and 85 of the Act involved therein to effect the Acquisition pursuant to this Agreement, on the terms (including the Conditions) and for the consideration set out in the Rule 2.5 Announcement and on such other terms as the Parties mutually agree in writing, including any revision thereof as may be so agreed between the Parties and, if required, by the High Court;



**“Scheme Document”**: a document to be distributed to SCISYS Shareholders and, to the extent necessary and for information only, to the SCISYS Optionholders containing:

- (a) the Scheme;
- (b) the notice or notices of the Scheme Meeting and EGM;
- (c) an explanatory statement as required by Section 452 of the Act with respect to the Scheme;
- (d) such other information as may be required or necessary pursuant to the Act, the Takeover Rules, the Euronext Rules or the AIM Rules; and
- (e) such other information as SCISYS and Bidco shall agree;

**“Scheme Meeting”**: the meeting or meetings of the SCISYS Shareholders or, if applicable, any class or classes of SCISYS Shareholders (including as may be directed by the High Court pursuant to Section 450(5) of the Act) (and any adjournment of any such meeting or meetings) convened by (i) resolution of the SCISYS Board or (ii) order of the High Court, in either case pursuant to Section 450 of the Act, to consider and vote on the Scheme Meeting Resolution;

**“Scheme Meeting Resolution”**: the resolution to be considered and voted on at the Scheme Meeting proposing that the Scheme, with or without amendment (but subject to such amendment being acceptable to each of SCISYS and Bidco, except for a technical or procedural amendment which is required for the proper implementation of the Scheme and does not have a substantive consequence on the implementation of the Scheme), be agreed to;

**“Scheme Recommendation”**: the unanimous recommendation of the SCISYS Board that SCISYS Shareholders vote in favour of the Resolutions or, if Bidco effects the Acquisition as a Takeover Offer, the unanimous recommendation of the SCISYS Board that SCISYS shareholders accept the Takeover Offer;

**“SCISYS”**: SCISYS Group plc, a public company registered in the Republic of Ireland with registration number 633147 and with its registered address at 6th Floor South Bank House, Barrow Street, Dublin 4, Ireland;

**“SCISYS Alternative Proposal”**: any bona fide proposal or bona fide offer made by any person, which proposal may be subject to due diligence, definitive documentation or both (other than a proposal or firm intention to make an offer pursuant to Rule 2.5 of the Takeover Rules by Bidco or any of its Concert Parties) for:

- (a) the acquisition of SCISYS by scheme of arrangement or takeover offer;
- (b) the acquisition by any person of 20% or more of the assets, taken as a whole, of the SCISYS Group, measured by either book value or fair market value (including equity securities of any member of the SCISYS Group);
- (c) a merger, reorganisation, share exchange, consolidation, business combination, recapitalisation, dissolution, liquidation or similar transaction involving SCISYS as a result of which the holders of SCISYS Shares immediately prior to such transaction do not, in the aggregate, own at least 80% of the voting power of the surviving or resulting entity in such transaction immediately after consummation thereof;

- (d) the direct or indirect acquisition by any person (or the shareholders or stockholders of such person) of more than 20% of the voting power or the issued share capital of SCISYS, including any offer or exchange offer that if consummated would result in any person beneficially owning shares with more than 20% of the voting power of SCISYS;

**“SCISYS Annual Report”**: the annual report and audited financial statements of SCISYS for the year ended 31 December 2018;

**“SCISYS Board”**: the board of directors of SCISYS from time to time and for the time being;

**“SCISYS CSOP”** the company share option plan adopted by SCISYS Holding UK Ltd (formerly called SCISYS plc) on 12 December 2008 (as amended) and pursuant to which options granted under the plan were exchanged for equivalent options over SCISYS Shares in connection with a scheme of arrangement whereby SCISYS become the new holding company for the SCISYS Group;

**“SCISYS Change of Recommendation”**: has the meaning given to that term in Clause 5.2.4 of the Transaction Agreement;

**“SCISYS Directors”**: the members of the SCISYS Board;

**“SCISYS Employees”**: the employees of SCISYS or any Subsidiary of SCISYS who remain employed after the Effective Time;

**“SCISYS Group”**: SCISYS and all of its Subsidiaries;

**“SCISYS Optionholders”** the holders of SCISYS Options;

**“SCISYS Options”**: any subsisting options granted under the relevant SCISYS Share Plan;

**“SCISYS Share Incentive Plan 2019”** the SCISYS Share Incentive Plan dated 14 February 2019;

**“SCISYS Share Plans”** means, together, the SCISYS Share Incentive Plan 2019 , the SCISYS CSOP, the SCISYS Unapproved Share Scheme and the SCISYS Unapproved Share Scheme 2018;

**“SCISYS Shareholder Approval”**:

- (a) the approval of the Scheme Meeting Resolution by a majority in number of SCISYS Shareholders representing at least 75% in value of SCISYS Shares held by such SCISYS Shareholders, present and voting either in person or by proxy, at the requisite Scheme Meeting (or at any adjournment of such meeting); and
- (b) the EGM Resolutions being duly passed by the requisite majorities of SCISYS Shareholders present and voting either in person or by proxy at the EGM (or at any adjournment of such meeting);

**“SCISYS Shareholders”**: the holders of SCISYS Shares;

**“SCISYS Shares”**: the ordinary shares of 25 pence each in the capital of SCISYS and any further such shares which are unconditionally allotted or issued before the date on which the Scheme is effective;

**"SCISYS Superior Proposal"**: a written bona fide SCISYS Alternative Proposal (where each reference to 20% set forth in the definition of such term shall be deemed to refer to 80%, but provided that such SCISYS Alternative Proposal may not be subject to due diligence or definitive documentation (other than the execution thereof)) that the SCISYS Board determines in good faith (after consultation with SCISYS' financial advisers and outside legal counsel) is more favourable to the SCISYS Shareholders than the Transactions, and such financial (including, where such SCISYS Alternative Proposal is not in respect of an acquisition of the entire issued and outstanding share capital of SCISYS, the total proceeds and value that may be due to SCISYS Shareholders), regulatory, anti-trust, legal, structuring, timing and other aspects of such proposal as the SCISYS Board considers to be appropriate;

**"SCISYS Unapproved Share Scheme"** the unapproved share option scheme adopted by SCISYS Holding UK Ltd (formerly called SCISYS plc) on 10 January 2008 (as amended) and pursuant to which options granted under the scheme were exchanged for equivalent options over SCISYS Shares in connection with a scheme of arrangement, whereby SCISYS became the new holding company for the SCISYS Group;

**"SCISYS Unapproved Share Scheme 2018"** the unapproved share option scheme adopted by SCISYS on 31 November 2018;

**"Secretary of State"**: the United Kingdom Secretary of State for Business, Energy and Industrial Strategy;

**"Subsidiary"**: in relation to any person, any corporation, partnership, association, trust or other form of legal entity of which such person directly or indirectly owns securities or other equity interests representing more than 50% of the aggregate voting power;

**"Superior Proposal Notice"** has the meaning given to that term in Clause 5.2.5 of the Transaction Agreement;

**"Takeover Offer"**: an offer in accordance with clause 3.6 (*Switching to a Takeover Offer*) of the Transaction Agreement for the entire issued and to be issued ordinary share capital of SCISYS (other than any SCISYS Shares beneficially owned by any member of the CGI Group (if any) or by any person Acting in Concert with Bidco (if any)), including any amendment or revision thereto pursuant to the Transaction Agreement, the full terms of which would be set out in the Takeover Offer Documents or (as the case may be) any revised offer document(s);

**"Takeover Offer Documents"**: if following the date hereof, Bidco elects to implement the Acquisition by way of Takeover Offer in accordance with Clause 3.6 (*Switching to a Takeover Offer*) of the Transaction Agreement, the document to be despatched to SCISYS Shareholders and others by Bidco containing, amongst other things, the Takeover Offer, the Conditions (save insofar as not appropriate in the case of a Takeover Offer, and as amended in such manner as Bidco and SCISYS shall determine, and the Panel shall agree, to be necessary to reflect the terms of the Takeover Offer) and certain information about Bidco and SCISYS and, where the context so admits, includes any form of acceptance, election, notice or other document reasonably required in connection with the Takeover Offer;

**"Takeover Rules"**: the Irish Takeover Panel Act 1997, Takeover Rules 2013;

**"Tax"** (or **"Taxes"** and, with correlative meaning, the term **"Taxable"**): all forms of taxation, duties, imposts and levies whether of Ireland or elsewhere, including (but without limitation) income tax, corporation tax, corporation profits tax, advance corporation tax, capital gains tax, capital acquisitions tax, residential property tax, wealth tax, value added tax, dividend withholding tax, deposit interest retention tax, customs

and other import and export duties, excise duties, stamp duty, capital duty, social insurance, social welfare or other similar contributions and other amounts corresponding thereto whether payable in Ireland or elsewhere, and any interest, surcharge, penalty or fine in connection therewith, and the word “taxation” shall be construed accordingly;

“**Tax Authority**”: any Governmental Body responsible for the assessment, collection or enforcement of laws relating to Taxes or for making any decision or ruling on any matter relating to Tax (including the Irish Revenue Commissioners);

“**Transaction Agreement**”: the Transaction Agreement dated 14 June 2019 between Bidco and SCISYS in relation to the implementation of the Scheme and the Acquisition;

“**Transactions**”: the transactions contemplated by the Transaction Agreement, including the Acquisition;

“**VAT**”: any tax imposed by any member state of the European Community in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC);

“**VAT Group**”: a group as defined in Section 15 of the Value Added Tax Consolidation Act 2010 and any similar VAT grouping arrangement in any other jurisdiction; and

“**Voting Record Time**”: the time and date to be specified as the voting record time for the Scheme Meeting (or any adjournment thereof) in the Scheme Document.

All references to “**GBP**”, “**£**” and “**pence**” are to the lawful currency of the United Kingdom and all references to “**C\$**” are to the lawful currency of Canada.

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Any reference to any legislation is to Irish legislation unless specified otherwise.

Words importing the singular shall include the plural and vice versa and words supporting the masculine shall include the feminine or neuter gender.

All times referred to in this Announcement are Irish times unless otherwise stated.

## Appendix C

### CONDITIONS OF THE ACQUISITION AND THE SCHEME

The Acquisition and the Scheme will comply with the Takeover Rules, the Act and where relevant, the AIM Rules and the Euronext Rules, and will be subject to the terms and conditions set out in this Announcement and to be set out in the Scheme Document. The Acquisition and the Scheme are governed by the Laws of Ireland and subject to the exclusive jurisdiction of the courts of Ireland.

The Acquisition and Scheme will be subject to the conditions set out in this Appendix C (the “**Conditions**”).

#### Part A: Conditions of the Scheme

- 1 The Acquisition will be conditional upon the Scheme becoming effective and unconditional by not later than the End Date (or such earlier date as may be specified by the Panel, or such later date as Bidco and SCISYS may with (if required) the consent of the Panel, agree and (if required) the High Court may allow).
- 2 The Scheme will be conditional upon:
  - 2.1 the approval of the Scheme by a majority in number of members of each class of SCISYS Shareholders (including, but not limited to, as may be directed by the High Court pursuant to Section 450(5) of the Act) representing at least 75% in value of the SCISYS Shares of that class, at the Voting Record Time, held by SCISYS Shareholders who are members of that class that are present and voting either in person or by proxy, at the Scheme Meeting (or at any adjournment of such meeting) held no later than the End Date;
  - 2.2 the EGM Resolutions being duly passed by the requisite majority of SCISYS Shareholders at the Extraordinary General Meeting (or at any adjournment of such meeting) held no later than the End Date;
  - 2.3 sanction by the High Court (with or without modification (but subject to such modification being acceptable to each of SCISYS and Bidco)) of the Scheme pursuant to Sections 449 to 455 of the Act and the confirmation of the related reduction of capital involved therein by the High Court on or before the End Date (the date on which the Condition in this paragraph 2.3 is satisfied, the “Sanction Date”); and
  - 2.4 copies of the Court Order and the minute required by Section 86 of the Act in respect of the Reduction of Capital being delivered for registration to the Registrar of Companies and registration of the Court Order and minute confirming the Reduction of Capital by the Registrar of Companies on or before the End Date.

#### Part B: General Conditions

- 3 SCISYS and Bidco have agreed that, subject to paragraph 8 of this Appendix C, the Acquisition will also be conditional upon the following matters having been satisfied or waived on or before the Sanction Date:

#### General Regulatory and Anti-Trust / Competition

- 3.1 the following Clearances having been obtained or having occurred:

- 3.1.1 either:
- (a) the CMA or the Secretary of State deciding that it will not make a reference to the chair of the CMA to constitute a group under schedule 4 to the United Kingdom Enterprise and Regulatory Reform Act 2013 pursuant to section 33, section 45 or section 62 of the Enterprise Act 2002 with respect to the whole or any part of the Acquisition (a "**Phase 2 Reference**"), or the period within which the CMA or Secretary of State is required to make such a reference has expired, or jurisdiction has been declined, without such a reference having been made; or
  - (b) in the event of a Phase 2 Reference, the CMA or the Secretary of State deciding that it will not order that the Acquisition or any part of it be prohibited, or the period within which the CMA or Secretary of State is required to make such an order has expired without such an order being made; and
- 3.1.2 the German Federal Cartel Office (Bundeskartellamt) having granted clearance with respect to the Acquisition or such clearance having been deemed to have been obtained under the German Act Against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen) because of lapse, expiration or termination of the requisite waiting period or because jurisdiction has been declined, without the Acquisition having been prohibited by the German Federal Cartel Office; and
- 3.1.3 the German Federal Ministry of Economics and Energy (Bundesministerium für Wirtschaft und Energie, BMWi) having granted a non-objection certificate (Unbedenklichkeitsbescheidung) and clearance (Freigabe) respectively with respect to the Acquisition pursuant to Sections 58, 59, 61 or 62 (as applicable) of the Foreign Trade and Payments Ordinance (Außenwirtschaftsverordnung) or such non-objection certificate and clearance respectively is deemed to have been obtained pursuant to the Foreign Trade and Payments Ordinance because of lapse, expiration or termination of the waiting period or because jurisdiction has been declined, without the Acquisition having been prohibited by the Federal Ministry of Economics and Energy.
- 3.2 All required mandatory and suspensory Clearances (other than those specified in paragraph 3.1 above) having been obtained and remaining in full force and effect and all application waiting periods having expired, lapsed or been terminated (as appropriate) in connection with the Acquisition under any applicable anti-trust, competition or foreign investment Laws;
- 3.3 No Governmental Body having instituted or implemented any action, proceeding, investigation, enquiry or suit or having made, enforced, enacted, issued or deemed applicable to the Acquisition any statute, regulation or order or having withheld any consent which would make the Acquisition or its implementation, void, illegal or unenforceable or otherwise, directly or indirectly, materially restrain, revoke, prohibit, materially restrict or delay the same or impose materially additional or different conditions or obligations with respect thereto which would, individually or in the aggregate, have or reasonably be expected to have a material adverse effect on Bidco or any member of the CGI Group or SCISYS.
- 3.4 No (i) Law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, order, prohibition under any Antitrust Law or Antitrust Order by any Governmental Body or in relation to any Clearance by any Governmental Body shall have been enacted or entered and shall continue to be in effect which would or would reasonably be expected to (in any case to an extent or in a manner which is, individually or in the aggregate, material in the context of the Acquisition):

- 3.4.1 make the Acquisition or its implementation, or the acquisition or proposed acquisition by Bidco or any member of the CGI Group of any shares or other securities in, or control or management of, SCISYS, or any of the assets of SCISYS, void, illegal or unenforceable under the laws of any jurisdiction or otherwise, directly or indirectly, prevent, restrain, revoke, prohibit, restrict or delay the same or impose additional or different conditions or obligations with respect thereto; or
- 3.4.2 render Bidco unable, to acquire some or all of the SCISYS Shares or result in or affect any divestiture of, or requirement to hold separate (including by establishing a trust or otherwise), or agree to restrict in any respect its ownership or operation of, any material portion of the business or assets of SCISYS, or to enter into any adverse settlement or consent decree, or agree to any adverse undertaking, with respect to any portion of the business or assets of SCISYS;

### **Termination of the Transaction Agreement**

- 3.5 the Transaction Agreement not having been terminated as a consequence of any of the following events having occurred (such events (including that set out in the Condition in paragraph 3.6 below) being the events set out in the Transaction Agreement following the occurrence of which the Transaction Agreement may be terminated in accordance with its terms):
  - 3.5.1 if the Acquisition is implemented by way of a Scheme, by either SCISYS or CGI if the Scheme Meeting or the EGM shall have been completed and the Scheme Meeting Resolution or the EGM Resolutions, as applicable, shall not have been approved by the requisite majorities;
  - 3.5.2 by either SCISYS or Bidco if the Effective Time shall not have occurred by 5.00 pm on the End Date, provided that the right to terminate the Transaction Agreement shall not be available to a Party whose breach of any provision of the Transaction Agreement shall have been the primary cause of the failure of the Effective Time to have occurred by such time;
  - 3.5.3 if the Acquisition is implemented by way of a Scheme, by either SCISYS or Bidco if the High Court declines or refuses to sanction the Scheme unless SCISYS and Bidco agree that the decision of the High Court shall be appealed;
  - 3.5.4 by either SCISYS or Bidco if any of the Conditions in paragraph 3.1 is failed or an injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the Acquisition and such injunction shall have become final and non-appealable (provided that the right to terminate the Transaction Agreement shall not be available to a Party whose breach of any provision of the Transaction Agreement shall have been the primary cause of such non satisfaction or of the relevant Condition becoming incapable of satisfaction or injunction, as the case may be) and provided further that, without prejudice to the foregoing, except with the consent of SCISYS, Bidco shall not seek or purport to invoke the Conditions in paragraphs 3.3 and 3.4 in circumstances where Bidco is in breach of or is failing to perform any of its covenants or other agreements set out in clause 7.1.7 of the Transaction Agreement;
  - 3.5.5 by SCISYS, if Bidco shall have breached or failed to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement or any of its representations or warranties set forth in the Transaction Agreement having been inaccurate, which breach, failure to perform or inaccuracy: (1) would result in a failure of

any Conditions; and (2) is not reasonably capable of being cured by the End Date or, if curable, SCISYS shall have given Bidco written notice, delivered at least 30 days prior to such termination, stating SCISYS' intention to terminate the Transaction Agreement and the basis for such termination and such breach, failure to perform or inaccuracy shall not have been cured within 30 days following the delivery of such written notice or, if earlier, by the End Date;

- 3.5.6 by Bidco, if SCISYS shall have breached or failed to perform in any material respect any of covenants or other agreements contained in the Transaction Agreement or any of its representations or warranties set forth in the Transaction Agreement having been inaccurate, which breach, failure to perform or inaccuracy: (1) would result in a failure of any Conditions; and (2) is not reasonably capable of being cured by the End Date or, if curable, Bidco shall have given SCISYS written notice, delivered at least 30 days prior to such termination, stating Bidco's intention to terminate the Transaction Agreement and the basis for such termination and such breach, failure to perform or inaccuracy shall not have been cured within 30 days following the delivery of such written notice or, if earlier, by the End Date;
  - 3.5.7 by Bidco, in the event that a SCISYS Change of Recommendation shall have occurred or the SCISYS Board or any committee thereof withdraws (or modifies in any manner adverse to Bidco) or proposes publicly to withdraw (or modify in any manner adverse to Bidco) the Scheme Recommendation or the recommendation to the holders of SCISYS Shares from the SCISYS Board to accept the Takeover Offer (as applicable); or
  - 3.5.8 by SCISYS upon written notice at any time following delivery of a Final Recommendation Change Notice;
- 3.6 the Transaction Agreement not having been terminated by the mutual written consent of SCISYS and Bidco.

**Certain matters arising as a result of any Arrangement, Agreement etc.**

- 3.7 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, authorisation, franchise, facility, lease or other instrument to which any member of the SCISYS Group is a party or by or to which any such member or any of its respective assets may be bound, entitled or subject and which, in consequence of the Acquisition or the proposed acquisition by any member of the CGI Group of any shares or other securities (or the equivalent) in or control of SCISYS or any member of the SCISYS Group or because of a change in the control or management of any member of SCISYS or otherwise, would or would be reasonably expected to result in, in any such case to an extent which is material in value terms in the context of the SCISYS Group taken as a whole:
- 3.7.1 any monies borrowed by, or any other indebtedness or liability (actual or contingent) of, or any grant available to any member of the SCISYS Group becoming payable, or becoming capable of being declared, repayable immediately or prior to their or its stated maturity, or the ability of any such member to borrow monies or incur any indebtedness being or becoming capable of being withdrawn or inhibited;
  - 3.7.2 the creation, save in the ordinary course of business, or enforcement of any mortgage, charge or other security interest wherever existing or having arisen over the whole or any part of the business, property or assets of any member of the SCISYS Group or any such mortgage, charge or other security interest becoming enforceable;



- 3.7.3 the rights, liabilities, obligations, interests or business of any member of the SCISYS Group under any such arrangement, agreement, licence, permit, authorisation, franchise, facility, lease or other instrument or the rights, liabilities, obligations or interests or business of any member of the SCISYS Group in or with any other firm or company or body or person (or any agreement/arrangement or arrangements relating to any such business or interests) being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
- 3.7.4 any material assets or interests of, or any asset the use of which is enjoyed by, any member of the SCISYS Group being or falling to be disposed of or charged or ceasing to be available to any member of the SCISYS Group or any right arising under which any such asset or interest would be required to be disposed of or charged or would cease to be available to any member of the SCISYS Group otherwise than in the ordinary course of business;
- 3.7.5 any member of the SCISYS Group ceasing to be able to carry on business in any jurisdiction in which it currently operates;
- 3.7.6 the value of, or the financial or trading position of any member of the SCISYS Group being prejudiced or adversely affected;
- 3.7.7 the creation or acceleration of any liability or liabilities (actual or contingent) by any member of the SCISYS Group other than the creation of trade creditors or other liabilities incurred in the ordinary course of business;
- 3.7.8 any material liability of any member of the SCISYS Group to make any severance, termination, bonus or other payment to any of the directors or other officers;

**Certain events occurring after the date of this Announcement**

- 3.8 except as Disclosed, and save as permitted in accordance with the terms of the Transaction Agreement, no member of the SCISYS Group having since 31 December 2018:
  - 3.8.1 save as between SCISYS and wholly owned Subsidiaries of SCISYS and save for the issue of SCISYS Shares on the exercise of options granted under SCISYS Share Plans prior to the date hereof issued, granted, conferred, or awarded or agreed to issue, grant, confer or award or authorised or proposed the issue of additional shares of any class, or any rights or securities convertible into or exchangeable for shares, or rights, warrants or options to subscribe for or acquire any such shares, securities or convertible securities;
  - 3.8.2 except for the payment of the Declared Dividend, recommended, announced, declared, paid or made or proposed to recommend, announce, declare, pay or make any bonus issue, dividend or other distribution (whether in cash or otherwise) save for any dividend declared prior to the Effective Date by any wholly owned Subsidiary of SCISYS;
  - 3.8.3 save for transactions between SCISYS and its wholly owned Subsidiaries or between such wholly-owned Subsidiaries, merged with or demerged or acquired any body corporate, partnership or business or acquired or disposed of, or transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised, proposed or announced any intention to do so in each case which is material in the context of the SCISYS Group taken as a whole;

- 3.8.4 save as between SCISYS and its wholly owned Subsidiaries or between such wholly owned Subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary and usual course of carrying out its current banking activities;
- 3.8.5 issued, authorised or proposed the issue of any loan capital or debentures, or (save as between SCISYS and its wholly owned Subsidiaries or between such wholly owned Subsidiaries) incurred or increased any indebtedness or contingent liability over and above existing facilities currently available to the SCISYS Group and/or any member of the SCISYS Group, in any such case otherwise than in a manner which is materially consistent with the business of the SCISYS Group being conducted in the ordinary and usual course;
- 3.8.6 entered into or varied or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary and usual course of business) which is of a long term, unusual or onerous nature, or magnitude which is, in any such case, material in the context of the SCISYS Group taken as a whole or which would be materially restrictive on the business of any material member of the SCISYS Group or the CGI Group;
- 3.8.7 except in the ordinary and usual course of business, entered into or materially improved, or made any offer (which remains open for acceptance) to enter into or improve, the terms of the employment contract with any director of SCISYS or any person occupying one of the senior executive positions in the SCISYS Group;
- 3.8.8 except in the ordinary and usual course of business, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the SCISYS Group, which in any such case would be material in the context of the SCISYS Group taken as a whole;
- 3.8.9 (except where the consequences thereof would not be material (in value term or otherwise) in the context of the SCISYS Group taken as a whole) made or agreed or consented to any significant change to the terms of its Benefit Plans, or to the basis on which qualification for, or accrual or entitlement to, benefits pursuant to its Benefit Plans are calculated or determined or to the basis on which the liabilities of such Benefit Plans are funded or made, or agreed or consented to any change to the trustees / administrators of such Benefit Plans, or causing any employee of the SCISYS Group to cease to be a member of any Benefit Plan by withdrawing from such Benefit Plan, or unlawfully terminating the employment of any active member of a Benefit Plan, or making any employee member of the SCISYS Group redundant, or exercising any discretion under the provisions governing such Benefit Plan;
- 3.8.10 save as between SCISYS and wholly owned Subsidiaries of SCISYS, purchased, redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities or reduced or, save in respect of the matters mentioned in subparagraph 3.8.1 above, made any other change to any part of its share capital to an extent which (other than in the case of SCISYS) is material in the context of the SCISYS Group taken as a whole;

- 3.8.11 waived or compromised any claim otherwise than in the ordinary and usual course of business which is material in the context of the SCISYS Group taken as a whole;
- 3.8.12 (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the SCISYS Group taken as a whole) and save for voluntary solvent liquidations, taken or proposed any corporate action or had any legal proceedings instituted or threatened against it in respect of its winding-up, dissolution, examination or reorganisation or for the appointment of a receiver, examiner, administrator, administrative receiver, trustee or similar officer of all or any part of its assets or revenues, or (A) any analogous proceedings in any jurisdiction, or (B) appointed any analogous person in any jurisdiction;
- 3.8.13 altered the provisions of the memorandum and articles of association of any member of the SCISYS Group the effect of which is material in the context of the SCISYS Group taken as a whole; or
- 3.8.14 been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the SCISYS Group taken as a whole;

**No Adverse Changes, Litigation, Liabilities, Regulatory or Similar**

3.9 except as Disclosed since 31 December 2018:

- 3.9.1 no adverse change or deterioration having occurred in the business, assets, financial or trading position, or profits of any member of the SCISYS Group which is material to the SCISYS Group taken as a whole provided that it shall not include any change or deterioration which in all material respects results from (i) the public announcement of the proposed Acquisition or (ii) the intended departure of the United Kingdom from the European Union and any economic or business dislocation occasioned thereby or arising in connection therewith provided however that any change or deterioration resulting from the event referred to in subclause (ii) immediately above shall be taken into account in determining whether such a change or deterioration has occurred or could occur to the extent that such change or deterioration has a disproportionate effect on the SCISYS Group compared to other participants in the same industry sector;
- 3.9.2 no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the SCISYS Group or to which any member of the SCISYS Group is or may become a party (whether as plaintiff or defendant or otherwise) and no enquiry or investigation by or complaint or reference to any Governmental Body against or in respect of any member of the SCISYS Group having been threatened, announced or instituted or remaining outstanding which, in any such case, might be reasonably likely to adversely affect any member of the SCISYS Group to an extent which is material to the SCISYS Group taken as a whole;
- 3.9.3 no contingent or other liability having arisen or being likely to arise or having become apparent to Bidco which is or would be likely to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the SCISYS Group to an extent which is material to the SCISYS Group taken as a whole;

- 3.9.4 no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence, consent, permit or authorisation held by any member of the SCISYS Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to adversely affect the SCISYS Group taken as a whole; or
- 3.9.5 no member of the SCISYS Group having conducted its business in breach of applicable laws and regulations which in any case is material in the context of the SCISYS Group taken as a whole;

**No Discovery of Certain Matters**

- 3.10 Bidco not having discovered that any financial, business or other information concerning the SCISYS Group, that is material in the context of the SCISYS Group as a whole and has been disclosed publicly, is misleading or contains any misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
- 3.11 save as Disclosed, no member of the SCISYS Group being in default under the terms and conditions of any facility or agreement or arrangement for the provision of loans, credit or drawdown facilities, or of any security, surety or guarantee in respect of any facility or agreement or arrangement for the provision of loans, credit or drawdown facilities to any member of the SCISYS Group (save where such default is not or would not be material (in value terms or otherwise) in the context of the SCISYS Group taken as a whole);

**No change in Capital or Indebtedness**

- 3.12 no options have been granted and remain unexercised under the SCISYS Share Plans other than those Disclosed; or
- 3.13 the aggregate outstanding Indebtedness of SCISYS and its wholly owned Subsidiaries is not greater than the total amount available to the SCISYS Group under its existing available facilities.

**Part C: Certain further terms of the Acquisition**

- 4 Subject to the requirements of the Panel:
  - 4.1 Bidco reserves the right (but shall be under no obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 3; and
  - 4.2 SCISYS reserves the right (but shall be under no obligation) to waive, in whole or in part, the condition in paragraph 3.5.5.

- 5 The Scheme will lapse unless it is effective and unconditional by not later than 5:00 p.m., (Irish Time), on the End Date (or such earlier date as may be specified by the Panel, or such later date as SCISYS and Bidco may, with (if required) the consent of the Panel, agree and (if required) the High Court may allow).
- 6 Any references in the Conditions to a Condition being “satisfied” upon receipt of any order, Clearance, approval or consent from a Governmental Body shall be construed as meaning that the foregoing have been obtained, or where appropriate, made, terminated or expired in accordance with the relevant Condition.
- 7 If Bidco is required to make an offer for SCISYS Shares under the provisions of Rule 9 of the Takeover Rules, Bidco may make such alterations to any of the Conditions set out above as are necessary to comply with the provisions of that Rule.
- 8 Bidco reserves the right, subject to the consent of the Panel, to elect to implement the Acquisition by way of a Takeover Offer as described in Clause 3.6 of the Transaction Agreement. Without limiting Clause 3.6 of the Transaction Agreement, in such event, such offer will be implemented on terms and conditions that are as least as favourable to the SCISYS Shareholders (except for an acceptance condition set at 80 per cent of the shares to which such offer relates or such lesser percentage being more than 50 per cent, as Bidco may, with the consent of the Panel (if required), decide) as those which would apply in relation to the Scheme.
- 9 Bidco reserves the right for one or more Subsidiaries of CGI from time to time to implement the Acquisition with the prior written approval of the Panel.