

# THE TAKEOVER PANEL

**OFFERS BY HUMBER BIDCO LIMITED (“HUMBER”)  
AND  
MEIF 6 FIBRE LIMITED (“MEIF 6 FIBRE”)  
FOR  
KCOM GROUP PUBLIC LIMITED COMPANY (“KCOM”)**

On 24 April 2019, Humber announced a firm intention to make a recommended cash offer for the entire issued and to be issued ordinary share capital of KCOM at 97 pence per share, to be implemented by way of a scheme of arrangement. On 9 May 2019, Humber published a scheme document in connection with its offer.

On 3 June 2019, MEIF 6 Fibre announced a firm intention to make a recommended cash offer for the entire issued and to be issued ordinary share capital of KCOM at 108 pence per share, to be implemented by way of a scheme of arrangement. On 18 June 2019, MEIF 6 Fibre published a scheme document in connection with its offer.

On the basis that neither offeror has declared its offer final, such that either offer may be increased or otherwise revised, a competitive situation continues to exist for the purposes of Rule 32.5 of the Takeover Code (the “Code”).

In order to provide an orderly framework for the resolution of this competitive situation, and in the absence of any alternative auction procedure having been agreed between the parties, the Panel Executive has, after discussions with the parties, ruled that the auction procedure set out in Appendix 8 of the Code shall be applied and that “Day 46” for these purposes shall be Sunday 7 July 2019.

Accordingly, assuming that a competitive situation continues to exist, the auction procedure is expected to commence at 5.00pm (London time) on Sunday 7 July 2019 and, for the purposes of Appendix 8 of the Code:

- (a) “Auction Day 1” shall be Monday 8 July 2019;
- (b) “Auction Day 2” shall be Tuesday 9 July 2019;
- (c) “Auction Day 3” shall be Wednesday 10 July 2019;
- (d) “Auction Day 4” shall be Thursday 11 July 2019; and
- (e) “Auction Day 5” shall be Friday 12 July 2019.

The Panel Executive has reserved the discretion to amend the auction procedure as appropriate. In particular, the dates referred to above may be subject to change, depending on the circumstances at the time. In the event of an amendment to the above dates, the Panel will make a further statement.

Save for a revised offer made in accordance with the auction procedure, neither offeror will be permitted to announce or to make a revised offer for KCOM on or after 5.00pm on Sunday 7 July 2019.

For the avoidance of doubt, a revised offer announced by either offeror during the auction procedure need not be: (a) in any particular specie (although, for the avoidance of doubt, it must include all forms of offer consideration (including alternative offer consideration) previously announced by that offeror at no less than the level previously announced); (b) subject to any minimum increment above the level of the offer previously announced or made by that offeror; or (c) on terms superior to or more favourable than the terms of the offer previously announced by the other offeror.

Pursuant to section 2(i) of Appendix 8 of the Code, the Panel will make an announcement confirming when the auction procedure has ended.

The application of the auction procedure set out in Appendix 8 of the Code also means that it is possible that the auction procedure may end in circumstances where the revised offers of each offeror are at the same price in cash.

Following the end of the auction procedure, save with the consent of the Panel, neither offeror is permitted to revise the price of its offer for KCOM from that established by means of the auction procedure, or to introduce any new alternative offer unless, under the normal provisions of the Code, a person other than (i) Humber or MEIF 6 Fibre or (ii) any person acting in concert with either Humber or MEIF 6 Fibre announces a firm intention to make an offer for KCOM. If KCOM declares or pays a dividend between the conclusion of the auction procedure and the end of the offer period, each offeror will reduce the terms of its offer by an amount per share equal to the amount of the dividend per share.

Each of KCOM, Humber and MEIF 6 Fibre has agreed to the terms of the auction procedure and this statement.

4 July 2019