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**FOR IMMEDIATE RELEASE**

9 May 2019

**RECOMMENDED CASH ACQUISITION  
OF  
KCOM GROUP PUBLIC LIMITED COMPANY**

**by**

**HUMBER BIDCO LIMITED**

**a wholly-owned indirect subsidiary of Universities Superannuation Scheme Limited (USSL)  
(acting in its capacity as sole corporate trustee of Universities Superannuation Scheme (USS))  
to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act  
2006**

**Publication and posting of scheme document**

On 24 April 2019, the boards of KCOM Group Public Limited Company (**KCOM**) and Humber Bidco Limited (**Bidco**) announced that they had reached agreement on the terms of a recommended cash acquisition by Bidco, a wholly-owned indirect subsidiary of USSL, of the entire issued and to be issued ordinary share capital of KCOM (the **Acquisition**) for 97 pence per KCOM Share. The Acquisition will be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the **Act**).

Further to that announcement, the Board of KCOM is pleased to announce that a scheme document relating to the Acquisition (the **Scheme Document**), together with associated Forms of Proxy for the Court Meeting and the General Meeting, are today being published and posted (or otherwise made available) to KCOM Shareholders other than KCOM Shareholders in certain Restricted Jurisdictions and, for information purposes only, to persons with information rights. The Scheme Document contains, inter alia, a letter from the Chairman of KCOM, the full terms and conditions of the Scheme, an explanatory statement pursuant to section 897 of the Act, notices of the Court Meeting and the General Meeting, the expected timetable of principal events and details of the actions to be taken by KCOM Shareholders.

As described in the Scheme Document, to become Effective, the Scheme must, amongst other things, be approved at the Court Meeting (by a majority in number of KCOM Scheme Shareholders, representing at least 75 per cent. in value of the KCOM Scheme Shares voted by those KCOM Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting); a special resolution must be passed at the General Meeting (by KCOM Shareholders representing at least 75 per cent. of votes cast at the General Meeting); and the Scheme must subsequently be sanctioned by the Court. Both the Court Meeting and the General Meeting will be held at the Kingston Suite, KCOM Stadium, Hull, HU3 6HU on 5 June 2019 with the Court Meeting to commence at 11.00 a.m. and the General Meeting to commence at 11.15 a.m. (or, if later, as soon thereafter as the Court Meeting is concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in the Scheme Document.

The Scheme Document, together with information incorporated into it by reference to another source, and a copy of this announcement will be available free of charge, subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions, on KCOM's website at [www.kcomplc.com](http://www.kcomplc.com) and on USSL's website, at [www.uss.co.uk](http://www.uss.co.uk) during the course of the Offer Period. The Scheme Document

has also been submitted to the National Storage Mechanism and is available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM).

The Scheme Document contains an expected timetable of principal events relating to the Scheme, which is also attached as an Appendix to this announcement. Subject to approval of the KCOM Shareholders at the Court Meeting and the General Meeting, the sanction of the Scheme by the Court and the satisfaction or (where applicable) waiver of the other Conditions set out in Appendix 1 of the Scheme Document, the Scheme is expected to become Effective on or around 12 June 2019. This expected timetable assumes, in particular, that the change of control approval from the FCA, which is a Condition of the Scheme, is forthcoming no later than 5 June 2019. Any delay beyond this date in the giving of such approval will result in a delay to those steps in the Scheme process subsequent to the Court Meeting and the General Meeting.

KCOM Shareholders should carefully read the Scheme Document in its entirety before making a decision with respect to the Scheme.

Terms and expressions in this announcement shall, unless the context otherwise requires, have the same meanings as given to them in the Scheme Document.

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**Important notices**

*Arma Partners LLP (**Arma Partners**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for USSL and Bidco and for no one else in connection with the Acquisition and/or any other matter set out in this announcement and will not be responsible to anyone other than USSL and Bidco for providing the protections afforded to clients of Arma Partners or for providing advice in connection with the Acquisition, the contents of this announcement or any other matter referred to herein.*

*Gleacher Shacklock LLP (**Gleacher Shacklock**), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for USSL and Bidco and no one else in connection with the Acquisition and/or any other matters set out in this announcement and will not be responsible to anyone other than USSL and Bidco for providing the protections afforded to clients of Gleacher Shacklock or for providing advice in connection with the Acquisition, the contents of this announcement or any other matter referred to herein*

*N.M. Rothschild & Sons Limited (**Rothschild & Co**), which is regulated in the United Kingdom by the FCA, is acting exclusively for KCOM and no one else in relation to the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for providing the protections afforded to clients of Rothschild & Co or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter or arrangement referred to herein.*

*Peel Hunt LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting for KCOM and no-one else in connection with the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for the protections offered to its clients nor for providing advice in relation to the Acquisition or any matters referred to in this announcement.*

*Investec Bank plc (**Investec**), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for KCOM and no one else in relation to the Acquisition and/or other matters set out in this announcement and will not be responsible to anyone other than KCOM for providing the protections afforded to the clients of Investec or for providing advice in relation to the Acquisition, the contents of this announcement or any other matter or arrangement referred to herein.*

**Further information**

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (and the accompanying Forms of Proxy), which contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote or other response to the Acquisition should be made only on the basis of the information in the Scheme Document.*

*Bidco reserves the right to elect, with the consent of the Panel and subject to the terms of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to the Takeover Code and to any appropriate amendments to reflect the change in method of implementing the Acquisition.*

### **Overseas Shareholders**

*The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom and the ability of KCOM Shareholders who are not resident in the United Kingdom to participate in the Acquisition may be restricted by laws and/or regulations in those jurisdictions and therefore any persons who are not resident in the United Kingdom or who are subject to the laws of any jurisdiction other than the United Kingdom (including Restricted Jurisdictions) should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom or who are subject to the laws of another jurisdiction to vote their KCOM Scheme Shares in respect of the Scheme at the Court Meeting or with respect to the General Meeting Resolution at the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote at the Court Meeting and/or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located or to which they are subject. Any failure to comply with applicable legal or regulatory requirements of any jurisdiction may constitute a violation of securities laws in that jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, or from within, a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.*

*The Acquisition will be subject to the applicable requirements of English law, the Takeover Code, the Panel, the London Stock Exchange and the FCA. Further details in relation to Overseas Shareholders are contained in the Scheme Document.*

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

*If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.*

### **Additional information for US investors in KCOM**

*KCOM Shareholders in the United States should note that the Acquisition relates to the securities of a UK company and is proposed to be implemented pursuant to a scheme of arrangement provided for*

*under English company law. A transaction implemented by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Acquisition will be subject to UK procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company in England, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in the Scheme Document and other documentation relating to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Bidco exercises its right, in the circumstances provided for in this announcement, to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will be made in compliance with applicable US tender offer regulations.*

*US holders of KCOM Shares should be aware that the receipt of cash pursuant to the Acquisition may have tax consequences in the United States. Holders of KCOM Shares are advised to consult their own tax advisors to determine the particular tax consequences to them of the Acquisition.*

*Neither the US Securities and Exchange Commission nor any securities commission of any state of the United States has approved the Acquisition, passed upon the fairness of the Acquisition or the adequacy or accuracy of the information contained in this announcement or the Scheme Document. Any representation to the contrary is a criminal offence in the United States.*

*It may be difficult for US holders of KCOM Shares to enforce their rights and claims arising out of the US federal securities laws, since Bidco and KCOM are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of KCOM Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

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

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

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

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

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

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

### **Forward-looking statements**

*This announcement contains certain forward-looking statements with respect to Bidco and KCOM. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as, without limitation, "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "aim", "will", "may", "hope", "continue", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward-looking statements include, but are not limited to, statements relating to the following: (a) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects, (b) business and management strategies and the expansion and growth of the operations of Bidco or KCOM, and (c) the effects of government regulation on the business of Bidco or KCOM. There are many factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among such factors are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.*

*These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Except as expressly provided in this document, they have not been reviewed by the auditors of Bidco or KCOM. By their nature, these forward-looking statements involve known and unknown risks, uncertainties because they relate to events and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this announcement may cause the actual results, performance or achievements of any such person, or industry results and developments, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that such expectations will prove to have been correct and persons reading this announcement are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither Bidco nor KCOM, nor their respective members, directors, officers or employees, advisers or any person acting on their behalf, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.*

*None of Bidco, KCOM or their respective members, directors, officers, employees, advisers and any person acting on behalf of one or more of them undertakes any intention or obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required. All subsequent oral or written forward-looking statements attributable to Bidco or KCOM or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.*

*Neither Bidco nor the KCOM Group, nor any of their respective associates, directors, officers, employees or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.*

#### **Publication on a website**

*This announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on USSL's website at [www.uss.co.uk](http://www.uss.co.uk) and on KCOM's website at [www.kcomplc.com](http://www.kcomplc.com) promptly and in any event by no later than 12 noon on 10 May 2019.*

*Neither the content of the websites referred to in this announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this announcement.*

#### **Request for hard copies**

*KCOM Shareholders may, subject to applicable securities laws, request a hard copy of this announcement (and any information incorporated into it by reference to another source) by contacting Link Asset Services on 0371 664 0321 or by submitting a request in writing to Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TH, with an address to which the hard copy may be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Acquisition or give any financial, legal or tax advice. KCOM Shareholders may, subject to applicable securities laws, also request that all future documents, announcements and information to be sent in relation to the Acquisition should be in hard copy form.*

#### **Information relating to KCOM Shareholders**

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

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



## APPENDIX

### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme. All times shown in this document are London times.

<b>Event</b>	<b>Time and/or date</b>
<b>Publication of the Scheme Document</b>	9 May 2019
<b>Latest time for receipt of Forms of Proxy for: Court Meeting (BLUE form)</b>	11.00 a.m. on 3 June 2019 <sup>(1)</sup>
<b>General Meeting (WHITE form)</b>	11.15 a.m. on 3 June 2019 <sup>(1)</sup>
<b>Voting Record Time for the Court Meeting and General Meeting</b>	10.00 p.m. on 3 June 2019 <sup>(2)</sup>
<b>Court Meeting</b>	11.00 a.m. on 5 June 2019
<b>General Meeting</b>	11.15 a.m. on 5 June 2019 <sup>(3)</sup>

The following dates are indicative only, are based on KCOM's current expectations and may be subject to change. The following dates assume, in particular, that the change of control approval from the FCA, which is a Condition of the Scheme, is forthcoming no later than 5 June 2019. Any delay beyond this date in the giving of such approval will result in a delay to those steps in the Scheme process subsequent to the Court Meeting and the General Meeting. KCOM will give adequate notice of any change to these dates by issuing an announcement through a Regulatory Information Service and by posting notice of these dates on its website at [www.kcomplc.com](http://www.kcomplc.com). Further changes to other times or dates indicated above shall be notified in the same way. All KCOM Shareholders have the right to attend the Court Hearing.<sup>(4)</sup>

Court Hearing (to sanction the Scheme)	10 June 2019
Last day of dealings in, and for registrations of transfers of, and disablement in CREST of, KCOM Shares	11 June 2019
Scheme Record Time	10.00 p.m. on 11 June 2019
Dealings in KCOM Shares suspended	around 7.30 a.m. on 12 June 2019
<b>Effective Date</b>	12 June 2019
Cancellation of listing of and dealings in KCOM Shares	By 8.00 a.m. on 13 June 2019
Latest date for despatch of cheques and/or crediting of CREST accounts for cash consideration due under the Scheme	14 days after the Effective Date
Long Stop Date	31 August 2019 <sup>(5)</sup>

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#### Notes:

The Court Meeting and the General Meeting will both be held at the Kingston Suite, KCOM Stadium, Hull, HU3 6HU.

1 If the BLUE Form of Proxy for the Court Meeting is not received by Link Asset Services by 11.00 a.m. on 3 June 2019

(or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a Business Day) prior to the time and date set for the adjourned meeting), it may be handed to the Chairman at the Court Meeting at any time before the taking of the poll and still be valid. However, the WHITE Form of Proxy for the General Meeting must be received by Link Asset Services by 11.15 a.m. on 3 June 2019 (or, in the case of an adjourned meeting, not less than 48 hours (excluding any part of a day that is not a Business Day) prior to the time and date set for the adjourned meeting) in order for it to be valid.

- 2 If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the adjourned meeting will be 10.00 p.m. on the day which is two days before the date fixed for the adjourned meeting (excluding any day which is not a Business Day).
- 3 The General Meeting will commence at 11.15 a.m. on 5 June 2019 or, if later, as soon thereafter as the Court Meeting has been concluded or adjourned.
- 4 These times and dates are indicative only and will depend, amongst other things, on the date on which: (i) the Conditions are either satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the order sanctioning the Scheme is delivered to the Registrar of Companies. As noted above, these times and dates assume, in particular, that the required FCA change of control approval is forthcoming no later than 5 June 2019.
- 5 This is the latest date by which the Scheme may become effective unless KCOM and Bidco, with the consent of the Panel and (if required) the approval of the Court, agree in writing a later date.