

## Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

### Part I Reporting Issuer


1 Issuer's name <b>REDDE PLC</b>		2 Issuer's employer identification number (EIN) <b>See attach</b>	
3 Name of contact for additional information <b>Nick Tilley</b>	4 Telephone No. of contact <b>0044 (0)225 321218</b>	5 Email address of contact <b>ntilley-e@redde.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>Pinesgate, Lower Bristol Road</b>		7 City, town, or post office, state, and ZIP code of contact <b>Bath BA2 3DP</b>	
8 Date of action <b>02/24/2020</b>		9 Classification and description <b>Ordinary Shares</b>	
10 CUSIP number <b>N/A</b>	11 Serial number(s) <b>GB00BLWF0R63</b>	12 Ticker symbol <b>REDD</b>	13 Account number(s) <b>N/A</b>

### Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attached
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attached
- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attached

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► [See attached](#)

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ► [See attached](#)

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no. 	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054



**Information for Certain Shareholders**

**THE INFORMATION CONTAINED HEREIN DOES NOT CONSTITUTE TAX ADVICE AND DOES NOT PURPORT TO BE COMPLETE OR TO DESCRIBE THE CONSEQUENCES THAT MAY APPLY TO PARTICULAR CATEGORIES OF SHAREHOLDERS. SHAREHOLDERS SHOULD NOTE THAT NO RULING HAS BEEN (OR WILL BE) SOUGHT FROM THE U.S. INTERNAL REVENUE SERVICE WITH RESPECT TO THE ORGANIZATIONAL ACTION REPORTED HEREIN AND THE U.S. INTERNAL REVENUE SERVICE IS NOT BOUND BY THE INFORMATION SET FORTH HEREIN. THE EXAMPLE BELOW IS PROVIDED SOLELY FOR PURPOSES OF ILLUSTRATING THE EXPECTED QUANTITATIVE EFFECTS ON BASIS TO SHAREHOLDERS WHEN MAKING THEIR OWN DETERMINATIONS. SHAREHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE SPECIFIC U.S. FEDERAL, STATE AND LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE ORGANIZATIONAL ACTION REPORTED HEREIN IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES AND THE EFFECT OF POSSIBLE CHANGES IN LAW THAT MIGHT AFFECT THE TAX CONSEQUENCES DESCRIBED ON THIS FORM AND ITS STATEMENTS.**

IRS Form 8937 (Report of Organizational Actions Affecting Basis of Securities) is being made available by Redde plc pursuant to Section 6045B(a) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), which requires certain issuers of securities to report certain organizational actions that affect the U.S. tax basis of those securities in the hands of shareholders who are U.S. persons and the quantitative effect on the basis of such securities of such organizational actions. The purpose of this disclosure is to assist former shareholders of Redde plc’s ordinary shares at the time of the Scheme (as defined below) (“**Redde Shareholders**”) in determining the impact of the organizational action discussed herein on the tax basis of their Redde ordinary shares and the tax basis of Northgate plc ordinary shares received in the Merger (as defined below).

The IRS Form 8937 and this attachment are available for download on Northgate plc’s website and will be available under <https://reddenorthgate.co.uk/investor-relations/>.

**Line 2.** Redde plc (“**Redde**”) does not have a US international taxpayer identification number. Redde is a company incorporated in England and Wales with registered number 03120010. Following the completion of the exchange of shares pursuant to the Merger (as defined in the statement at Line 14 below), Redde plc has re-registered as a limited company and changed its name to Redde Limited.

**Line 14.** Redde is a company incorporated in England and Wales with registered number 03120010, whose registered office is at Pinesgate, Lower Bristol Road, Bath, BA2 3DP and is tax resident in the United Kingdom. Immediately prior to the exchange pursuant to the Merger described below, Redde had 306,868,351 issued and outstanding ordinary shares (the “**Redde Shares**”). Redde Northgate plc (“**Northgate**”) is a company incorporated in England and Wales with registered number 00053171, whose registered office is at Northgate Centre, Lingfield Way, Darlington DL1 4PZ, and is tax resident in the United Kingdom. Prior to the completion of the Merger (as defined below), Northgate was named Northgate plc. On February 24, 2020, pursuant to a scheme of arrangement under Part 26 of the UK Companies Act 2006 (the “**Scheme**”), all of Redde Shares were transferred to Northgate in exchange for newly issued ordinary shares of Northgate (the “**New Northgate Shares**”), with 0.3669 New Northgate Share being issued in exchange for each Redde Share transferred to Northgate (the “**Merger**”). Information regarding the New Northgate Shares is provided below:

Issuer:	Redde Northgate plc
ISIN Number:	GB00B41H7391
Ticker Symbol:	REDD

**Line 15.** To the extent required to be reported by Redde for U.S. federal income tax purposes, Redde intends to treat the Merger as a tax-free reorganization under Section 368(a)(1)(B) of the Code. Assuming the Merger is treated in the manner described in the preceding sentence, except to the extent gain is required to be recognized under Section 367(a) of the Code, a Redde Shareholder receiving New Northgate Shares in consideration of the transfer of its Redde Shares to Northgate in the Merger, should have an aggregate tax basis in the New Northgate Shares received equal to its aggregate adjusted tax basis in the transferred Redde Share in respect of which such New Northgate Shares were received. Gain is not expected to be recognized on the Merger. However, a United States person (as defined under Section 7701(a)(30) of the Code) that is considered to own (actually or constructively) at least 5% of Northgate’s total issued and outstanding ordinary shares (by vote or value) immediately after the Merger generally will be required to recognize gain (but not loss) on the Merger unless such United States person enters into a gain recognition agreement with the United States Internal Revenue Service (the “**IRS**”). Any Redde Shareholder required to recognize gain will take a tax basis in their New Northgate Shares equal to their fair market value on the date of receipt.

**Line 16.** As described above with respect to Line 15, unless required to recognize gain on the Merger under Section 367(a) of the Code, a Redde Shareholder that receives New Northgate Shares in consideration of the transfer of Redde Shares to Northgate in the Merger, should have an aggregate tax basis in the New Northgate Shares received in the Merger equal to the aggregate adjusted tax basis of such Redde Shareholder immediately prior to the Merger in its Redde Shares transferred to Northgate in the Merger. A Redde Shareholder that acquired Redde Shares at different times or different prices generally will be required to calculate a separate aggregate



tax basis for each block of Redde Shares and to determine their tax basis in the New Northgate Shares received in respect of such block of Redde Shares separately.

Any holder of Redde Shares required to recognize gain under Section 367(a) of the Code will take a tax basis in their New Northgate Shares equal to their fair market value on the date of receipt. There is no definitive IRS guidance as to how such Shares should be valued. One reasonable method would be to value New Northgate Shares at their average trading price on the date of the Merger, however other reasonable methods are also available, and each United States person that is considered to own (actually or constructively) at least 5% of Northgate's total issued and outstanding ordinary shares (by vote or value) immediately after the Merger should consult their own tax advisor regarding the valuation of the New Northgate Shares and as to the characterization of the Merger.

**Line 17.** 354(a), 358(a), 367(a), 368(a)(1)(B), 1001(a), 1012(a).

**Line 18.** As described above with respect to Line 15, assuming the Merger qualifies either as a tax-free reorganization under Section 368(a)(1)(B) of the Code, no loss may be recognized on the Merger. However, any Redde Shareholder whose fractional entitlement to New Northgate Shares are sold on their behalf, generally will be required to recognize gain or loss for U.S. federal income tax purposes equal to the excess of the net proceeds received, if any, over their adjusted tax basis in Redde Shares transferred in the Merger allocable to such fractional entitlement.

**Line 19.** The Merger occurred on February 24, 2020 and accordingly, holders of Redde Shares should report any adjustment to the basis in their New Northgate Shares as occurring in the taxable year which includes that date.

Redde Shareholders are urged to consult their own tax advisors with respect to their own tax considerations arising from the Merger in their particular circumstances.

