

# THE TAKEOVER PANEL

**OFFERS BY**  
**MURANO BIDCO LIMITED (“CARLYLE”), A COMPANY INDIRECTLY**  
**CONTROLLED BY FUNDS MANAGED BY CARLYLE EUROPE**  
**PARTNERS V**  
**AND**  
**PMI GLOBAL SERVICES INC. (“PMI”), A WHOLLY-OWNED**  
**SUBSIDIARY OF PHILIP MORRIS INTERNATIONAL INC.**  
**FOR**  
**VECTURA GROUP PLC (“VECTURA”)**

## **Introduction**

On 26 May 2021, the boards of Vectura and Carlyle announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which Carlyle would acquire all of the issued and to be issued ordinary shares of Vectura at 136 pence per Vectura share (the “**Carlyle Offer**”) to be implemented by means of a scheme of arrangement. On 18 June 2021, Vectura and Carlyle announced the publication of the scheme document related to the Carlyle Offer.

On 9 July 2021, the boards of Vectura and PMI announced that they had reached agreement on the terms of a recommended cash acquisition pursuant to which PMI would acquire all of the issued and to be issued ordinary shares of Vectura at 150 pence per Vectura share (the “**PMI Offer**”) to be implemented by means of a scheme of arrangement. Vectura also announced that it had withdrawn its recommendation of the Carlyle Offer. On 28 July 2021, Vectura and PMI announced the publication of the scheme document related to the PMI Offer.

On 6 August 2021, the boards of Vectura and Carlyle further announced that they had reached agreement on the terms of a revised recommended cash offer at a price of 155 pence per Vectura share, to be implemented by means of a scheme of arrangement. Vectura also announced that it had withdrawn its recommendation of the PMI Offer.

On 8 August 2021, the board of PMI announced a further increased cash offer at a price of 165 pence per Vectura share.

On the basis that neither offeror has declared its offer final, such that either offer may be further 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 accordance with Rule 32.5, the Panel Executive has, after discussions with the parties, established an auction procedure and determined that Day 46 for these purposes shall be Tuesday 10 August 2021. This is based upon the auction procedure set out in Appendix 8 of the Code, but has been adapted as noted below.

Accordingly, assuming that a competitive situation continues to exist, the auction procedure is expected to commence at 5.00pm (London time) on Tuesday 10 August 2021:

- (a) “Auction Day 1” shall be Wednesday 11 August 2021;
- (b) “Auction Day 2” shall be Thursday 12 August 2021;
- (c) “Auction Day 3” shall be Friday 13 August 2021;
- (d) “Auction Day 4” shall be Monday 16 August 2021; and
- (e) “Auction Day 5” shall be Tuesday 17 August 2021.

The auction procedure provides for up to five days of public bidding over sequential business days under which:

- (a) each offeror is permitted to announce a revised offer on any Auction Day and, as envisaged by paragraphs 4(b) and (c) of Appendix 8 of the Code, may also submit an offer announcement to the Panel Executive subject to a condition that the revised offer will be announced only if the other competing offeror also submits an offer announcement to the Panel Executive on that day; and

(b) if neither offeror announces a revised offer on any Auction Day, the auction ends.

As an adaptation to the procedure set out in Appendix 8 of the Code, a revised offer announced by either offeror during the auction procedure must be made at a price per share: (a) in cash in pounds sterling and in a whole number of pence; and (b) above the level of the offer most recently announced or made by the other offeror.

As a further adaptation to the procedure set out in Appendix 8 of the Code, on Auction Day 5: (a) the offeror with the lowest offer at that point shall only be permitted to make an offer at an "odd" number of pence; and (b) the offeror with the highest offer at that point shall only be permitted to make an offer at an "even" number of pence.

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 Executive will make a further statement.

Save for a revised offer announced in accordance with the auction procedure, neither offeror will be permitted to announce or to make a revised offer for Vectura on or after 5.00pm on Tuesday 10 August 2021.

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

Following the end of the auction procedure, save with the consent of the Panel Executive, neither offeror is permitted to revise the price of its offer for Vectura 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 (a) Carlyle or PMI or (b) any person acting in concert with either Carlyle or PMI announces a firm intention to make an offer for Vectura.

If Vectura 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.

In the event that one of the offerors announces before the commencement of the auction procedure that it will not increase its offer, a competitive situation would no longer exist and so the auction procedure would not be required. If such an announcement is made before 5.00pm on Tuesday 10 August 2021, the other offeror will have until 5.00pm on Thursday 12 August 2021 to announce a revised offer.

Each of Vectura, Carlyle and PMI has agreed to the terms of the auction procedure and this statement.

9 August 2021