



**Cobham plc** - COB Recommended Cash Acquisition of Cobham  
Released 07:00 25-Jul-2019

**COBHAM**

RNS Number : 6475G  
Cobham plc  
25 July 2019

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION  
FOR IMMEDIATE RELEASE**

**25 July 2019**

**RECOMMENDED CASH ACQUISITION**

**of**

**Cobham plc ("Cobham")**

**by**

**AI Convoy Bidco Limited ("Bidco")**

**an indirect subsidiary of funds managed by  
Advent International Corporation ("Advent")**

**to be effected by means of a scheme of arrangement  
under Part 26 of the UK Companies Act 2006**

**Summary**

- The boards of Bidco and Cobham are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Cobham by Bidco. The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, Cobham Shareholders shall be entitled to receive

**for each Cobham Share**

**165 pence in cash**

representing an attractive premium of approximately:

- 34.4 per cent. to the closing price per Cobham Share of 123 pence on 24 July 2019 (being the latest practicable date prior to publication of this Announcement);
- 45.8 per cent. to the volume weighted average price per Cobham Share of 113 pence for the one month period ended 24 July 2019 (being the latest practicable date prior to publication of this Announcement); and
- 50.3 per cent. to the volume weighted average price per Cobham Share of 110 pence for the three month period ended 24 July 2019 (being the latest practicable date prior to publication of this Announcement).
- The Acquisition values the entire issued and to be issued ordinary share capital of Cobham at approximately £4.0 billion on a fully diluted basis.
- Today, Cobham has announced an interim dividend of 0.4 pence per Cobham Share (the "**Interim Dividend**") payable to Cobham Shareholders on the register on 11 October 2019 (the "**Interim Dividend Record Date**"). If the Interim Dividend Record Date occurs before the Effective Date, the Acquisition Price shall be reduced by the amount of the Interim Dividend.
- Except for the Interim Dividend, if any dividend or other distribution is authorised, declared, made or paid in respect of Cobham Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Acquisition Price by the amount of such dividend or other distribution. In such circumstances, Cobham Shareholders would be entitled to retain any such dividend or other distribution.

#### **Cobham recommendation**

- The Cobham Directors, who have been so advised by BofA Merrill Lynch, J.P. Morgan Cazenove and Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Cobham Directors, BofA Merrill Lynch, J.P. Morgan Cazenove and Rothschild & Co have taken into account the commercial assessments of the Cobham Directors. BofA Merrill Lynch and Rothschild & Co are providing independent financial advice to the Cobham Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Cobham Directors intend to recommend unanimously that Cobham Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as the Cobham Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 935,492 Cobham Shares representing, in aggregate, approximately 0.04 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).

#### **Letter of intent**

- Bidco has also received a letter of intent from Artemis Investment Management LLP to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of 122,677,960 Cobham Shares, representing, in aggregate, approximately 5.13 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).
- Bidco has therefore received irrevocable undertakings or a letter of intent in respect of a total of 123,613,452 Cobham Shares representing, in aggregate, approximately 5.17 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).
- Further details of these irrevocable undertakings (and the circumstances in which they shall cease to be binding or otherwise fall away) and the letter of intent are set out in Appendix III to this Announcement.

#### **Information on Bidco**

- Bidco is an indirect subsidiary of funds managed by Advent. Advent is one of the largest and most experienced global private equity investors. The firm has invested in more than 345 buyout transactions in 41 countries. As of 31 March 2019, it had US\$36 billion in assets under management. Advent has a strong track record of investing in high quality global industrial and engineering companies to achieve long term revenue and earnings growth, in domestic and international markets.

### **Information on Cobham**

- Cobham offers an innovative range of products and services to solve challenging problems in defence, aerospace and space markets with an emphasis on keeping people alive and assets safe in harsh or remote environments.
- Cobham employs around 10,000 people and has customers and partners in over 100 countries. It has specialist capabilities and know-how in: wireless; audio; video and data communications, including satellite communications; defence electronics; air-to-air refuelling; aviation services; life support and mission equipment markets.
- Cobham operates across four Sectors, each with differentiated capabilities and many leading market positions. Three of the Sectors design, manufacture and test intelligent hardware, primarily subsystems, with expertise in components. The fourth provides outsourced aviation services for an international customer base.

### **Timetable and Conditions**

- The Acquisition shall be put to Cobham Shareholders at the Court Meeting and at the General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the Cobham Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Cobham Shares voted. In addition, a special resolution approving and implementing the Scheme must be passed by Cobham Shareholders representing at least 75 per cent. of votes cast at the General Meeting.
- The Acquisition is subject to the further conditions and terms set out in Appendix I to this Announcement, including the receipt of the relevant clearances from the competition and regulatory authorities, in particular anti-trust clearances in the United States and the EU and foreign investment and regulatory approvals in the UK, Australia, France, and Finland. It is expected that the Scheme will become effective before the end of 2019.
- Bidco will work with Cobham to engage constructively with all relevant stakeholders to satisfy these conditions.
- The Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting shall be published as soon as practicable. The Court Meeting and the General Meeting are expected to be held on or around 16 September 2019.

Commenting on the Acquisition, Jamie Pike, Chairman of the board of Cobham, said:

*"Cobham has leading positions in a number of attractive technology markets, with capabilities and know-how that are well aligned with our customers' priorities. The Cobham management team's turnaround actions over the last two and half years have begun to improve our performance, which is reflected in our 2019 interim results announced today. We believe that Advent would provide a complementary partner for Cobham's stakeholders.*

*The Cobham Board is unanimously recommending the offer from Advent as it represents an opportunity for shareholders to realise their investment in Cobham in cash in the near term. The offer represents a 50.3% premium to the average share price over the last three months."*

David Lockwood, CEO of Cobham added:

*"We have worked intensively over the last two and half years to focus on our customers and our financial and operating performance, and these fundamentals, along with the investment in the business Advent can provide, will enable us to leverage the quality of our products and services. Most of all, this offer reflects the potential for future growth and improving performance, and is an endorsement of our turnaround strategy and our hard working people."*

Commenting on the Acquisition, Shonnel Malani, a Managing Director of Advent International plc, said:

*"We are pleased the Board of Cobham has agreed unanimously to recommend the Acquisition of Cobham by Advent. We strongly believe in the importance and potential of Cobham's businesses and look forward to bringing our long track record of successful stewardship of companies to ensure that Cobham flourishes under our ownership."*

***This summary should be read in conjunction with the full text of this Announcement. The Acquisition shall be subject to the Conditions and further terms set out in Appendix I to this Announcement and to the full terms and conditions which shall be set out in the Scheme Document. Appendix II to this Announcement contains the sources of information and bases of calculations of certain information contained in this summary and the Announcement, Appendix III contains a summary of the irrevocable undertakings and letter of intent received in relation to this Acquisition and Appendix IV contains definitions of certain expressions used in this summary and in this Announcement.***

**Enquiries:**

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Allen & Overy LLP are retained as legal adviser to Cobham. Linklaters LLP are retained as legal adviser to Advent and Bidco and Weil Gotshal & Manges (London) LLP are retained as financing and anti-trust and regulatory legal adviser to Advent and Bidco.

**Important Notices**

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Bidco and Advent and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco and Advent for providing the protections afforded to clients of Goldman Sachs International or for providing advice in connection with the Acquisition or in this Announcement or any transaction or arrangement referred to herein.*

*Citigroup Global Markets Limited ("Citigroup"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively as financial adviser to Bidco and Advent and no one else in connection with the Acquisition and shall not be responsible to anyone other than Bidco and Advent for providing the protections afforded to clients of Citigroup nor for providing advice in connection with the Acquisition or any matter referred to in this Announcement.*

*Credit Suisse, which is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority in the United Kingdom, is acting as financial adviser exclusively for Bidco and Advent and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Bidco and Advent for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse 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 Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.*

*Merrill Lynch International ("BofA Merrill Lynch"), which is authorised by the UK Prudential Regulatory Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulatory Authority, is acting exclusively for Cobham and for no one else and will not be responsible to anyone other than Cobham for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Announcement.*

*J.P. Morgan Securities plc, which conducts its United Kingdom investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the*

*United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Cobham and no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of J.P. Morgan Cazenove, nor for providing advice in relation to any matter referred to in this Announcement.*

*N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Cobham and for no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to any matter referred to in this Announcement.*

*This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise. The Acquisition shall be made solely by means of the Scheme Document or any document by which the Acquisition is made which shall contain the full terms and Conditions of the Acquisition, including details of how to vote in respect of the Acquisition.*

*This Announcement has been prepared for the purpose of complying with English law and the Takeover Code 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 the United Kingdom.*

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

### **Overseas Shareholders**

*The release, publication or distribution of this Announcement in or into certain jurisdictions other than the United Kingdom or the United States may be restricted by law. Persons who are not resident in the United Kingdom or the United States or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall 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 any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Cobham Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Cobham Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such 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.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

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

### **Additional Information for US Investors**

The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under the law of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this Announcement and the Scheme documentation 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 were to elect to implement the Acquisition by means of a takeover offer, such takeover offer would be made in compliance with applicable US laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Bidco and no one else.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Cobham Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Cobham Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and Cobham are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders 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.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Cobham outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Citigroup, Goldman Sachs International and Credit Suisse will continue to act as an exempt principal trader in Cobham Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Forward Looking Statements**

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Advent, Bidco or Cobham contain statements about Bidco and Cobham that are or may be deemed to be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues,

earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's or Cobham's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Bidco's or Cobham's business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements, including: increased competition, the loss of or damage to one or more key customer relationships, changes to customer ordering patterns, delays in obtaining customer approvals for engineering or price level changes, the failure of one or more key suppliers, the outcome of business or industry restructuring, the outcome of any litigation, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in raw material or energy market prices, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, or the timing and success of future acquisition opportunities or major investment projects. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Bidco disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

### **No Profit Forecasts or Estimates**

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 Cobham for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham.

### **Disclosure Requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 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 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) 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 1 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, 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 p.m. (London time) 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 <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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Electronic Communications**

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

### **Publication on Website and Availability of Hard Copies**

A copy of this Announcement and the documents required to be published by Rule 26 of the Takeover Code shall be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Cobham's website at [www.cobhaminvestors.com](http://www.cobhaminvestors.com) by no later than 12 noon (London time) on the business day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

You may request a hard copy of this Announcement by contacting the Deputy Company Secretary of Cobham, on +44 (0) 1202 857504. You may also request that all future documents, announcements and information in relation to the Acquisition should be sent to you in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

### **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.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Takeover Code, Cobham confirms that as at the date of this Announcement, it has in issue and admitted to trading on the main market of the London Stock Exchange 2,391,009,391 ordinary shares of 2.5 pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B07KD360.

In addition, Cobham confirms that as at the date of this Announcement it has in issue and admitted to trading on the main market of the London Stock Exchange 19,700 preference shares of £1 each. The International Securities Identification Number (ISIN) of the preference shares is GB0003430401.

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**RECOMMENDED CASH ACQUISITION**

of

**Cobham plc ("Cobham")**

by

**AI Convoy Bidco Limited ("Bidco")  
an indirect subsidiary of funds managed by  
Advent International Corporation ("Advent")**

**to be effected by means of a scheme of arrangement  
under Part 26 of the UK Companies Act 2006**

**1 Introduction**

The boards of Bidco and Cobham are pleased to announce that they have reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Cobham by Bidco (the "**Acquisition**"). The Acquisition is to be effected by means of a scheme of arrangement under Part 26 of the Companies Act.

**2 The Acquisition**

Under the terms of the Acquisition, which shall be subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document, Cobham Shareholders who are on the register of members of Cobham at the Scheme Record Time shall be entitled to receive:

**for each Cobham Share** **165 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of Cobham at approximately £4.0 billion on a fully diluted basis and represents an attractive premium of approximately:

- 34.4 per cent. to the closing price per Cobham Share of 123 pence on 24 July 2019 (being the latest practicable date prior to publication of this Announcement);
- 45.8 per cent. to the volume weighted average price per Cobham Share of 113 pence for the one month period ended 24 July 2019 (being the latest practicable date prior to publication of this Announcement); and
- 50.3 per cent. to the volume weighted average price per Cobham Share of 110 pence for the three month period ended 24 July 2019 (being the latest practicable date prior to publication of this Announcement).

Today, Cobham has announced an interim dividend of 0.4 pence per Cobham Share (the "**Interim Dividend**") payable to Cobham Shareholders on the register on 11 October 2019 (the "**Interim Dividend Record Date**"). If the Interim Dividend Record Date occurs before the Effective Date, the Acquisition Price shall be reduced by the amount of the Interim Dividend.

Except for the Interim Dividend, if any dividend or other distribution is authorised, declared, made or paid in respect of Cobham Shares on or after the date of this Announcement, Bidco reserves the right to reduce the Acquisition Price by the amount of any such dividend or other distribution. In such circumstances, Cobham Shareholders would be entitled to retain any such dividend or other distribution.

It is expected that the Scheme Document shall be published as soon as reasonably practicable, that the Court Meeting and the General Meeting will be held on or around 16 September 2019 and that the Scheme will become effective before the end of 2019.

### **3 Background to and reasons for the Acquisition**

Bidco believes that Cobham's technological excellence, product innovation and its trusted partner status with many of its customers have established it as a market leader in its defence, aerospace and space markets. Bidco is cognisant of the importance of Cobham's capabilities and know-how to its specialist markets and highly values the strong relationships that Cobham has built with stakeholders and governments.

Bidco believes that Cobham has high quality businesses with exciting growth and development prospects and that Cobham represents an attractive opportunity to invest in an engineering leader with well-established and well-reputed businesses.

Bidco is confident in the overall prospects of Cobham's businesses and the sectors in which they operate and is excited to partner with Cobham to continue to develop its customer offering and to grow the value of the business in the longer term. Bidco intends to support Cobham by leveraging its expertise and experience of investing in global industrial and engineering companies.

### **4 Cobham trading update**

Cobham has today announced the interim results of the Cobham Group for the six month period ended 30 June 2019. A copy of that announcement is available on the Cobham website at [www.cobhaminvestors.com](http://www.cobhaminvestors.com). The results announcement includes the following statements on the outlook for the Cobham Group:

*"The overall strong first half results includes variations in Sector performance. Mission Systems delivered another strong performance with an improving result from Communications and Connectivity. Advanced Electronic Solutions delivered organic revenue growth, but continued operational challenges adversely affected profitability. Actions are in place to address this. The KC-46 tanker settlement and resolution of the UK tax dispute have significantly reduced the Group's risk profile, while the financial position remains strong.*

*The Board's expectations for 2019 remain unchanged, although free cash flow in the year should be better than previously expected, following the first half outperformance. The Board has confidence that the necessary actions to drive operational performance are in place across the Group, which will underpin expectations beyond this and into the longer term."*

### **5 Recommendation**

The Cobham Directors, who have been so advised by BofA Merrill Lynch, J.P. Morgan Cazenove and Rothschild & Co as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Cobham Directors, BofA Merrill Lynch, J.P. Morgan Cazenove and Rothschild & Co have taken into account the commercial assessments of the Cobham Directors. BofA Merrill Lynch and Rothschild & Co are providing independent financial advice to the Cobham Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Cobham Directors intend to recommend unanimously that Cobham Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting as the Cobham Directors have irrevocably undertaken to do in respect of their own beneficial holdings of 935,492 Cobham Shares representing, in aggregate, approximately 0.04 per cent. of the ordinary share capital of Cobham in issue on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).

### **6 Background to and reasons for the recommendation**

Following a challenging 2016, the Cobham Board embarked on a multi-year turnaround led by a newly appointed CEO and CFO, supported by a reinvigorated Cobham Board, and by the broader management team, which has benefited from a number of new appointments since the start of 2017.

Having strengthened Cobham's balance sheet through a £512 million (before expenses) rights issue in May 2017, the new management team has established a number of priorities including the resolution of certain onerous contracts and other legacy issues, bringing more focus to the portfolio of businesses, further strengthening the balance sheet and improving operational performance and culture change. The Board of Cobham is pleased with the substantial progress made and the improvement to many of its operational and financial metrics.

Cobham's balance sheet remains strong as at 30 June 2019. This in part reflects the 2017 Rights Issue but has also been achieved through self-help, with an on-going focus on cash generation.

Cobham has also become a more focused provider of differentiated technologies and know-how to its defence, aerospace and space markets following the divestment of the AvComm and Wireless test and measurement businesses in March 2018. Furthermore, Cobham has today announced that it has commenced a strategic review of the Australian operations of the Aviation Services Sector to decide how best to optimise value in the interests of Cobham and its stakeholders.

In addition, there has been significant progress in resolving legacy issues. Most notably, in February 2019, in respect of the US KC-46 tanker programme, Cobham settled all disputed matters to the date of the agreement, settled the damages assertions and rebased the schedule for qualification and production of Wing Aerial Refuelling Pods (WARPs) and production of the Centerline Drogue System (CDS). The CDS is now in full rate production and WARP qualification is making progress, consistent with completion around the middle of 2020. In addition, in May 2019, Cobham announced it had reached an agreement with the UK tax authorities, settling a significant, long running tax dispute, connected with the availability of interest deductions on one of the Group's internal financing structures.

Cobham's interim results to 30 June 2019 provide evidence that management actions have delivered improving financial results, with organic revenue growth, an underlying operating profit increase and underlying operating cash flow ahead of expectations, although there is more to do and risks remain. Cobham has continued to focus on achieving its medium-term operational and financial targets.

While Cobham has a clear strategy and has made progress with its turnaround, the Cobham Directors believe that the Acquisition recognises the quality of Cobham's businesses and its prospects. Furthermore, the Cobham Directors note that:

- the Acquisition represents an opportunity for Shareholders to realise their investment in Cobham in cash in the near term;
- the Acquisition represents a premium of approximately 50.3 per cent. to the volume weighted average price of 110 pence per Share for the three month period ended 24 July 2019 (being the latest practicable date prior to publication of this Announcement); and
- as a leading global private equity firm, Advent provides an experienced partner for Cobham's customers, employees and other stakeholders.

Accordingly, following careful consideration of the above factors, the Cobham Board of Directors intends unanimously to recommend the offer to Cobham Shareholders.

## **7 Irrevocable undertakings and letter of intent**

Bidco has received irrevocable undertakings from each of the Cobham Directors to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting, in respect of a total of 935,492 Cobham Shares, representing approximately 0.04 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement). Further details of these irrevocable undertakings (including the circumstances in which they shall fall away) are set out in Appendix III to this Announcement.

Bidco has also received a letter of intent from Artemis Investment Management LLP to vote in favour of Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting in respect of 122,677,960 Cobham Shares, representing, in aggregate, approximately 5.13 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).

Bidco has therefore received irrevocable undertakings or a letter of intent in respect of a total of 123,613,452 Cobham Shares representing, in aggregate, approximately 5.17 per cent. of Cobham's issued ordinary share capital on 24 July 2019 (being the latest practicable date prior to publication of this Announcement).

Further details of these irrevocable undertakings and the letter of intent are set out in Appendix III to this Announcement.

## **8 Information on Advent**

Founded in 1984, Advent is one of the largest and most experienced global private equity investors. The firm has invested in over 345 private equity transactions in 41 countries and as of 31 March 2019 it had US\$36 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 195 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services; healthcare; industrial; retail, consumer and leisure; and technology, media and telecom. After 35 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

Advent has a strong track record of investing in high quality industrial and engineering companies. Its extensive global footprint and operational improvements experience make it a strong owner with the capability to drive continued improvement and growth of the businesses. In addition, Advent has assembled a team of external operating partners, operations advisors and former senior executives with deep sector and functional expertise who complement Advent's investment experience. As such, Advent is uniquely positioned to acquire Cobham and help further develop its businesses.

## **9 Information on Cobham**

Cobham is a public limited company registered in England and Wales with registered number 30470. The Cobham Shares are listed on the Official List of the London Stock Exchange.

Cobham offers an innovative range of products and services to solve challenging problems in defence, aerospace and space markets with an emphasis on keeping people alive and assets safe in harsh or remote environments. Cobham employs around 10,000 people and has customers and partners in over 100 countries. It has specialist capabilities and know-how in: wireless; audio; video and data communications, including satellite communications; defence electronics; air-to-air refuelling; aviation services; life support and mission equipment markets.

Cobham operates across four Sectors, each with differentiated capabilities and many leading market positions:

- *Communications and Connectivity* - provides critical and innovative technology to enable resilient connection for complex, harsh,

hazardous and regulated environments, in air and space, on land and at sea, and under the ground. Everywhere, at any time and in the most demanding environments, to be relied on to keep safe connection around the world;

- *Mission Systems* - provides proven and trusted solutions in air-to-air refuelling, life support and weapons carriage. A leading global supplier of critical control solutions, helping customers increase the safety and mission capabilities of personnel and equipment in extreme environments;
- *Advanced Electronic Solutions* - provides critical solutions for communications on land, at sea, and in the air and space, by moving data through off-the-shelf and customised products including radio frequency, microwave, and high reliability microelectronics, antenna subsystems and motion control solutions; and
- *Aviation Services* - delivers aviation services for military and civil customers worldwide through training, special mission flight operations, outsourced commercial aviation and aircraft engineering.

Cobham primary operating locations are in the US, the UK and continental Europe, as well as satellite locations and sales offices across the world that provide a presence in certain other attractive markets. In addition, Cobham's Aviation Services Sector operates from airport bases in Australia, the UK and elsewhere in the world.

For the financial year ended 31 December 2018, Cobham's revenue was £1,863.3 million.

## **10 Directors, management, employees, research and development and locations**

Bidco believes that Cobham has a number of high quality businesses with exciting growth and development prospects and that Cobham represents an attractive opportunity to invest in an engineering leader with well-established and well-reputed businesses. Bidco believes that Cobham's strengths include: (i) technological excellence, (ii) product innovation and (iii) its trusted partner status with a number of its customers. Bidco is confident in the overall prospects of Cobham's businesses and the sectors in which they operate and is excited to partner with the Cobham management team to develop the quality of its customer offering and to grow the value of the businesses in the longer term.

However, Bidco believes that in order to maximise its future potential, Cobham will be better suited to a private company environment. This would allow Cobham's ongoing focus on the performance and strength of its businesses and the strategy to refocus its portfolio to be implemented more effectively, with appropriate support, capital and assistance from Bidco. Cobham will also be free from the requirement to meet the public equity market's reporting requirements, expectations, and the costs, constraints and distractions associated with being a listed company, allowing Bidco to focus on improving the long-term strategic value of Cobham's businesses for the benefit of customers, suppliers, and employees. Under its ownership, Bidco expects Cobham to be able to attract further opportunities in the large and attractive US market, in which Cobham already has a significant presence, for the potential benefit of all Cobham's stakeholders. Bidco intends to ensure it is a good custodian of Cobham's assets and that its businesses flourish under Bidco's ownership.

Prior to this Announcement, consistent with market practice, Bidco has been granted access to Cobham's senior management for the purposes of confirmatory due diligence. However, because of the constraints of a public offer process, Bidco has not yet had access to sufficiently detailed information at a Sector, business unit or platform level to formulate detailed plans or intentions regarding the impact of the Acquisition on the Cobham Group and its portfolio of important assets.

Therefore, following completion of the Acquisition of Cobham, Bidco intends to work with Cobham's management to undertake a detailed evaluation of the Cobham Group. Bidco expects that this evaluation will be completed within approximately three to six months from the Effective Date. The evaluation will include:

- a review of the short and long-term objectives, strategy, capital requirements, performance and potential of each of Cobham's businesses;
- engaging with the key stakeholders of each business;
- an analysis of progress on Cobham's key products and programmes;
- considering how best to position the business to compete for greater market share; and
- the level of overlap between each of the businesses, including whether any of the business segments or parts of business segments are less synergistic with the rest of the Cobham Group or might have better prospects outside the Cobham Group (either on a standalone basis or as part of another group) which could lead to disposals of parts of the businesses within the segments or potentially whole business segments. Any such decisions would only be taken in the light of the views of key stakeholders including key government and other customers and would be subject to the suitability of any potential buyers and the satisfaction of applicable regulatory approvals and conditions.

Bidco understands that Cobham has commenced a strategic review of the Australian operations of its Aviation Services Sector. The purpose of the review is for Cobham to decide how best to optimise value in the interests of Cobham and its stakeholders. Bidco is supportive of the review.

Bidco also intends to invest in Cobham to further enhance product offerings and hence growth and market positions.

#### ***R&D, skills and functions and fixed assets***

Bidco understands the importance of Cobham's R&D and production sites and intends to maintain investment in this area. Bidco does not expect any material change in the balance of skills and functions of the employees and management of the Cobham Group and Bidco has no intentions to redeploy the fixed assets of the Cobham Group. However, if there are any divestments following the strategic review referred to above, this could involve changes to Cobham's business activities, places of business, numbers of employees and fixed asset base and could change the balance of the skills and functions of the remaining employees and management.

#### ***Corporate headquarters***

Bidco intends to maintain headquarters in the UK and in the US as currently set up. However, a number of corporate and support functions, including PLC-related functions, will potentially not be needed and Bidco expects that this could result in a reduction of approximately one per cent. of Cobham Group's global headcount. Bidco has not yet developed proposals as to how any such headcount reductions will be implemented and any individuals impacted will be treated in a manner consistent with Cobham's high standards, culture and practices.

With effect from completion of the Acquisition, the non-executive directors of Cobham intend to resign as directors of Cobham.

#### ***Existing rights and pensions***

Cobham operates and participates in three defined benefit pension schemes in the UK, the largest of which is the Cobham Pension Plan (the "CPP"). The CPP is 95% funded on a "technical provisions" statutory basis. During the last valuation (as at 31 March 2018) it was agreed that Cobham would

contribute £6 million p.a. to the CPP until 2024, plus running expenses. The CPP is closed to new members and to future accrual. Bidco does not intend to reopen the scheme. As at 31 March 2019, it had a total of 5,254 members, 2,305 of which were deferred and 2,949 of which were pensioners. Bidco intends to work constructively with the trustees of the CPP.

The other defined benefit pension schemes in the UK, the Cobham Executive Pension Plan ("**CEPP**") and the FR Aviation Services Limited Retirement Benefits Plan are also closed to new members and future accrual. Bidco does not intend to reopen the schemes. As at 31 March 2019, the CEPP had 37 members and the FR Aviation Services Limited Retirement Benefits Plan had 103 members. Both schemes are funded at 100% on a "technical provisions" statutory basis. Cobham is not currently required to pay any contributions into these plans, although it does meet the running expenses. Bidco does not intend to change this.

Cobham also has pension plans in the US, France and Norway and operates a number of defined contribution plans. Cobham contributions to these overseas schemes over a year amount to approximately £21 million. Bidco does not intend to make any changes to the current contribution arrangements for these overseas pension plans.

Bidco has given assurances to the Cobham Board that the existing rights and terms and conditions of employment, including pension obligations, of the management and employees of Cobham and its subsidiaries will be fully safeguarded in accordance with applicable law.

#### ***Management incentivisation arrangements***

Following the completion of the Acquisition, Bidco intends to review the management, governance and incentive structure of Cobham. Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of Cobham's management, but may put in place incentive arrangements for certain members of the Cobham management team following completion.

#### ***Trading facilities***

Cobham is currently listed on the Official List and, as set out in paragraph 15, a request will be made to the London Stock Exchange to cancel trading in Cobham Shares and Cobham Preference Shares and de-list Cobham from the Official List. Bidco also intends to re-register Cobham as a private company.

The Acquisition will not have any impact on the existing business of Bidco.

No statements in this paragraph 10 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Code.

## **11 Cobham Share Plans**

Participants in the Cobham Share Plans shall be contacted regarding the effect of the Acquisition on their rights under Cobham's Share Plans and, where required, appropriate proposals shall be made to such participants in due course.

Further details of the terms of such proposals shall be included in the Scheme Document.

## **12 Financing**

Bidco is providing the cash consideration payable under the Acquisition through a combination of equity and debt financing.

The equity is to be drawn from funds managed by Advent and funds managed by GSO Capital Partners LP., Blackstone Tactical Opportunities Advisors L.L.C. and other managers affiliated with The Blackstone Group Inc. Funds managed by GSO Capital Partners LP., Blackstone Tactical Opportunities Advisors L.L.C. and other managers affiliated with The

Blackstone Group Inc will subscribe alongside funds managed by Advent for minority indirect interests in Bidco on or around the Effective Date. Other potential investors may take indirect minority interests in Bidco during the offer period or once the Acquisition completes.

The remaining funding is to be provided under an Interim Facilities Agreement with the Interim Lenders.

Citigroup and Goldman Sachs are satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Cobham Shareholders under the terms of the Acquisition.

## **13 Acquisition-related Arrangements**

### ***Confidentiality Agreement***

Advent International plc ("**Advent International**") and Cobham entered into a confidentiality agreement on 13 June 2019 (the "**Confidentiality Agreement**") pursuant to which Advent International has undertaken to keep confidential information relating to the Cobham Group and not to disclose it to third parties (other than to permitted recipients) unless required by law or regulation. These confidentiality obligations shall remain in force until completion of the Acquisition or three years from the date of the Confidentiality Agreement.

The Confidentiality Agreement also contains undertakings from Advent International that, for a period of 12 months from the date of the Confidentiality Agreement, Advent International shall not approach certain of Cobham's employees or officers without the prior written consent of Cobham nor shall Advent International employ or otherwise engage certain of Cobham's employees.

Advent International has also agreed to customary standstill arrangements pursuant to which Advent International has agreed that, without the prior written consent of Cobham, Advent International will not acquire Cobham Shares or any interest in any Cobham Shares. These restrictions fall away immediately following the making of this Announcement.

### ***Clean Team Agreement***

Advent International and Cobham entered into a clean team agreement on 24 June 2019 which sets out certain procedures and principles to be followed to ensure adequate treatment of certain sensitive confidential information.

### ***Co-operation Agreement***

Pursuant to a co-operation agreement dated 25 July 2019 (the "**Co-operation Agreement**"): (i) Cobham has agreed to co-operate with Bidco to assist the satisfaction of certain regulatory conditions, and Bidco and Advent International Corporation have entered into commitments in relation to obtaining regulatory clearances; (ii) Bidco has agreed to provide Cobham with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document; (iii) Bidco has agreed to certain provisions if the Scheme should switch to a Takeover Offer; and (iv) Cobham and Bidco have agreed certain arrangements in respect of employees and the Cobham Share Plans.

The Co-operation Agreement will terminate, inter alia, if the Acquisition is withdrawn or lapses, if prior to the Long Stop Date any Condition becomes incapable of satisfaction, at Bidco's or Cobham's election if the Cobham Directors withdraw their recommendation of the Acquisition or if the Cobham Directors recommend a competing proposal, or if the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and Cobham.

## **14 Structure of and Conditions to the Acquisition**

It is intended that the Acquisition shall be effected by means of a Court-approved scheme of arrangement between Cobham and Cobham Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of Cobham. This is to be achieved by the transfer of the Cobham Shares to Bidco, in consideration for which the Cobham Shareholders who are on the register of members at the Scheme Record Time shall receive cash consideration on the basis set out in paragraph 2 of this Announcement.

The Scheme does not include the acquisition of the Cobham Preference Shares and Advent intends to make an appropriate proposal to the holders of the Cobham Preference Shares in due course. The holders of the Cobham Preference Shares are entitled to vote at the General Meeting.

The Acquisition is subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document and the Forms of Proxy and will only become effective if, among other things, the following events occur on or before the Long Stop Date or such later date as may be agreed in writing by Bidco and Cobham (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- (i) the approval of the Scheme by a majority in number of the Cobham Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. in value of the Cobham Shares voted by those Cobham Shareholders;
- (ii) the resolutions required to approve and implement the Scheme being duly passed by 75 per cent. or more of votes cast at the General Meeting;
- (iii) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Cobham and Bidco);
- (iv) the delivery of a copy of the Court Order to the Registrar of Companies; and
- (v) certain competition and regulatory approvals (including anti-trust approvals in the US and the EU and foreign investment and regulatory approvals in the UK, Australia, France and Finland) being obtained.

The Acquisition shall lapse if:

- the Court Meeting and the General Meeting are not held by the 22nd day after 16 September 2019 (or such later date as may be agreed between Bidco and Cobham);
- the Sanction Hearing is not held by the 22nd day after the expected date of such hearing as set out in the Scheme Document (or such later date as may be agreed between Bidco and Cobham); or
- the Scheme does not become effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Sanction Hearing as set out above may be waived by Bidco, and the Long Stop Date may be extended by agreement between Cobham and Bidco.

Upon the Scheme becoming effective, it shall be binding on all Cobham Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation, shall be set out in the Scheme Document. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document will be published as soon as practicable and that the Court Meeting and the General Meeting will be held on or around 16

September 2019. The Scheme Document and Forms of Proxy will be made available to all Cobham Shareholders at no charge to them.

Pursuant to the terms of the Interim Facilities Agreement, Advent may not waive or amend any term or condition set out in this Announcement where to do so would be materially adverse to the interests of the Interim Lenders (taken as a whole) under the Interim Facilities Agreement, except where required by the Takeover Code, the Panel or the court or any applicable law, regulation or regulatory body.

## **15 De-listing and re-registration**

Prior to the Scheme becoming effective, Cobham shall make an application for the cancellation of the listings of Cobham Shares and Cobham Preference Shares on the Official List and for the cancellation of trading of the Cobham Shares and Cobham Preference Shares on the London Stock Exchange's market for listed securities, in each case to take effect from or shortly after the Effective Date.

The last day of dealings in Cobham Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. on that date.

On the Effective Date, share certificates in respect of Cobham Shares shall cease to be valid and entitlements to Cobham Shares held within the CREST system shall be cancelled.

Advent intends to make an appropriate proposal to the holders of the Cobham Preference Shares in due course.

It is also proposed that, following the Effective Date and after its shares are delisted, Cobham shall be re-registered as a private limited company. A resolution to approve the re-registration will be proposed at the General Meeting.

## **16 Dividends**

In Cobham's Annual Report and Accounts for the year ended 31 December 2018, the Cobham Directors stated that they intended to reinstate a dividend payment by Cobham with the 2019 interims at a prudent level.

Today, Cobham has announced an interim dividend of 0.4 pence per Cobham Share (the "**Interim Dividend**") payable to Cobham Shareholders on the register on 11 October 2019 (the "**Interim Dividend Record Date**"). If the Interim Dividend Record Date occurs before the Effective Date, the Acquisition Price shall be reduced by the amount of the Interim Dividend, in which case the relevant eligible Cobham Shareholders will be entitled to receive and retain the Interim Dividend.

Except for the Interim Dividend, if any dividend or other distribution is authorised, declared, made or paid in respect of Cobham Shares on or after the date of this Announcement Bidco reserves the right to reduce the Acquisition Price by the amount of such dividend or distribution, in which case the relevant eligible Cobham Shareholders will be entitled to receive and retain such dividend and/or distribution.

## **17 Disclosure of interests in Cobham**

Save in respect of the irrevocable undertakings referred to in paragraph 7 above, as at the close of business on 24 July 2019 (being the last practicable date prior to publication of this Announcement), neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it has: (i) any interest in or right to subscribe for any relevant securities of Cobham; (ii) any short positions in respect of relevant Cobham Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation

or right to require another person to purchase or take delivery; (iii) any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code, in relation to Cobham Shares or in relation to any securities convertible or exchangeable into Cobham Shares; nor (iv) borrowed or lent any relevant Cobham Shares (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed shares which had been either on-lent or sold.

'Interests in securities' for these purposes arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

It has not been possible for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in relevant securities of Cobham, all relevant details in respect of Bidco's concert parties will be included in Bidco's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

## **18 General**

Bidco reserves the right to elect (with the consent of the Panel and, where required by the terms of the Co-operation Agreement, the consent of Cobham) to implement the Acquisition by way of a takeover offer as an alternative to the Scheme. In such event, the Acquisition shall be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme (subject to appropriate amendments, including (without limitation) an acceptance condition set (subject to the Co-operation Agreement) at a level permitted by the Panel).

The Acquisition shall be made subject to the Conditions and further terms set out in Appendix I to this Announcement and to be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix II to this Announcement. A summary of the irrevocable undertakings and letter of intent given in relation to the Acquisition is contained in Appendix III to this Announcement. Certain terms used in this Announcement are defined in Appendix IV to this Announcement.

Goldman Sachs International, Citigroup, Credit Suisse, BofA Merrill Lynch, J.P. Morgan Cazenove and Rothschild & Co 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 Documents available on website**

Copies of the following documents shall be made available on Cobham's website at [www.cobhaminvestors.com](http://www.cobhaminvestors.com) until the end of the Acquisition:

- the irrevocable undertakings and letter of intent referred to in paragraph 7 above and summarised in Appendix III to this Announcement;
- the Confidentiality Agreement and Clean Team Agreement referred to in paragraph 13 above;
- the Co-operation Agreement; and
- documents relating to the financing of the Acquisition referred to in paragraph 12 above.

**Enquiries:**

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Allen & Overy LLP are retained as legal adviser to Cobham. Linklaters LLP are retained as legal adviser to Advent and Bidco and Weil Gotshal & Manges (London) LLP are retained as financing and anti-trust and regulatory legal adviser to Advent and Bidco.

**Important Notices**

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and*

*the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Bidco and Advent and no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco and Advent for providing the protections afforded to clients of Goldman Sachs International or for providing advice in connection with the Acquisition or in this Announcement or any transaction or arrangement referred to herein.*

*Citigroup Global Markets Limited ("Citigroup"), which is authorised by the Prudential Regulation Authority and regulated in the UK by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively as financial adviser to Bidco and Advent and no one else in connection with the Acquisition and shall not be responsible to anyone other than Bidco and Advent for providing the protections afforded to clients of Citigroup nor for providing advice in connection with the Acquisition or any matter referred to in this Announcement.*

*Credit Suisse, which is authorised by the Prudential Regulatory Authority and regulated by the Financial Conduct Authority and the Prudential Regulatory Authority in the United Kingdom, is acting as financial adviser exclusively for Bidco and Advent and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Bidco and Advent for providing the protections afforded to clients of Credit Suisse, nor for providing advice in relation to the content of this Announcement or any matter referred to herein. Neither Credit Suisse 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 Credit Suisse in connection with this Announcement, any statement contained herein or otherwise.*

*Merrill Lynch International ("BofA Merrill Lynch"), which is authorised by the UK Prudential Regulatory Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulatory Authority, is acting exclusively for Cobham and for no one else and will not be responsible to anyone other than Cobham for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this Announcement.*

*J.P. Morgan Securities plc, which conducts its United Kingdom investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Cobham and no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of J.P. Morgan Cazenove, nor for providing advice in relation to any matter referred to in this Announcement.*

*N.M. Rothschild & Sons Limited ("Rothschild & Co"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Cobham and for no one else in connection with the Acquisition and will not regard any other person as its client in relation to the Acquisition and will not be responsible to anyone other than Cobham for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to any matter referred to in this Announcement.*

*This Announcement is for information purposes only and does not constitute an offer to sell or an invitation to purchase any securities or the solicitation of an offer to buy any securities, pursuant to the Acquisition or otherwise. The Acquisition shall be made solely by means of the Scheme Document or any document by which the Acquisition is made which shall contain the full terms and Conditions of the Acquisition, including details of how to vote in respect of the Acquisition.*

*This Announcement has been prepared for the purpose of complying with English law and the Takeover Code 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 the United Kingdom.*

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

### **Overseas Shareholders**

*The release, publication or distribution of this Announcement in or into certain jurisdictions other than the United Kingdom or the United States may be restricted by law. Persons who are not resident in the United Kingdom or the United States or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall 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 any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to Cobham Shareholders who are not resident in the United Kingdom (and, in particular, their ability to vote their Cobham Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf) may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements, as any failure to comply with such requirements may constitute a violation of the securities laws of any such 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.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

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

### **Additional Information for US Investors**

*The Acquisition is being made to acquire the securities of an English company by means of a scheme of arrangement provided for under the law of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules under the US Exchange Act. Accordingly, the Scheme will be subject to disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement, which are different from the disclosure requirements of the US tender offer rules. The financial information included in this Announcement and the Scheme documentation 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 were to elect to implement the Acquisition by means of a takeover offer, such takeover offer would be made in compliance with applicable US laws and regulations, including Section*

14(e) of the US Exchange Act and Regulation 14E thereunder. Such a takeover would be made in the United States by Bidco and no one else.

The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Cobham Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each Cobham Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and Cobham are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders 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.

In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Cobham outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Exchange Act, each of Citigroup, Goldman Sachs International and Credit Suisse will continue to act as an exempt principal trader in Cobham Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).

### **Forward Looking Statements**

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Advent, Bidco or Cobham contain statements about Bidco and Cobham that are or may be deemed to be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's or Cobham's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Bidco's or Cobham's business.

Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements, including: increased competition, the loss of or damage to one or more key customer relationships, changes to customer ordering patterns, delays in obtaining customer approvals for engineering or price level changes, the failure of one or more key suppliers, the outcome of business or industry restructuring, the outcome of any litigation, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in raw material or

energy market prices, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, or the timing and success of future acquisition opportunities or major investment projects. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Bidco disclaims any obligation to update any forward looking or other statements contained herein, except as required by applicable law.

### **No Profit Forecasts or Estimates**

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 Cobham for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Cobham.

### **Disclosure Requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 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 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) 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 1 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, 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 p.m. (London time) 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 <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. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure,

you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

### **Publication on Website and Availability of Hard Copies**

A copy of this Announcement and the documents required to be published by Rule 26 of the Takeover Code shall be made available subject to certain restrictions relating to persons resident in Restricted Jurisdictions on Cobham's website at [www.cobhaminvestors.com](http://www.cobhaminvestors.com) by no later than 12 noon (London time) on the business day following the date of this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

You may request a hard copy of this Announcement by contacting the Deputy Company Secretary of Cobham, on +44 (0) 1202 857504. You may also request that all future documents, announcements and information in relation to the Acquisition should be sent to you in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made.

### **Electronic Communications**

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

### **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.

### **Rule 2.9 Disclosure**

In accordance with Rule 2.9 of the Takeover Code, Cobham confirms that as at the date of this Announcement, it has in issue and admitted to trading on the main market of the London Stock Exchange 2,391,009,391 ordinary shares of 2.5 pence each (excluding ordinary shares held in treasury). The International Securities Identification Number (ISIN) of the ordinary shares is GB00B07KD360.

In addition, Cobham confirms that as at the date of this Announcement it has in issue and admitted to trading on the main market of the London Stock Exchange 19,700 preference shares of £1 each. The International Securities Identification Number (ISIN) of the preference shares is GB0003430401.

**APPENDIX I**  
**CONDITIONS AND FURTHER TERMS OF THE SCHEME AND THE**  
**ACQUISITION**

**Part A: Conditions to the Scheme and the Acquisition**

The Acquisition shall be conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by not later than the Long Stop Date or such later date (if any) as Bidco and Cobham may agree and as the Panel and (if required) the Court may allow.

**1** The Scheme shall be subject to the following conditions:

**1.1**

- (i) its approval by a majority in number of the Cobham Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Cobham Shares voted by those Cobham Shareholders; and
- (ii) such Court Meeting being held on or before the 22nd day after 16 September 2019 (or such later date as may be agreed by Bidco and Cobham and the Court may allow);

**1.2**

- (i) the resolutions required to approve and implement the Scheme being duly passed by 75 per cent. or more of votes cast at the General Meeting; and
- (ii) such General Meeting being held on or before the 22nd day after 16 September 2019 (or such later date as may be agreed by Bidco and Cobham and the Court may allow);

**1.3**

- (i) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Cobham and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of such hearing as set out in the Scheme Document (or such later date as may be agreed by Bidco and Cobham and the Court may allow).

**2** In addition, subject as stated in Part B below and to the requirements of the Panel, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied (where capable of satisfaction) or, where relevant, waived:

**European Commission**

- (a) the European Commission taking a decision, on terms satisfactory to Bidco, acting reasonably, that it shall not initiate proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 (as amended) (the "**Regulation**") in relation to the Acquisition or any matter arising from or relating to the Acquisition (or being deemed to have taken such a decision under Article 10 of the Regulation);

**United States**

- (b) all required filings having been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations made thereunder and all applicable waiting periods (including any agreements with the U.S. Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice to delay consummation of the Acquisition) relating to the Acquisition have expired, lapsed or been terminated;

## Foreign Investment approvals

### *United Kingdom*

- (c) if the UK Secretary of State issues a European Intervention Notice to the CMA before the date on which Conditions 2(a) to (l) (other than this Condition 2(c)) have been satisfied or waived, it being established that the Secretary of State does not intend to make a CMA Phase 2 Reference of the Acquisition or any matter relating to the Acquisition;

### *Australia*

- (d) insofar as required, either:
  - (i) Bidco having received written notice from the Commonwealth Treasurer (or his delegate) under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) or its successor legislation ("**FATA**") to the effect that the Commonwealth Government does not object to the Acquisition, on either an unconditional basis or subject only to: (i) tax-related conditions which are in the form, or substantially the form, of those set out in Part A of Attachment B of the Australian Foreign Investment Review Board's Guidance Note 47 on 'Tax Conditions' (in the form released on 13 August 2018); or (ii) any other conditions; or
  - (i) following notice of the Acquisition having been given by Bidco under FATA, the Commonwealth Treasurer (or his delegate) ceasing to be empowered to make an order in respect of the Acquisition due to the expiry of the applicable statutory waiting period under Division 2 of Part 3 of FATA;

### *France*

- (e) either:
  - (i) the necessary authorisation (whether express or implied through the lapse of the applicable waiting period) of the Acquisition by the French Treasury pursuant to Articles L. 151-3 and R. 153-1 et seq. of the French Monetary and Financial Code has been obtained; or
  - (ii) a no-action letter per which the French Treasury confirms to Bidco, pursuant to Article R. 153-7 of the French Monetary and Financial Code, that the Transaction is not subject to the authorisation process provided by Articles L. 151-3 and R. 153-1 et seq. of the French Monetary and Financial Code has been obtained;

### *Finland*

- (f) the Acquisition not having been denied confirmation by the Finnish Ministry of Employment and Economy, or the Council of State, within the meaning of Article 4 of the Act on the Monitoring of Foreign Corporate Acquisitions in Finland (172/2012);

## Notifications, waiting periods and Authorisations

- (g) excluding the Conditions set out under paragraphs 2(a) to (f) above, all material notifications, filings or applications which are necessary having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations deemed reasonably necessary by Bidco in any jurisdiction and, except pursuant to Chapter 3 of Part 28 of the Companies Act, in respect of the Acquisition having been obtained from all appropriate Relevant Authorities and, to the extent that the Acquisition or such acquisitions would result in the termination or withdrawal of a material Authorisation and such termination or withdrawal would be materially adverse to the

Wider Cobham Group, all such Authorisations having been obtained and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case in any way that would be materially adverse to the Wider Cobham Group;

### **General antitrust and regulatory**

- (h) excluding the Conditions set out under paragraphs 2(a) to (f) above, no Relevant Authority having given notice of a decision to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to, in any case to an extent or in a manner which is or would be material in the context of the Wider Cobham Group taken as a whole:
  - (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Cobham Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Bidco Group or the Wider Cobham Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Cobham Group or any asset owned by any third party (other than in the implementation of the Acquisition);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Cobham or on the ability of any member of the Wider Cobham Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Cobham Group;
  - (iv) otherwise adversely affect any or all of the business, assets or profits of any member of the Wider Cobham Group or any member of the Wider Bidco Group;
  - (v) result in any member of the Wider Cobham Group or any member of the Wider Bidco Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Acquisition or its implementation void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition;
  - (vii) require, prevent or materially delay a divestiture by any member of the Wider Bidco Group of any shares or other securities (or the

equivalent) in any member of the Wider Cobham Group or any member of the Wider Bidco Group; or

- (viii) impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Cobham Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Cobham Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Relevant Authority could decide to take, institute, or implement any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Cobham Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

- (i) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Cobham Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition would result in, in each case to an extent which is material in the context of the Wider Cobham Group taken as a whole:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Cobham Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) save in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Cobham Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Cobham Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Cobham Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Cobham Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Cobham Group in or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (vi) any member of the Wider Cobham Group ceasing to be able to carry on business under any name under which it presently carries on business;

- (vii) the value of, or the financial or trading position of, any member of the Wider Cobham Group being prejudiced or adversely affected; or
- (viii) the creation or acceleration of any liability (actual or contingent) of any member of the Wider Cobham Group other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition,

and, except as Disclosed, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Cobham Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would result in any of the events or circumstances as are referred to in Conditions (i)(i) to (viii), in each case to the extent material in the context of the Wider Cobham Group taken as a whole;

#### **Certain events occurring since 31 December 2018**

- (j) except as Disclosed, no member of the Wider Cobham Group having since 31 December 2018:
  - (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Cobham Shares out of treasury (except, where relevant, as between Cobham and wholly owned subsidiaries of Cobham or between the wholly owned subsidiaries of Cobham and except for the issue or transfer out of treasury of Cobham Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Cobham Share Plans);
  - (ii) (other than the Interim Dividend) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Cobham to Cobham or any of its wholly owned subsidiaries or pursuant to the terms of the Cobham Preference Shares;
  - (iii) other than pursuant to the Acquisition (and except for transactions between Cobham and its wholly owned subsidiaries or between the wholly owned subsidiaries of Cobham and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Cobham Group taken as a whole;
  - (iv) except for transactions between Cobham and its wholly owned subsidiaries or between the wholly owned subsidiaries of Cobham and except for transactions in the ordinary course of business disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
  - (v) (except for transactions between Cobham and its wholly owned subsidiaries or between the wholly owned subsidiaries of Cobham) issued, authorised or proposed or announced an

intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Cobham Group as a whole;

- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) except in the ordinary course of business which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is materially restrictive on the business of any member of the Wider Cobham Group;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Cobham Group, except for (in each case) salary increases, bonuses or variations of terms in the ordinary course or as contemplated in the Co-operation Agreement;
- (viii) 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 Wider Cobham Group, other than as contemplated in the Co-operation Agreement;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, compromised or settled any claim;
- (xi) except in the ordinary course of business, terminated or varied the terms of any agreement or arrangement between any member of the Wider Cobham Group and any other person;
- (xii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:
  - (a) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Cobham Group for its directors, employees or their dependants;
  - (b) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (d) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened in writing to stop or suspend) payment of its debts generally or ceased or threatened in writing to cease carrying on all or a substantial part of its business;

- (xiv) (other than in respect of a member of the Wider Cobham Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xv) (except for transactions between Cobham and its wholly owned subsidiaries or between the wholly owned subsidiaries of Cobham) made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvi) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which would be restrictive on the business of any member of the Wider Cobham Group; or
- (xvii) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition (j),

which, in any such case, is material in the context of the Wider Cobham Group taken as a whole;

**No adverse change, litigation or similar**

- (k) except as Disclosed, since 31 December 2018 there having been:
  - (i) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change in, the business, assets, financial or trading position or profits or operational performance of any member of the Wider Cobham Group which is material in the context of the Wider Cobham Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Cobham Group or to which any member of the Wider Cobham Group is a party (whether as claimant, defendant or otherwise) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Cobham Group, in each case would have a material adverse effect on the Wider Cobham Group taken as a whole;
  - (iii) no contingent or other liability having arisen or become apparent to Bidco or increased other than in the ordinary course of business which would affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Cobham Group to an extent which would be material in the context of the Wider Cobham Group taken as a whole; and
  - (iv) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Cobham Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or

modification of which would have a material adverse effect on the Wider Cobham Group taken as a whole;

**No discovery of certain matters regarding information, liabilities and environmental issues**

- (l) except as Disclosed, Bidco not having discovered, and, in each case to an extent which is material in the context of the Wider Cobham Group taken as a whole, that:
  - (i) any financial, business or other information concerning the Wider Cobham Group publicly announced prior to the date of this Announcement or disclosed at any time to any member of the Wider Bidco Group by or on behalf of any member of the Wider Cobham Group prior to the date of this Announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, in any such case to a material extent;
  - (ii) any past or present member of the Wider Cobham Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Cobham Group, in each case to an extent which is material in the context of the Wider Cobham Group taken as a whole;
  - (iii) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Cobham Group;
  - (iv) there is any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Cobham Group (or on its behalf), or in which any such member has or previously has had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Relevant Authority in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
  - (v) circumstances exist (whether as a result of making the Acquisition or otherwise) which would lead to any Relevant Authority instituting (or whereby any member of the Wider Cobham Group would be required to institute), an environment audit or take any steps which would in any such case result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Cobham Group (or on its behalf) or by any person for which a member of the Wider Cobham Group is or has been

responsible, or in which any such member has or previously has had or be deemed to have had an interest, which is material in the context of the Wider Cobham Group taken as a whole;

#### **Anti-corruption**

- (vi) any member of the Wider Cobham Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation;
- (vii) any member of the Wider Cobham Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended) or the US Federal Acquisition Regulation or Defence Federal Acquisition Regulation Supplement; or
- (viii) any past or present member of the Wider Cobham Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governments or supranational body or authority in any jurisdiction; or

#### **No criminal property**

- (ix) any asset of any member of the Wider Cobham Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

### **Part B: Certain further terms of the Acquisition**

- 1** Subject to the requirements of the Panel, Bidco reserves the right to waive:
  - (i) any of the Conditions set out in the above Condition 1 for the timing of the Court Meeting, General Meeting, and the Sanction Hearing and the effectiveness of the Scheme. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Cobham to extend the deadline in relation to the relevant Condition; and
  - (ii) in whole or in part, all or any of the above Conditions 2(a) to (l) (inclusive).
- 2** If Bidco is required by the Panel to make an offer for Cobham Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
- 3** The Scheme and the Acquisition shall lapse if:
  - (i) in so far as the Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1) (c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
  - (ii) the Acquisition becomes subject to a CMA Phase 2 Reference, in each case, before the date of the Court Meeting.

- 4 Other than as required by the terms of the Co-operation Agreement, Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 2(a) to (l) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
- 5 The Cobham Shares acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this Announcement (other than the Interim Dividend).
- 6 If the Interim Dividend Record Date occurs before the Effective Date, the Acquisition Price shall be reduced by the amount of the Interim Dividend, in which case, the relevant eligible Cobham Shareholders will be entitled to receive and retain the Interim Dividend.

If, on or after the date of this Announcement, any dividend or other distribution (except for the Interim Dividend) is declared, paid or made or becomes payable by Cobham in respect of the Cobham Shares, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 2(j)(ii) above) to reduce the consideration payable under the Acquisition by the amount of such dividend or distribution, and accordingly reduce the Acquisition Price, in which case, the relevant eligible Cobham Shareholders will be entitled to receive and retain such dividend and/or distribution.

If any such dividend or distribution occurs, any reference in this Announcement to the consideration payable or the Acquisition Price shall be deemed to be a reference to the consideration or Acquisition Price as so reduced. If such reduction occurs, notwithstanding the terms on which the Cobham Shares are expressed to be acquired by Bidco pursuant to the Acquisition in Appendix I, the Cobham Shares shall be acquired by or on behalf of Bidco pursuant to the Acquisition together with all rights now and hereafter attaching to such shares including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this Announcement, if applicable (other than such dividend or distribution).

To the extent that such a dividend or distribution has been declared, paid, made or is payable, and is or shall be: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable and the Acquisition Price shall not be subject to change in accordance with this paragraph.

Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

- 7 Bidco reserves the right to elect (with the consent of the Panel and, where required by the terms of the Co-operation Agreement, the consent of Cobham) to implement the Acquisition by way of a Takeover Offer. In such event, the Acquisition shall be implemented on substantially the same terms, so far as applicable, as those which would apply to a Scheme, subject to appropriate amendments, including (without limitation) an acceptance

condition (subject to the terms of the Co-operation Agreement) at a level permitted by the Panel.

- 8** The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
- 9** The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
- 10** The Acquisition is governed by the laws of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Appendix I and to be set out in the Scheme Document. The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.
- 11** Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. Conditions 1 and 2(a) and (c) are not subject to this provision of the Code.
- 12** Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## **APPENDIX II**

### **SOURCES OF INFORMATION AND BASES OF CALCULATION**

- (i) The value placed by the Acquisition on the existing issued ordinary share capital of Cobham is based on 2,391,009,391 Cobham Shares in issue on 24 July 2019, being the last practicable date prior to publication of this Announcement.
- (ii) The value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued ordinary share capital of 2,423,031,674 Cobham Shares, which is calculated by reference to 2,391,009,391 Cobham Shares in issue on 24 July 2019 and a further 40,344,723 Cobham Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Cobham Share Plans (taking into account the exercise by Cobham's remuneration committee of applicable discretions), less 8,322,440 Cobham Shares held in the Cobham Employee Benefit Trust.
- (iii) Unless otherwise stated, all prices and closing prices for Cobham Shares are closing middle market quotations derived from the Daily Official List of the London Stock Exchange.
- (iv) Volume weighted average prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.
- (v) Unless otherwise stated, the financial information relating to Cobham is extracted from the audited final results of the Cobham Group for the financial year to 31 December 2018 and the unaudited interim results of the Cobham Group for the six months to 30 June 2019, prepared in accordance with IFRS.
- (vi) Certain figures included in this Announcement have been subject to rounding adjustments.

## APPENDIX III IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

### Cobham Directors' Irrevocable Undertakings

The following Cobham Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting:

Name of Cobham Director	Number of Cobham Shares in respect of which undertaking is given	Percentage of Cobham issued ordinary share capital*
Jamie Pike	87,420	< 0.1%
David Lockwood	474,862	< 0.1%
David Mellors	342,710	< 0.1%
John McAdam	5,000	< 0.1%
Marion Blakey	5,000	< 0.1%
René Médori	5,000	< 0.1%
Norton Schwartz	5,000	< 0.1%
Alison Wood	10,500	< 0.1%

\* based on the number of Cobham Shares in issue on 24 July 2019 (being the last practicable date prior to publication of this Announcement)

These irrevocable undertakings also extend to any shares acquired by the Cobham Directors as a result of the vesting of awards or the exercise of options under the Cobham Share Plans.

These irrevocable undertakings remain binding in the event a higher competing offer is made for Cobham and will only cease to be binding if:

- Bidco announces, with the consent of the Panel and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme of arrangement (or Takeover Offer) is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time; or
- the Scheme (or Takeover Offer, as applicable) is withdrawn with the consent of Bidco or lapses in accordance with its terms, excluding where:
  - the Scheme is withdrawn or lapses as a result of Bidco exercising its right to implement the Acquisition by way of a Takeover Offer rather than a scheme of arrangement; or
  - the lapse or withdrawal either is not, in the case of a withdrawal, confirmed by Bidco or is followed within five Business Days by an announcement under Rule 2.7 of the Takeover Code by Bidco (or a person acting in concert with it) to implement the Acquisition either by a new, revised or replacement scheme of arrangement or a Takeover Offer.

### Other Cobham Shareholders

#### Letter of intent

The following Cobham Shareholder has given a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting:

Name of Cobham Shareholder giving letter of intent	Number of Cobham Shares in respect of which letter of intent is given	Percentage of Cobham issued ordinary share capital*
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<b>Name of Cobham Shareholder giving letter of intent</b>	<b>Number of Cobham Shares in respect of which letter of intent is given</b>	<b>Percentage of Cobham issued ordinary share capital*</b>
Artemis Investment Management LLP**	122,677,960	5.13

\* based on the number of Cobham Shares in issue on 24 July 2019 (being the last practicable date prior to publication of this Announcement)

\*\* Artemis Investment Management LLP, acting in its capacity as investment adviser for and on behalf of Artemis Income Fund and Artemis Institutional Equity Income Fund and investment manager for and on behalf of MT Fund Management Limited, Quilter Investors Limited, St James's Place Unit Trust Group Limited and the Mayor and Commonality of the City of London (acting in their capacity as trustee of certain foundations and as trustee of the Hampstead Heath Trust).

## APPENDIX IV DEFINITIONS

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

<b>"Acquisition"</b>	the direct or indirect acquisition by Bidco of the entire issued and to be issued ordinary share capital of Cobham, to be effected by means of the Scheme (or by way of the Takeover Offer under certain circumstances described in this Announcement), and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>"Acquisition Price"</b>	165 pence per Cobham Share;
<b>"Advent"</b>	Advent International Corporation;
<b>"Advent International"</b>	Advent International plc;
<b>"Announcement"</b>	this announcement;
<b>"Authorisations"</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>"Bidco"</b>	AI Convoy Bidco Limited;
<b>"BofA Merrill Lynch"</b>	Merrill Lynch International;
<b>"Business Day"</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
<b>"Citigroup"</b>	Citigroup Global Markets Limited;
<b>"CMA Phase 2 Reference"</b>	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>"Cobham"</b>	Cobham plc;
<b>"Cobham Directors"</b>	the directors of Cobham;
<b>"Cobham Employee Benefit Trust"</b>	the Cobham employee benefit trust constituted by a trust deed dated 15 February 2008;
<b>"Cobham Group"</b>	Cobham and its subsidiary undertakings and, where the context permits, each of them;
<b>"Cobham Preference Shares"</b>	the existing unconditionally allotted or issued and fully paid 6% second cumulative preference shares of Cobham with a nominal value of £1 each;
<b>"Cobham Shareholders" or "Shareholders"</b>	the holders of Cobham Shares;
<b>"Cobham Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares with a nominal value of 2.5 pence each in the capital of Cobham and any further such ordinary shares which are unconditionally allotted or issued before the Scheme becomes effective;
<b>"Cobham Share Plans"</b>	the Cobham Long Term Incentive Plan, the Cobham Deferred Bonus Share Plan, the Cobham Savings-Related Share Option Scheme, the Cobham PLC Share Incentive Plan and the Cobham Executive Share Option Scheme 2004;
<b>"Companies Act"</b>	the Companies Act 2006, as amended;
<b>"Competition and Markets Authority" or "CMA"</b>	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;

<b>"Conditions"</b>	the conditions to the implementation of the Acquisition, as set out in Appendix I to this Announcement and to be set out in the Scheme Document;
<b>"Confidentiality Agreement"</b>	the confidentiality agreement between Advent International and Cobham dated 13 June 2019;
<b>"Co-operation Agreement"</b>	the agreement dated 25 July 2019 between Bidco, Advent International Corporation and Cobham relating to, among other things, the implementation of the Acquisition;
<b>"Court"</b>	the High Court of Justice in England and Wales;
<b>"Court Meeting"</b>	the meeting of Cobham Shareholders to be convened pursuant to an order of the Court under the Companies Act for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment or reconvening thereof;
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme;
<b>"Credit Suisse"</b>	Credit Suisse International;
<b>"CREST"</b>	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear;
<b>"Daily Official List"</b>	the Daily Official List published by the London Stock Exchange;
<b>"Dealing Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Disclosed"</b>	the information disclosed by, or on behalf of Cobham: (i) in the annual report and accounts of the Cobham Group for the financial year ended 31 December 2018; (ii) in this Announcement; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of Cobham prior to the publication of this Announcement; (iv) in filings made with the Registrar of Companies and appearing in Cobham's file at Companies House within the last three years; (v) in Cobham's announcement of its interim results for the half year ended 30 June 2019; (vi) on Cobham's website as at 5.00 p.m. on 15 July 2019; or (vii) as otherwise fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) prior to the publication of this Announcement (including all matters fairly disclosed in the written replies, correspondence, documentation and information provided in an electronic data room created by or on behalf of Cobham or sent to Advent, Advent International or any member of the Wider Bidco Group or any of its advisers during the due diligence process and whether or not in response to any specific request for information made by any member of the Wider Bidco Group or any of its advisers);
<b>"Effective Date"</b>	the date on which: (i) the Scheme becomes effective; or (ii) if Bidco elects to implement the Acquisition by way of a Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects;
<b>"EU"</b>	the European Union;
<b>"Euroclear"</b>	Euroclear UK and Ireland Limited;
<b>"FCA" or "Financial Conduct Authority"</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000;
<b>"Forms of Proxy"</b>	the forms of proxy in connection with each of the Court Meeting and the General Meeting, which will accompany the Scheme Document;
<b>"General Meeting"</b>	the general meeting of shareholders of Cobham (including

	any adjournment thereof) to be convened in connection with the Scheme;
<b>"Goldman Sachs"</b>	Goldman Sachs International;
<b>"IFRS"</b>	International Financial Reporting Standards;
<b>"Interim Dividend"</b>	the interim dividend of 0.4 pence per Cobham Share payable to Cobham Shareholders on the Interim Dividend Record Date;
<b>"Interim Dividend Record Date"</b>	11 October 2019;
<b>"Interim Facilities Agreement"</b>	the £2,517,000,000 interim facilities agreement entered into with the Interim Lenders to provide funding for the Acquisition;
<b>"Interim Lenders"</b>	BTAS NQ Holdings L.L.C., Blackstone Diversified Alternatives IDF Series Interests of SALI Multi-Series Fund, L.P., Blackstone Private Strategies IDF Series Interests of SALI Multi-Series Fund, L.P., Blackstone Tactical Opportunities Fund III (Cayman) - NQ L.P., Blackstone Total Alternatives Solution-NQ IV L.P., Blackstone Total Alternatives Solution-NQ V L.P., BISA Convoy Cayman L.P., BISA Co-Invest Fund L.P., BISA Co-Invest Fund (Cayman) L.P., BSOF Master Fund L.P., BSOF Master Fund II L.P., BTO Convoy Holdings (Cayman) - NQ L.P., Credit Suisse International, Credit Suisse AG, Cayman Islands Branch, Citicorp North America, Inc., Goldman Sachs Bank USA, Goldman Sachs International Bank, GSO COF III AIV-5 LP, GSO Credit Alpha Fund II AIV-5 LP and GSO Credit Alpha Diversified Alternatives LP;
<b>"J.P. Morgan Cazenove"</b>	J.P. Morgan Securities plc, which conducts its United Kingdom investment banking business as J.P. Morgan Cazenove;
<b>"Listing Rules"</b>	the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the publication of the same name, as amended from time to time;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"Long Stop Date"</b>	30 April 2020;
<b>"Official List"</b>	the Official List of the London Stock Exchange;
<b>"Opening Position Disclosure"</b>	has the same meaning as in Rule 8 of the Takeover Code;
<b>"Overseas Shareholders"</b>	Cobham Shareholders (or nominees of, or custodians or trustees for Cobham Shareholders) not resident in, or nationals or citizens of, the United Kingdom;
<b>"Panel"</b>	the Panel on Takeovers and Mergers;
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales;
<b>"Regulation"</b>	has the meaning given to it in paragraph 2(a) of Appendix I to this Announcement;
<b>"Regulatory Information Service"</b>	any of the services set out in Appendix I to the Listing Rules;
<b>"Relevant Authority"</b>	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body or court in any jurisdiction;
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the Acquisition is extended or made available in that

	jurisdiction or if information concerning the Acquisition is sent or made available in that jurisdiction;
<b>"Rothschild &amp; Co"</b>	N.M. Rothschild & Sons Limited;
<b>"Sanction Hearing"</b>	the hearing of the Court to sanction the Scheme, at which the Court Order is expected to be granted (and any adjournment thereof);
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Cobham and the Cobham Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Cobham and Bidco;
<b>"Scheme Document"</b>	the document to be sent to Cobham Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting;
<b>"Scheme Record Time"</b>	the time and date specified in the Scheme Document, expected to be 6.00 p.m. on the business day immediately prior to the Effective Date;
<b>"Significant Interest"</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers;
<b>"Takeover Offer"</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Cobham and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer;
<b>"United Kingdom" or "UK"</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>"United States" or "US"</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>"US Exchange Act"</b>	the US Securities Exchange Act of 1934, as amended;
<b>"Wider Bidco Group"</b>	Bidco, funds managed by Advent and their respective associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and all such undertakings (aggregating their interests) have a Significant Interest; and
<b>"Wider Cobham Group"</b>	Cobham and associated undertakings and any other body corporate, partnership, joint venture or person in which Cobham and such undertakings (aggregating their interests) have a Significant Interest.

For the purposes of this Announcement, **"subsidiary"**, **"subsidiary undertaking"**, **"undertaking"** and **"associated undertaking"** have the respective meanings given thereto by the Companies Act.

All references to **"pounds"**, **"pounds Sterling"**, **"Sterling"**, **"£"**, **"pence"**, **"penny"** and **"p"** are to the lawful currency of the United Kingdom.

All references to **"US\$"**, **"\$"** and **"US Dollars"** are to the lawful currency of the United States.

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

References to the singular include the plural and vice versa.

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