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If you sell or have sold or otherwise transferred all of your HSS Shares, please send this Circular (together with the accompanying documents) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or the transferee. If you sell or have sold or otherwise transferred only part of your holding of HSS Shares, you should retain this Circular and any accompanying documents and consult with the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take. However, neither this Circular nor any accompanying documents should be released, published, distributed, forwarded or transmitted, in whole or in part, in, into or from any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who may have a contractual or legal obligation or may otherwise intend to forward this Circular and any accompanying documents to any jurisdiction outside the UK, should seek appropriate advice before taking such action.

The distribution of this Circular and any accompanying documents into jurisdictions other than the UK may be restricted by law. Any person not in the UK, into whose possession this Circular and any accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Circular does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security.



**HSS Hire Group plc**

*(incorporated and registered in England and Wales with registered number 09378067)*

## **Proposed Disposal of UK Platforms Limited**

### **Circular to Shareholders**

**and**

### **Notice of General Meeting**

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**This Circular should be read as a whole. Your attention, in particular, is drawn to the risk factors set out in PART II (*Risk Factors*) of this document and the letter from the Chairman of HSS that is set out in PART I (*Letter from the Chairman of HSS*) of this document and which contains a recommendation from the Directors that you vote in favour of the Resolutions to be proposed at the General Meeting.**

**Notice of a General Meeting of HSS to be held at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11:00am on 7 August 2018 is set out in PART VIII (*Notice of General Meeting*) of this document.**

**The actions to be taken in respect of the General Meeting are set out in Section 11 of PART I (*Letter from the Chairman of HSS*) of this document.** Shareholders will find enclosed with this document a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to attend the General Meeting in person, please complete and sign the Form of Proxy (or appoint a proxy electronically, as referred to in this document) in accordance with the instructions printed on it and return it to HSS's Registrars, Equiniti Limited, as soon as possible and, in any event, so as to be received no later than 48 hours (excluding any part of a day that is not a working day) prior to the time appointed for the holding of the General Meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

**If you have any questions about this document, the General Meeting or on the completion and return of the Form of Proxy, please call the Equiniti shareholder helpline between 8:30 a.m. and 5:30 p.m. (London (UK) time) Monday to Friday (except public holidays) on 0371 384 2030 or on +44 (0) 121 415 7047 from outside the UK. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Disposal.**

This Circular and the accompanying documents have been prepared to comply with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this Circular or the accompanying documents had been prepared in accordance with the laws of jurisdictions outside the UK.

Numis, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for HSS and for no one else in connection with the matters described in this document and will not regard any other person (whether or not a recipient of this document) as a client in connection with the matters described in this document and is not, and will not be, responsible to anyone other than HSS for providing the protections afforded to clients of Numis nor for providing advice in connection with the matters set out in this document or any transaction, arrangement or other matter referred to in this document.

Capitalised terms have the meanings ascribed to them in PART VII (*Definitions*) of this document.

#### AVAILABILITY OF HARD COPIES

If you have received this document in electronic form, you may request a hard copy of this document and/or any information incorporated by reference into this document by calling the Equiniti shareholder helpline between 8.30 a.m. and 5.30 p.m. (London (UK) time) Monday to Friday (except public holidays in England and Wales) on 0371 384 2030 or on +44 (0) 121 415 7047 from outside the UK. Please note that calls may be monitored or recorded and the helpline cannot provide financial, legal or tax advice or advice on the merits of the Disposal. You may also request that all future documents, announcements and information to be sent to you in relation to the Disposal should be in hard copy form. Copies of this document and any document or information incorporated by reference into this document will not be provided unless such a request is made.

#### INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

**THIS CIRCULAR (INCLUDING INFORMATION INCORPORATED BY REFERENCE INTO THIS CIRCULAR) INCLUDES FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE HSS GROUP'S CONTROL AND ALL OF WHICH ARE BASED ON THE DIRECTORS' CURRENT BELIEFS AND EXPECTATIONS ABOUT FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE SOMETIMES IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "BELIEVE", "EXPECTS", "MAY", "WILL", "COULD", "SHOULD", "SHALL", "RISK", "INTENDS", "ESTIMATES", "AIMS", "PLANS", "PREDICTS", "CONTINUES", "ASSUMES", "POSITIONED", "ANTICIPATES", "CONFIDENT", "REALISATION", "CONSIDER" OR "TARGETS" OR THE NEGATIVE THEREOF, OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS INCLUDE ALL MATTERS THAT ARE NOT HISTORICAL FACTS. THEY APPEAR IN A NUMBER OF PLACES THROUGHOUT THIS**

**CIRCULAR AND INCLUDE STATEMENTS REGARDING THE INTENTIONS, BELIEFS OR CURRENT EXPECTATIONS OF THE DIRECTORS CONCERNING, AMONG OTHER THINGS, THE FUTURE RESULTS OF OPERATIONS, FINANCIAL CONDITION, PROSPECTS, GROWTH, STRATEGIES, AND DIVIDEND POLICY OF THE HSS GROUP AND THE INDUSTRY IN WHICH IT OPERATES.**

These forward-looking statements and other statements contained in this Circular regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the HSS Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this Circular speak only as of the date of this Circular. HSS, the Directors and the Sponsor expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Listing Rules, the Prospectus Rules or the Disclosure Guidance and Transparency Rules of the FCA.

**INFORMATION NOT CONTAINED IN THIS CIRCULAR**

No person has been authorised to give any information or make any representations other than those contained in this Circular and the documents (or parts thereof) incorporated by reference herein and, if given or made, such information or representations must not be relied upon as having been authorised by HSS, the Directors, Numis, or any other person involved in the Disposal. Neither the delivery of this Circular nor the Disposal shall, under any circumstances, create any implication that there has been no change in the affairs of HSS since the date of this Circular or that the information in this document is correct as at any time subsequent to its date. In particular, the contents of HSS's and UK Platforms Limited's websites do not form part of this Circular and Shareholders should not rely on them.

**NO PROFIT FORECAST**

Save as expressly set out in this Circular, no statement is intended as a profit forecast or a profit estimate and no statement should be interpreted to mean that earnings per HSS Share for the current or future financial years would necessarily match or exceed the historical published earnings per HSS Share.

THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM HSS OR ITS SPONSOR OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. HSS IS NOT AUTHORISED TO PROVIDE SUCH ADVICE. EACH HSS SHAREHOLDER SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, STOCKBROKER, BANK MANAGER, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER AUTHORISED UNDER FSMA IF YOU ARE RESIDENT IN THE UK OR, IF YOU RESIDE ELSEWHERE, ANOTHER APPROPRIATELY AUTHORISED FINANCIAL ADVISER, FOR LEGAL, FINANCIAL OR TAX ADVICE.

This Circular is dated 20 July 2018.

HSS SHAREHOLDER HELPLINE:  
0371 384 2030

FROM OUTSIDE THE UK: +44 (0) 121 415 7047  
LINES ARE OPEN 8.30 A.M. TO 5.30 P.M., MONDAY TO FRIDAY.

EQUINITY MAY RECORD CALLS TO BOTH NUMBERS FOR  
SECURITY PURPOSES AND TO MONITOR THE QUALITY OF ITS SERVICES.  
THE HSS SHAREHOLDER HELPLINE CANNOT PROVIDE ADVICE ON THE MERITS OF THE  
DISPOSAL OR GIVE ANY FINANCIAL LEGAL OR TAX ADVICE.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Disposal	19 July 2018
Publication of and posting of this document	20 July 2018
Record date for entitlement to vote at the General Meeting	6:30pm on 3 August 2018
Latest time and date for receipt of Forms of Proxy for the General Meeting	11:00am on 3 August 2018
Latest time and date for receipt of CREST Proxy instructions for use at General Meeting	11:00am on 3 August 2018
General Meeting	11:00am on 7 August 2018
Expected date of Closing	January 2019
Long Stop Date	19 January <sup>1</sup> 2019

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### Notes:

All time references in this document are in London time.

These dates are provided by way of indicative guidance and are subject to change. If any of the above times and/or dates change, HSS will give adequate notice by issuing an announcement through an RIS.

<sup>1</sup> Subject to extension to 19 March 2019 if required to address regulatory requirements.

## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS**

<b>Directors</b>	Alan Peterson ( <i>Chairman</i> ) Steve Ashmore ( <i>Chief Executive Officer</i> ) Paul Quested ( <i>Chief Financial Officer</i> ) Thomas Sweet-Escott ( <i>Non-executive Director</i> ) Amanda Burton ( <i>Non-executive Director</i> ) Douglas Robertson ( <i>Non-executive Director</i> )
<b>Group Company Secretary</b>	Daniel Joll
<b>Registered Office</b>	Oakland House Talbot Road Old Trafford Manchester M16 0PQ
<b>Sponsor and Financial Adviser</b>	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
<b>Legal Advisers</b>	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS
<b>Reporting Accountants</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Registrars</b>	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA

# PART I – LETTER FROM THE CHAIRMAN OF HSS

## HSS HIRE GROUP PLC

*(Incorporated and registered in England and Wales with registered number 09378067)*

*Directors:*

Alan Peterson (*Chairman*)  
Steve Ashmore (*Chief Executive Officer*)  
Paul Quested (*Chief Financial Officer*)  
Thomas Sweet-Escott (*Non-executive Director*)  
Amanda Burton (*Non-executive Director*)  
Douglas Robertson (*Non-executive Director*)

*Registered Office:*

Oakland House  
Talbot Road  
Old Trafford  
Manchester  
M16 0PQ

20 July 2018

Dear Shareholder,

**Proposed Disposal of UK Platforms Limited  
and  
Notice of General Meeting**

### 1. Introduction

On 19 July 2018, HSS Hire Group plc (“**HSS**”) announced that its wholly-owned subsidiary, HSS Hire Service Group Limited (the “**Seller**”), had entered into a conditional agreement with Nationwide Platforms Limited (the “**Purchaser**”), a wholly-owned subsidiary of Loxam, with respect to the sale of HSS’s powered access business in the United Kingdom and Ireland (the “**Disposal**”), which is comprised of UK Platforms Limited.

The Disposal realises material value for Shareholders and allows the HSS Group to make significant progress on some of its strategic priorities referred to in paragraph 2 of this letter.

The cash consideration payable to the Seller at Closing is approximately £45 million, plus the repayment of approximately £4.5 million of intercompany debt. The net cash proceeds from the Disposal will be approximately £47.5 million (the “**Net Cash Proceeds**”).

The principal terms of the Sale Agreement are described in more detail in Part V (*Summary of the Principal Terms and Conditions of the Disposal*) of this document.

The Disposal constitutes a Class 1 transaction for HSS under the Listing Rules and completion of the Disposal is therefore conditional on, *inter alia*, Shareholder approval. Accordingly, a General Meeting at which Shareholders will be asked to approve the Disposal is being convened at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11:00 a.m. on 7 August 2018.

The purpose of this document is to provide you with information on the Disposal, to explain the background to and reasons for the Disposal and why the Board believes the Disposal to be in the best interests of Shareholders taken as a whole, and to recommend that you vote in favour of the Resolution. The Directors intend to vote in favour of the Resolution at the General Meeting in respect of their own HSS Shares to which they are beneficially entitled (representing approximately 0.6 per cent. of the total issued share capital of HSS as at 19 July 2018 (being the last practicable date prior to publication of this document)).

### 2. Background to and Reasons for the Disposal

Following Steve Ashmore’s appointment as Chief Executive Officer on 4 June 2017, HSS undertook an extensive review, looking across every aspect of the business with the aim of returning the Group to above historic levels of performance. The Company announced the results of the Strategic Review on 7 December

2017 and concluded that the three key strategic priorities for the Group would be to: (i) delever the Group; (ii) repair the tool hire business; and (iii) strengthen the Group's commercial proposition.

Although UK Platforms Limited represents a profitable part of the business, the Disposal will allow management to focus on core operations and, in particular, on the tool hire business. This will in turn facilitate the achievement of the Group's 2020 financial targets, as outlined in its Strategic Review presentation, including achieving rental revenue growth ahead of market, EBITDA margin in excess of 20 per cent. and a return on assets greater than 20 per cent.

The Directors believe that the consideration of £45 million represents an attractive valuation for UK Platforms Limited. Importantly, it creates immediate value for Shareholders, whilst at the same time enhances the Group's future prospects through reducing overall leverage, both in absolute terms and as a multiple of EBITDA.

As a result of the factors set out above, the Board unanimously believes that the Disposal is in the best interests of the Shareholders as a whole.

### 3. Information on UK Platforms Limited

UK Platforms Limited specialises in the provision of powered access in the UK, providing working at height solutions and access platforms to the construction, facilities management, and service sectors. UK Platforms Limited was acquired from the Haulotte Group in 2013 and now has a fleet of c.3,000 powered access machines including a range of diesel and electric aerial work platforms including scissor lifts, boom lifts and telehandlers.

UK Platforms Limited has nationwide coverage through 12 specialist depots. UK Platforms Limited has gained extensive accreditations and certifications to ensure integrity and safety are central to the business.

### 4. Trading results for UK Platforms Limited

The following summary of the trading results of UK Platforms Limited for the three years ended 30 December 2017 has been extracted without material adjustments from the consolidation schedules used in preparing HSS' audited consolidated financial statements for the years ended 26 December 2015, 31 December 2016 and 30 December 2017.

	<i>52 weeks ended 26 December 2015 £'000</i>	<i>53 weeks ended 31 December 2016 £'000</i>	<i>52 weeks ended 30 December 2017 £'000</i>
Revenue	23,936	19,227	17,417
EBITDA before one-off items	15,768	13,994	13,310
EBITA before one-off items	7,642	9,087	8,977
Operating profit	7,466	8,925	8,825
Profit before taxation	6,514	7,917	8,234

Revenue was adversely impacted in 2016 and the first half of 2017 by a decision made in 2016 to integrate the sales structure into HSS. Performance improved in the second half of 2017 following separation of the specialist sales team and leadership changes which have strengthened and re-focused the business.

Revenue and operating profit in 2016 benefited from the effect of week 53 and disposal proceeds arising from the sale of a used asset portfolio.

### 5. Summary of Terms of the Disposal

The cash consideration payable to the Seller at Closing is approximately £45 million, plus the repayment of approximately £4.5 million of intercompany debt. The net cash proceeds from the Disposal will be approximately £47.5 million.



The Sale Agreement contains non-solicit and non-compete provisions, as well as customary representations and warranties.

Completion of the Disposal is subject to the approval of the Resolution by Shareholders, confirmation by the Competition and Markets Authority (the **CMA**) that it does not intend to refer the proposed transaction to the chair of the CMA for the constitution of a group under Schedule 4 of the Enterprise and Regulatory Reform Act 2013 and a condition in relation to the transfer of certain employees from the Seller to UK Platforms Limited between signing and Closing of the Sale Agreement. The Purchaser is also entitled to terminate the Sale Agreement prior to closing for certain breaches of fundamental warranty and material obligations under the Sale Agreement.

The Sale Agreement appends agreed form Property Licences which will be entered into between the Seller and Purchaser in respect of the six sites which have leases entered into by the Retained Group and which are currently partially used by UK Platforms Limited. Each of the licences will be terminable by either party for convenience on three months' written notice.

The Seller provides UK Platforms Limited with certain shared services, which shall continue to be provided under the terms of the Transitional Services Agreement for a limited period following Closing. Further details are provided in section 2 of PART V.

The Seller and the Purchaser intend to continue their commercial arrangements in relation to the Purchaser Group's supply to the Seller's customers of powered access equipment and services under the terms of the Commercial Agreement. Further details are provided in Section 3 of PART V.

Further details of the Disposal are set out in PART V (*Summary of the Principal Terms and Conditions of the Disposal*).

## **6. Use of Proceeds and Financial Effects of the Disposal**

The net cash proceeds arising from the sale of UK Platforms Limited are expected to be approximately £47.5 million after costs and expenses of approximately £2.0 million associated with the Disposal. It is expected that the separation costs in relation to the Disposal will consist of costs associated with advisory and employee-related costs.

80 per cent. of the Net Cash Proceeds will be used to repay amounts borrowed under the Group's new term loan facility in accordance with the Group's obligations under that new facility, which will also help to reduce the interest expense for the Group going forward. This new term loan facility is further outlined in paragraph 8.1 of PART VI of this document.

The balance of the net proceeds will be used to fund capital expenditure in order for the Group to pursue its strategy of focusing on its tool hire business, strengthening its commercial proposition and returning the Group to above historic performance levels.

## **7. Current trading and Prospects**

On 24 May 2018, HSS announced an update on its performance for the 13 week period ending 31 March 2018. Financial highlights for the quarter included:

- Adjusted EBITDA growth of 64.3%
  - Rental revenue growth and cost initiatives improved margins by 5.9pp to 16.4%
  - LTM adjusted EBITDA of £54.3 million
- Revenue growth of 5.2%
  - Underlying revenue growth greater than 8%
  - Underlying core rental revenue growth greater than 4%
  - Continued strength in Services with revenue +14.5% and contribution +55.0%
- Network has been reconfigured
  - Smooth implementation of new supply chain model delivering annualised savings of c.£11 million

Current trading remains in line with the Board's expectations and the Board looks forward with confidence to the future as a stand-alone business with greater focus on its core operations.

## **8. Information on the Purchaser**

Loxam is the largest equipment rental company in Europe with consolidated revenue of €1,368 million in 2017. Loxam is focused primarily on the construction and civil engineering services, with approximately 7,900 employees and a network of approximately 750 branches extending over 13 countries in Europe (France, Germany, UK, Ireland, Belgium, Switzerland, Spain, Portugal, Luxembourg, Netherlands, Denmark, Norway and Italy) as well as in the Middle East, Morocco, Brazil and Columbia.

The Loxam network of branches is split into three divisions, being General Plant in France (46 per cent. of 2017 revenue), Specialist Division in France (15% of 2017 revenue) and International Operations (39 per cent. of 2017 revenue). The International Operations division includes generalist activities as well as specialist activities.

Loxam has completed over 20 acquisitions in the last 10 years including the acquisition of Lavendon Group plc in 2017 which operates in the UK under the Nationwide Platforms UK brand.

Nationwide Platforms is the UK's market leader in powered access platform hire, equipment sales and IPAF training. The company operates a fleet of approximately 13,000 powered access units. Nationwide Platforms has 900 employees and its network of 30 depots extends throughout the country.

## **9. Risk Factors**

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolution, please refer to PART II (*Risk Factors*) of this document.

## **10. General Meeting**

A General Meeting is being convened at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11:00am on 7 August 2018 for the purpose of seeking Shareholder approval for the Resolution.

The Resolution will be proposed as an ordinary resolution requiring a majority of votes in favour for the Resolution to be carried. It proposes that the Disposal be approved and that the Directors be authorised to implement the Disposal. The Disposal will not become effective unless the Resolution is passed.

## **11. Action to be Taken**

Please vote on the Resolution. If you cannot attend and vote at the General Meeting in person, please vote by proxy which you may do by post, through CREST or electronically.

You will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting in person, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and return it to the Registrars, Equiniti Limited, so as to arrive as soon as possible, but in any event so as to be received by no later than 11:00am on 3 August 2018, being 48 hours before the time appointed for the holding of the General Meeting (excluding any part of a day that is not a working day).

You may, if you wish, register the appointment of a proxy or proxies electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). Further details of the procedure are set out in the Notice of General Meeting set out in PART VIII (*Notice of General Meeting*) at the end of this document.

CREST members may also choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of General Meeting set out in PART VIII (*Notice of General Meeting*) at the end of this document.

Completion and return of the Form of Proxy (or the electronic appointment of a proxy) will not preclude you from attending and voting at the General Meeting in person if you so wish.

## **12. Further Information**

The expected timetable of principal events for the Disposal is set out on page 5 of this document. Further information regarding the terms of the Disposal is set out in PART V (*Summary of the Principal Terms and Conditions of the Disposal*) of this document. **Shareholders are advised to read the whole of this document and not merely rely on the summarised information set out in this letter.**

## **13. Financial Advice**

The Board has received financial advice from Numis (as Sponsor and Financial Adviser) in relation to the Disposal. In providing advice to the Board, Numis has relied upon the commercial assessments of the Board.

## **14. Recommendation**

The Board considers the terms of the Disposal to be in the best interests of Shareholders taken as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution to be proposed at the General Meeting.

The Directors intend to vote in favour of the Resolution at the General Meeting in respect of their own HSS Shares to which they are beneficially entitled (representing approximately 0.6 per cent. of the total issued share capital of HSS as at 19 July 2018 (being the last practicable date prior to publication of this document)).

Yours faithfully,

for and on behalf of HSS Hire Group plc

Alan Peterson  
Chairman

## PART II – RISK FACTORS

This PART II (*Risk Factors*) addresses the risks known to HSS and the Directors to which the HSS Group is exposed in connection with the Disposal, which could materially and adversely affect the business, results of operations, cash flow, financial condition, revenue, profits, assets, liquidity and/or capital resources of the HSS Group, as appropriate. If certain risks materialise, the market price of HSS Shares could decline and Shareholders may lose some or all of their investment.

Prior to voting on the Resolution at the General Meeting, Shareholders should carefully consider, together with all other information contained in this document, the specific risks and uncertainties described below.

Additional risks and uncertainties currently unknown to HSS and the Directors, or which HSS and the Directors currently deem immaterial, may also have an adverse effect on the Retained Group's operating results, financial condition and prospects if they materialise.

### 1. Risks related to the Disposal

**The following risks and uncertainties relate to the Disposal:**

#### ***Warranties and tax indemnities in the Sale Agreement***

The Sale Agreement contains customary warranties and tax indemnities given by the Seller (being a wholly-owned subsidiary of HSS) in favour of the Purchaser, details of which are set out in Part V (*Summary of the Principal Terms and Conditions of the Disposal*) of this document. HSS has undertaken due diligence and prepared a disclosure letter to minimise the risk of liability under these provisions. However, any liability to make a payment arising from a successful claim by the Purchaser under the warranties or the tax indemnities could have a material adverse effect on HSS's financial condition.

#### ***Conditions***

Completion of the Sale Agreement is conditional upon the satisfaction of the following conditions:

- i. the approval (by ordinary resolution) of the Shareholders;
- ii. confirmation by the Competition and Markets Authority (the CMA) that it does not intend to refer the proposed transaction to the chair of the CMA for the constitution of a group under Schedule 4 of the Enterprise and Regulatory Reform Act 2013; and
- iii. confirmation that on Closing certain key managers and employees have been retained.

There can be no assurance that these conditions will be satisfied and, accordingly, that completion of the Sale Agreement will take place. If the Disposal does not complete, any of the risks and uncertainties set out in Section 2 of this PART II (*Risk Factors*) may adversely affect HSS's business and results.

#### ***Business separation***

Under the terms of the Transitional Services Agreement, HSS Hire Group plc will provide certain transitional and administration services to UK Platforms Limited while such services are migrated to the Purchaser and its systems. There is no guarantee that these services will be provided without disruption to the business of the HSS Group, with the potential adverse impact this may have on the HSS Group's trading, synergies in working practices and the management time and cost required to resolve problems arising out of the provision of such services.

## **2. Risks related to the Disposal not proceeding**

If the Disposal does not proceed, the following risks and uncertainties may affect HSS's business and results:

### ***Inability to realise value if the Disposal does not complete***

The Board believes that the Disposal is in the best interest of Shareholders taken as a whole and that the Disposal currently provides the best opportunity to realise an attractive and certain value for UK Platforms Limited. If the Disposal does not complete, the realisable value of UK Platforms Limited to the Seller may be lower than can be realised by way of the Disposal.

### ***Potentially disruptive effect on UK Platforms Limited***

If the Disposal does not proceed, UK Platforms Limited's management and employees may be affected, and key management or employees may choose to leave UK Platforms Limited. Customer sentiment and spending behaviour may also be negatively impacted. This may have a negative effect on the performance of UK Platforms Limited under HSS's ownership. To maintain shareholder value, HSS's management may be required to allocate additional time and cost to the ongoing supervision and development of UK Platforms Limited.

### ***There may be an adverse impact on the HSS Group's reputation***

If the Disposal does not proceed, it may be more difficult in the future to secure another potential Purchaser because the failure to obtain Shareholder approval will be publicly available information.

### ***There may be an adverse impact on investor confidence in the HSS Group***

If the Disposal does not proceed, there may be an adverse impact on investor confidence in the HSS Group due to amplified media scrutiny arising in connection with the attempted Disposal, which could attract negative press attention and a decline in investor confidence. Any such reputational risk could adversely affect the HSS Group's business, financial condition and operating results.

### ***The Company may face risks associated with delevering the Group and strengthening the Group's commercial proposition***

The HSS Group has identified delevering the Group and strengthening the Group's commercial proposition as strategic priorities. If the Disposal does not proceed, the Company may need to re-evaluate and pursue alternative opportunities to achieve these objectives. There can be no assurance that such alternative opportunities will result in the desired delevering of the Group and the strengthening of the Group's commercial proposition and HSS's financial condition and/or operating results may therefore be adversely affected.

## **3. Risks related to the Retained Group**

If the Disposal is completed, the following risks and uncertainties may be impacted or result as a consequence:

### ***The Retained Group's operations will be more dependent on its core business***

Following the Disposal, the operations of the Retained Group will be smaller and, without the benefit of the revenues or profits of UK Platforms Limited, its overall financial performance will depend more on the performance of each of its continuing operations.

### ***Reliance on UK Platforms Limited as preferred supplier to the Retained Group's OneCall business***

As part of the Disposal, the Retained Group will enter into the Commercial Agreement with the Purchaser, whereby the Purchaser Group will be the preferred supplier of certain categories of powered access machinery to the Retained Group and its customers through the Retained Group's "OneCall" business division. While it is envisaged that this commercial relationship will be mutually beneficial to both parties, there is a risk that the Purchaser Group will not accept, or will not accept as regularly as UK Platforms Limited presently does, the OneCall supply requests which it received from customers.

### ***Loss of customers***

There are currently a number of customers who regularly deal with both the Retained Group and UK Platforms Limited. Following the Disposal, it is possible that some of these customers will no longer deal with the Retained Group if it is no longer part of the same group as UK Platforms Limited.

### ***Credit rating risks***

While asset disposals are one of the factors that rating agencies will take into consideration when assessing the Retained Group's credit rating, there is no certainty that the Disposal, and the resulting improvement in the Retained Group's leverage ratios, of themselves, will result in any change in the Retained Group's credit ratings and/or reduced funding costs in respect of future debt.

### ***Brand management***

The HSS Group's Branding is a key asset to the HSS Group's business. UK Platforms Limited uses the "UK Platforms Powered Access" name as well as the HSS Group's Branding. Rights in relation to UK Platforms Limited's brand will be owned by (and sold with) UK Platforms Limited. The Retained Group will permit UK Platforms Limited to use the HSS Group's Branding for a period of up to six months following Closing pursuant to the terms of the Sale Agreement.

If UK Platforms Limited's use of any of the HSS Group's Branding during the six month transitional period adversely affects the reputation of the HSS Group's Branding (or UK Platforms Limited does not cease use of that branding by the end of the transitional period), the results of the HSS Group's operations and its profitability could be adversely affected.

## PART III – FINANCIAL INFORMATION ON UK PLATFORMS LIMITED

The following unaudited historical financial information relating to UK Platforms Limited has been extracted without material adjustment from the consolidation schedules used in preparing the Company's audited consolidated financial statements for the year ended 26 December 2015, the 53 weeks ended 31 December 2016 and the year ended 30 December 2017.

Shareholders should read the whole of this document and not rely solely on the summarised financial information in this PART III (*Financial Information on UK Platforms Limited*).

**Unaudited income statements of UK Platforms Limited for the year ended 26 December 2015, the 53 weeks ended 31 December 2016 and the year ended 30 December 2017:**

	UK Platforms Limited for the year ended 26 December 2015 £'000	UK Platforms Limited for the 53 weeks ended 31 December 2016 £'000	UK Platforms Limited for the year ended 30 December 2017 £'000
<b>Revenue</b>	<b>23,936</b>	<b>19,227</b>	<b>17,417</b>
Cost of sales	(3,713)	2,935	3,339
<b>Gross profit</b>	<b>20,223</b>	<b>22,162</b>	<b>20,757</b>
Distribution costs	(7,399)	(7,809)	(7,776)
Administrative expenses	(5,358)	(5,428)	(4,156)
<b>Operating profit</b>	<b>7,466</b>	<b>8,925</b>	<b>8,825</b>
Adjusted EBITDA	15,768	13,994	13,310
Less: Depreciation	(8,126)	(4,908)	(4,332)
Adjusted EBITA	7,642	9,087	8,977
Less: Exceptional items	(122)	(115)	(107)
Less: Amortisation	(54)	(47)	(45)
<b>Operating profit</b>	<b>7,466</b>	<b>8,925</b>	<b>8,825</b>
Net finance expense	(951)	(1,008)	(591)
<b>Profit before tax</b>	<b>6,514</b>	<b>7,917</b>	<b>8,234</b>
Adjusted (loss)/profit before tax	6,691	8,078	8,386
Less: Exceptional items	(122)	(115)	(107)
Less: Amortisation	(54)	(47)	(45)
<b>Profit before tax</b>	<b>6,514</b>	<b>7,917</b>	<b>8,234</b>
Income tax credit	(491)	(1,120)	(1,452)
<b>Profit for the financial year</b>	<b>6,023</b>	<b>6,797</b>	<b>6,782</b>

**Unaudited balance sheet of UK Platforms Limited as at 30 December 2017**

**UK Platforms Limited  
as at 30 December 2017  
£'000**

**ASSETS**

**Non-current assets**

Intangible assets	2,000
Property, plant and equipment	34,057
Deferred tax assets	—
	<u>36,057</u>

**Assets held for resale**

**Current assets**

Inventories	307
Trade and other receivables	4,709
Cash	131
	<u>5,147</u>

**Total assets**

**41,205**

**LIABILITIES**

**Current liabilities**

Trade and other payables	(6,888)
Borrowings	—
Provisions	—
Current tax liabilities	—
	<u>(6,888)</u>

**Non-current liabilities**

Trade and other payables	(5,140)
Borrowings	—
Provisions	(573)
Deferred tax liabilities	(798)
	<u>(6,511)</u>

**Total liabilities**

**(13,399)**

**Net assets**

**27,806**



# PART IV – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE RETAINED GROUP

## SECTION A: ACCOUNTANT’S REPORT ON THE PRO FORMA FINANCIAL INFORMATION



BDO LLP  
55 Baker Street  
London  
W1U 7EU

20 July 2018

The Directors  
HSS Hire Group PLC  
Oakland House  
Talbot Road  
Old Trafford  
Manchester  
M16 0PQ

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London  
EC4M 7LT

Dear Sirs and Madam

**HSS Hire Group plc**

### **Pro forma financial information**

We report on the unaudited pro forma net assets statement and pro forma income statement (the “*Pro Forma Financial Information*”) set out in Section B of Part IV (*Unaudited Pro Forma Statement of Net Assets of the Retained Group*) of this Circular which has been prepared on the basis described, for illustrative purposes only, to provide information about how the Disposal might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 30 December 2017.

This report is required by paragraph 13.3.3R of the listing rules made by the Financial Conduct Authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the “Listing Rules”) and is given for the purpose of complying with that item and for no other purpose.

### **Responsibilities**

It is the responsibility of the directors of HSS to prepare the Pro Forma Financial Information in accordance with item 13.3.3R of the Listing Rules.

It is our responsibility to form an opinion, as required by item 7 of Annex II of Commission Regulation (EC) No. 809/2004, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Circular, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of,

or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## SECTION B: PRO FORMA FINANCIAL INFORMATION

### UNAUDITED PRO FORMA INCOME STATEMENT OF THE GROUP

The following unaudited pro forma income statement of the Group has been prepared to illustrate the effect on the consolidated income statement of the Group as if the Disposal had taken place on 1 January 2017.

The pro forma income statement has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The pro forma income statement is based on the consolidated income statement of the Group for the year ended 30 December 2017, set out in the audited consolidated financial statements of the Group for the year ended 30 December 2017, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

	Adjustments relating to the Disposal				Pro forma income statement of the Group £'000
	The Group for the year ended 30 December 2017 (note 1) £'000	UK Platforms Limited for the year ended 30 December 2017 (note 2) £'000	Repayment of borrowings (note 3) £'000	Profit on Disposal (note 4) £'000	
<b>Revenue</b>	<b>335,780</b>	<b>(17,417)</b>	–	–	<b>318,363</b>
Cost of sales	(154,289)	(3,339)	–	–	(157,628)
<b>Gross profit</b>	<b>181,491</b>	<b>(20,757)</b>	–	–	<b>160,734</b>
Distribution costs	(46,140)	7,776	–	–	(38,364)
Administrative expenses	(207,652)	4,156	–	16,495	(187,001)
Other operating income	882	–	–	–	882
<b>Operating (loss)/profit</b>	<b>(71,419)</b>	<b>(8,825)</b>	–	<b>16,495</b>	<b>(63,749)</b>
Adjusted EBITDA	48,944	(13,310)	–	–	35,634
Less: Depreciation	(47,159)	4,332	–	–	(42,827)
Adjusted EBITA	1,785	(8,977)	–	–	(7,192)
Less: Exceptional items	(66,567)	107	–	16,495	(49,965)
Less: Amortisation	(6,637)	45	–	–	(6,592)
<b>Operating (loss)/profit</b>	<b>(71,419)</b>	<b>(8,825)</b>	–	<b>16,495</b>	<b>(63,749)</b>
Net finance expense	(13,743)	591	1,330	–	(11,822)
<b>(Loss)/profit before tax</b>	<b>(85,162)</b>	<b>(8,234)</b>	<b>1,330</b>	<b>16,495</b>	<b>(75,571)</b>
Adjusted (loss)/profit before tax	(11,958)	(8,386)	1,330	–	(19,014)
Less: Exceptional items	(66,567)	107	–	16,495	(49,965)
Less: Amortisation	(6,637)	45	–	–	(6,592)
<b>(Loss)/profit before tax</b>	<b>(85,162)</b>	<b>(8,234)</b>	<b>1,330</b>	<b>16,495</b>	<b>(75,571)</b>
Income tax credit	5,240	1,452	–	–	6,692
<b>(Loss)/profit for the financial year</b>	<b>(79,922)</b>	<b>(6,782)</b>	<b>1,330</b>	<b>16,495</b>	<b>(68,879)</b>

**Notes:**

1. The income statement of the Group for the year ended 30 December 2017 has been extracted without material adjustment from the audited consolidated financial statements of the Group for the year ended 30 December 2017.
2. The income statement of UK Platforms Limited has been extracted without material adjustment from the financial information on UK Platforms Limited set out in PART III (*Financial Information on UK Platforms Limited*) of this document.
3. The reduction in net finance expense reflects the impact of 80 per cent of the Net Cash Proceeds being used to repay amounts borrowed under the Group's new term loan facility, in accordance with the Group's obligations under the terms of that facility.
4. The profit on Disposal has been calculated by subtracting the net assets of UK Platforms Limited as at 31 December 2016 of £31.0 million from the Net Cash Proceeds of £47.5 million as set out in paragraph 1.3 of Part V (*Summary of the Principal Terms and Conditions of the Disposal*) of this document. The net assets of UK Platforms Limited as at 31 December 2016 have been extracted without material adjustments from the consolidation schedules used in preparing the Group's audited consolidated financial statements for the year ended 31 December 2016.
5. All of the adjustments, except for the profit on Disposal, are expected to have a continuing effect on the Group.
6. No account has been taken of the financial performance of the Group or of UK Platforms Limited since 30 December 2017, nor of any other event save as disclosed above.

**UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP**

The following unaudited pro forma statement of net assets of the Group has been prepared to illustrate the effect on the consolidated net assets of the Group as if the Disposal had taken place on 30 December 2017.

The pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and does not, therefore, represent the Group's actual financial position or results.

The pro forma statement of net assets is based on the consolidated net assets of the Group as at 30 December 2017, set out in the audited consolidated financial statements of the Group for the year ended 30 December 2017, and has been prepared in a manner consistent with the accounting policies adopted by the Company in preparing such information and on the basis set out in the notes set out below.

		<b>Adjustments relating to the Disposal</b>		
	<b>The Group as at 30 December 2017 (note 1) £'000</b>	<b>UK Platforms Limited as at 30 December 2017 (note 2) £'000</b>	<b>Net Cash Proceeds (note 3) £'000</b>	<b>Pro forma net assets of the Group £'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	172,509	(2,000)	–	170,509
Property, plant and equipment	150,915	(34,057)	–	116,858
Deferred tax assets	358	–	–	358
	<b>323,782</b>	<b>(36,057)</b>	<b>–</b>	<b>287,725</b>
<b>Assets held for resale</b>	<b>1,500</b>	<b>–</b>	<b>–</b>	<b>1,500</b>
<b>Current assets</b>				
Inventories	5,519	(307)	–	5,212
Trade and other receivables	96,503	(4,709)	–	91,794
Cash	2,151	(131)	9,500	11,520
	<b>104,173</b>	<b>(5,147)</b>	<b>9,500</b>	<b>108,526</b>
<b>Total assets</b>	<b>429,455</b>	<b>(41,205)</b>	<b>9,500</b>	<b>397,750</b>

	<b>Adjustments relating to the Disposal</b>			<b>Pro forma net assets of the Group</b>
	<b>The Group as at 30 December 2017 (note 1) £'000</b>	<b>UK Platforms Limited as at 30 December 2017 (note 2) £'000</b>	<b>Net Cash Proceeds (note 3) £'000</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	(82,452)	6,888	–	(75,564)
Borrowings	(69,000)	–	38,000	(31,000)
Provisions	(16,684)	–	–	(16,684)
Current tax liabilities	(90)	–	–	(90)
	<b>(168,226)</b>	<b>6,888</b>	<b>38,000</b>	<b>(123,338)</b>
<b>Non-current liabilities</b>				
Trade and other payables	(14,105)	5,140	–	(8,965)
Borrowings	(134,242)	–	–	(134,242)
Provisions	(36,510)	573	–	(35,937)
Deferred tax liabilities	(2,800)	798	–	(2,002)
	<b>(187,657)</b>	<b>6,511</b>	<b>–</b>	<b>(181,146)</b>
<b>Total liabilities</b>	<b>(355,883)</b>	<b>13,399</b>	<b>38,000</b>	<b>(304,484)</b>
<b>Net assets</b>	<b>73,572</b>	<b>(27,806)</b>	<b>47,500</b>	<b>93,266</b>

**Notes:**

1. The net assets of the Group at 30 December 2017 have been extracted without material adjustment from the audited consolidated financial statements of the Group for the year ended 30 December 2017.
2. The net assets of UK Platforms Limited have been extracted without material adjustment from the financial information on UK Platforms Limited set out in PART III (*Financial Information on UK Platforms Limited*) of this document.
3. The Net Cash Proceeds of £47.5 million are derived from the definition set out in paragraph 1 of PART I of this Circular. 80 per cent of the Net Cash Proceeds will be used to repay amounts borrowed under the Group's new term loan facility in accordance with the Group's obligations under that new facility.
4. No account has been taken of the refinancing of the Group's debt arrangement which were announced on 20 June 2018 and described in paragraph 8.1 of PART VI, save for the payment of the 80 per cent. Net Cash Proceeds set out in note 2 above.
5. No account has been taken of the financial performance of the Group or of UK Platforms Limited since 30 December 2017, nor of any other event save as disclosed above.

## **PART V – SUMMARY OF THE PRINCIPAL TERMS AND CONDITIONS OF THE DISPOSAL**

### **1. SALE AGREEMENT**

#### **1.1 Disposal**

The Sale Agreement was entered into on 19 July 2018 between HSS Hire Service Group Limited (the “**Seller**”), the Company (as Seller guarantor), Nationwide Platforms Limited (the “**Purchaser**”) and Loxam SAS (as Purchaser Guarantor) to give effect to the Disposal. Pursuant to the Sale Agreement, the Seller shall sell its entire holding in the share capital of UK Platforms Limited, subject to the conditions described in paragraph 1.2 of this PART V (*Summary of the Principal Terms and Conditions of the Disposal*).

#### **1.2 Conditions Precedent**

Closing is conditional upon:

- i. the approval (by ordinary resolution) of the Shareholders;
- ii. confirmation by the Competition and Markets Authority (the CMA) that it does not intend to refer the proposed transaction to the chair of the CMA for the constitution of a group under Schedule 4 of the Enterprise and Regulatory Reform Act 2013; and
- iii. confirmation that on Closing certain key managers and employees have been retained.

#### **1.3 Consideration**

The cash consideration payable to the Seller at Closing is approximately £45 million, plus the repayment of approximately £4.5 million of intercompany debt. The net cash proceeds from the Disposal will be approximately £47.5 million.

#### **1.4 Pre-Closing Covenants**

The Seller has given certain customary covenants in relation to the period between signing of the Sale Agreement and Closing, including to ensure that the business of UK Platforms Limited is carried on, in all material respects, in the ordinary course of business.

#### **1.5 Non-compete**

The Seller has agreed not to compete with the principal businesses of UK Platforms Limited in respect of certain categories of equipment in the United Kingdom and the Republic of Ireland for a period of three years after Closing, subject to customary exceptions.

#### **1.6 Non-solicit**

The Seller has agreed not to offer to employ or seek to entice away from UK Platforms Limited or any member of the Purchaser Group any person who was employed by UK Platforms Limited in skilled or managerial work at any time during the 12 months ending on the date of Closing, save that the Seller shall not be restricted from employing or offering to employ any person who responds to a general advertisement which is not specifically directed towards individual employees of UK Platforms Limited or any member of the Purchaser Group.

The Purchaser has agreed not to offer to employ or seek to entice away from the Seller or any member of the Retained Group any person who is employed by the Seller or the Retained Group in skilled or managerial work, save that the Purchaser shall not be restricted from employing or offering to employ any person who responds to a general advertisement which is not specifically directed towards individual employees of the Seller or the Retained Group.

### **1.7 Third party assurances**

The Purchaser has agreed to ensure that, at Closing, each member of the Retained Group is released in full from certain third party assurances. Pending release of any third party assurance, the Purchaser shall indemnify the Seller and its Affiliates for any costs arising after Closing under or by reason of such third party assurance.

The Seller has agreed to ensure that, at Closing, UK Platforms Limited is released in full from certain third party assurances and guarantees. Pending release of any third party assurance, the Seller shall indemnify the Purchaser and its Affiliates for any costs arising after Closing under or by reason of such third party assurance.

### **1.8 Property licences**

The Sale Agreement appends agreed form Property Licences which will be entered into between the Seller and Purchaser in respect of the six sites which have leases entered into by the Seller and which are currently partially used by UK Platforms Limited. Each of the licences will be terminable by either party for convenience on three months' written notice. Each Property Licence carries an annual fee payable by UK Platforms Limited to the Seller in equal monthly instalments in advance.

### **1.9 Tax schedule**

The Seller has covenanted to pay the Purchaser an amount equal to (broadly) any tax liabilities of UK Platforms Limited that are attributable to events occurring, or income, profits or gains earned, accrued or received during the period up to and including Closing and that have not been paid or provided for prior to Closing. The covenant is subject to exclusions customary for a transaction of this nature. In particular, the Seller will not be liable for tax liabilities arising to UK Platforms Limited in respect of income, profits or gains or events occurring in the ordinary course of UK Platforms Limited's business between the Locked Box Accounts Date and Closing. The Tax Schedule also includes other customary provisions relating to, amongst other things, notification of claims and conduct of disputes, tax refunds, overprovisions, secondary liabilities, conduct of tax affairs, transfer pricing and VAT.

### **1.10 Warranties**

The Seller has given warranties relating to, amongst other things, title, capacity, authority, insurance and solvency matters, together with additional business and tax warranties as are customary for a transaction of this nature.

### **1.11 Limitations on liabilities**

No claims may be brought by the Purchaser: (a) in respect of non-tax claims, after the date that is 24 months after Closing; or (b) in respect of tax claims, after the date that is seven years from the date of Closing.

The Seller shall not be liable for any single non-tax warranty claim unless the liability exceeds £50,000.

The Seller shall not be liable for any single pre-closing undertaking claim unless the liability exceeds £25,000.

The Seller shall not be liable for any non-tax warranty claims unless the aggregate liability for all eligible claims exceeds £500,000.

The Seller's aggregate liability in respect of all non-tax warranty claims under the Sale Agreement is limited to 20 per cent of the purchase price under the Sale Agreement. The Seller's aggregate liability in respect of all claims shall not exceed 100 per cent of the purchase price under the Sale Agreement.

### **1.12 Termination**

The Purchaser shall be entitled to terminate the Sale Agreement prior to Closing for certain breaches of fundamental warranty.

The Seller and the Purchaser shall each be entitled to terminate the Sale Agreement if the other party fails to comply with certain of its material obligations under the Closing arrangements schedule of the Sale Agreement.

The Sale Agreement shall terminate if the conditions have not been fulfilled, or (where capable of waiver) waived, on or before 19 January 2019.<sup>1</sup>

### **1.13 Governing Law and jurisdiction**

The Sale Agreement is governed by English law. Any disputes arising under the Sale Agreement are to be settled in the English courts.

## **2. TRANSITIONAL SERVICES AGREEMENT**

### **2.1 Scope of Transitional Services Agreement**

The Transitional Services Agreement will be entered into by the Seller and UK Platforms Limited and will govern: (a) the provision from the Seller to UK Platforms Limited of certain back office services (including in relation to finance, HR, IT and systems support), fleet vehicle services and refurbishment services (the "Services"); (b) the migration of the Services to the IT systems or other facilities of the Purchaser; and (c) the transitional access by each party to the other's premises for the purposes of removing the first party's equipment.

### **2.2 Charges for the Services**

The Services are free of charge from Closing until the latter of: (i) the date that is three months post-Closing; and (ii) 31 January 2019 (the "Initial Period"), except that UK Platforms Limited shall reimburse the Seller for any: (i) third party costs incurred in the provision of the Services; and (ii) labour and parts costs related to the provision of the refurbishment service. If UK Platforms Limited requests, and the Seller agrees to, an extension of any of the Services beyond the Initial Period, UK Platforms Limited shall pay to the Seller a fixed monthly fee in respect of any extended Service, in addition to any third party costs associated with the Service.

### **2.3 Limitation of liability**

Subject to customary carve-outs, each party's liability under the Transitional Services Agreement is limited to £100,000 in the aggregate.

### **2.4 Term and Termination**

Unless terminated earlier for convenience each Service will be provided for the Initial Period, except that: (i) the refurbishment service will be provided until the Seller has refurbished all of UK Platforms' Limited relevant equipment, up to a maximum of eight weeks; (ii) the fleet vehicles service shall be provided for as long as the relevant parts of the contract with the fleet vehicle provider have not been novated to UK Platforms Limited, up to a maximum of three months; and (iii) other than in respect of the services covered by (i) and (ii), the customer may extend the term of any service by three months and may request a further extension for an additional three months.

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<sup>1</sup> Subject to extension to 19 March 2019 if required to address regulatory requirements.



## **2.5 Governing Law and jurisdiction**

The Transitional Services Agreement is governed by English law and any disputes arising under it are to be settled through arbitration under the rules of the LCIA.

## **3. Commercial Agreement**

### **3.1 Scope of Commercial Agreement**

The Commercial Agreement will govern the continuing relationship between Seller and the Purchaser in relation to the Purchaser Group's supply to the Seller's customers of powered access equipment and related services.

### **3.2 Term and Termination**

The Commercial Agreement shall continue for a period of seven years. If NWP exercises its rights to terminate the agreement during the first five years of the term, then a termination fee shall be payable by the Seller.

### **3.3 Governing Law and jurisdiction**

The Commercial Agreement is governed by English law and any disputes arising under it are to be settled through arbitration under the rules of the LCIA.

## PART VI – ADDITIONAL INFORMATION

### 1. Responsibility

Each of HSS and the Directors whose names are set out in Section 3 of this PART VI (*Additional Information*) accept responsibility for the information contained in this document. To the best of the knowledge and belief of each of HSS and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. HSS information

HSS Hire Group Limited was incorporated on 7 January 2015 under the Companies Act 2006 with registered number 09378067. HSS Hire Group Limited subsequently re-registered as a public limited company under the Companies Act 2006 and changed its name on 19 January 2015 to HSS Hire Group plc.

HSS Hire Group plc's principal and registered office is at Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ and the telephone number of its registered office is 0161 749 4300.

The principal laws and legislation under which HSS operates are the Companies Act 2006 and the regulations made thereunder.

### 3. Directors

The Directors of HSS and their respective functions are as follows:

Alan Peterson	<i>Chairman</i>
Steve Ashmore	<i>Chief Executive Officer</i>
Paul Qusted	<i>Chief Financial Officer</i>
Thomas Sweet-Escott	<i>Non-executive Director</i>
Amanda Burton	<i>Non-executive Director</i>
Douglas Robertson	<i>Non-executive Director</i>

### 4. Details of key individuals for UK Platforms Limited

The directors of UK Platforms Limited and their respective functions are as follows:

#### 4.1 UK Platforms Limited

##### Statutory directors and company secretary

<b>Name</b>	<b>Position</b>
Steve Ashmore	Director
Paul Qusted	Director
Daniel Joll	Company Secretary

##### Non-statutory key managers

<b>Name</b>	<b>Position</b>
Philip James	Managing Director
David Simmonite	Sales Director
Stevie Watt	Technical Director

## 5. Directors' interests in the Company

As at the close of business on 19 July 2018 (being the latest practicable date prior to the publication of this document), the interests of the Directors and any of their connected persons (within the meaning of Sections 252 to 255 of the Companies Act 2006) in HSS Shares were as follows:

	<u>Number of HSS Shares</u>	<u>Percentage of existing issued share capital</u>
<i>Directors</i>		
Steve Ashmore	–	–
Amanda Burton	35,714	0.021%
Alan Peterson	937,217	0.551%
Paul Quested	47,000	0.276%
Douglas Robertson	9,523	0.006%
Thomas Sweet-Escott	–	–

In addition to the interests noted above, certain of the Directors have further interests as a result of awards and grants made pursuant to the HSS' Long Term Incentive Plan (“*LTIPs*”), Company Share Option Plan (“*CSOP*”) and 2016 three-year Sharesave Scheme (“*SAYE Plan*”) (as at the latest practicable date prior to the publication of this document). These are set out below:

<u>Director</u>	<u>Scheme/ grant</u>	<u>Date of grant</u>	<u>Exercise price (pence)</u>	<u>Earliest exercising/ vesting date</u>	<u>Expiry</u>	<u>Number of ordinary shares under option as at 30 December 2017</u>
Steve Ashmore	2017 LTIP (market value share options)	31.08.17	57	01.01.21	31.08.27	2,849,708
	2017 CSOP options	31.08.17	54	01.01.21	31.08.27	55,555
Paul Quested	2016 LTIP (nil-cost share options)	28.09.16	–	01.01.19	31.08.27	263,376
	2016 CSOP options	28.09.16	84	01.01.19	31.08.27	38,961
	2016 SAYE options	04.11.16	57.7	01.01.19	31.08.27	15,597
	2017 LTIP (market value share options)	31.08.17	57	01.01.21	31.08.27	1,404,094
	2017 CSOP options	31.08.17	54	01.01.21	31.08.27	55,555

## 6. Directors' Service Agreements and Arrangements

Save as set out in this Section 6, there are no existing or proposed service agreements or letters of appointment between the Directors and any member of the HSS Group.

### *Executive Directors: Service contracts*

Steve Ashmore and Paul Quested are each engaged under a service agreement pursuant to which they are entitled to base salaries of £360,000 and £260,000 per annum respectively.

Each Executive Director participates in the Company's annual performance related bonus scheme and, at the discretion of the Company's remuneration committee (“*Remuneration Committee*”), in any other incentive scheme operated for Executive Directors. Each Executive Director is eligible to earn an annual bonus of up to 100 per cent. of their annual salary. The amount of any annual bonus to be paid is subject to the approval of the Remuneration Committee and subject to the achievement of performance conditions, set by the Remuneration Committee and linked to the Executive Director's performance and the performance of the Company. Executive Directors are required to defer the part of the award earned (if any) in excess of 50 per

cent. of the maximum award into shares over a two-year period. Each Executive Director is eligible to participate in the Company's Deferred Bonus Plan, LTIP and may participate in the Company's CSOP and all-employee SAYE Plan on the same terms as other UK employees.

Each Executive Director is eligible to receive private medical insurance for themselves and their family, permanent health insurance and life assurance. Each Executive Director is also eligible for a company car or cash allowance in lieu. Each Executive Director is also entitled to reimbursement of reasonable expenses incurred by them in the performance of their duties.

Each Executive Director's service agreement is terminable by either the Executive Director or the Company on 12 months' written notice. The Company is also entitled to terminate each Executive Director's employment immediately and make a payment in lieu of notice comprising the Executive Director's annual salary in respect of the notice period (or remaining part of it) and a sum equal to the value of other benefits (including pension contributions but excluding bonus and incentives) during the notice period (or the remaining part of it).

The Company may elect at its discretion to make the payment in lieu of notice as a lump sum or in equal monthly instalments over the notice period (or the remaining part of it). There is a mechanism in each Executive Director's service agreement to reduce the instalments where the Executive Director commences alternative employment during the notice period.

On termination, the Executive Directors are not contractually entitled to a *pro rata* bonus in respect of their service during the financial year. However, the Remuneration Committee may exercise discretion to pay such a bonus if appropriate.

Each of the Executive Directors is subject to a confidentiality undertaking without limitation in time and to non competition, non-solicitation (in relation to staff and customers) and non dealing (in relation to customers) restrictive covenants for a period of six months after the termination of their respective employment arrangements.

Each Executive Director will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

#### ***Non-Executive Directors: Letters of appointment***

Alan Peterson is engaged as Chairman under a contract pursuant to which he is entitled to receive an annual fee of £150,000 which is fixed for a period of three (3) years from 28 March 2018, subject to re-election at HSS's 2018 AGM. His initial appointment commenced on 9 February 2015 for a period of three years, and a new letter of appointment for a further three year term (subject to re-election at the next annual general meeting), effective from 9 January 2018, was executed on 28 March 2018.

The appointment of each of the Chairman and the Non-executive Directors is subject to re-election on an annual basis by the Shareholders at an annual general meeting in accordance with the UK Corporate Governance Code.

The appointments of Amanda Burton and Douglas Robertson commenced on 9 January 2015, and expired on 8 January 2018. New letters of appointment, effective from 9 January 2018, were executed on 28 March 2018 for further three year terms, subject to re-election at the annual general meeting.

Thomas Sweet-Escott's appointment commenced on 9 January 2015 and expired on 8 January 2018. A new three-year letter of appointment, effective from 9 January 2018, was executed on 28 March 2018 subject to re-election at the annual general meeting or, if earlier, at the point that the Exponent Shareholders are entitled to exercise or to control the exercise of less than 10 per cent. of the votes able to be cast.

Amanda Burton and Douglas Robertson are each entitled to receive an annual fee of £50,000. Thomas Sweet Escott is entitled to receive an annual fee of £40,000, which will be paid to Exponent Shareholders.

The Chairman and Non-Executive Directors are not entitled to receive any compensation on termination of their appointments and are not entitled to participate in the Company's share, bonus or pension schemes.

Their appointments may be terminated at any time upon written notice or in accordance with the Articles or the Act or upon their resignations.

In addition, as Thomas Sweet Escott has been appointed by Exponent Shareholders pursuant to the relationship agreement with Exponent, if the Exponent Shareholders no longer exercise or control the exercise of 10% of the votes able to be cast on all or substantially all matters at general meetings of the Company, Thomas Sweet Escott's appointment may be terminated by the Board.

The Chairman and Non-Executive Directors are also entitled to reimbursement of reasonable expenses.

The Chairman and Non-Executive Directors are subject to confidentiality undertakings without limitation in time. They are also subject to non-competition restrictive covenants for the duration of their appointments. The Chairman is additionally subject to a non-competition restrictive covenant for six months after the termination of his appointment.

The Chairman and Non-Executive Directors will have the benefit of a qualifying third party indemnity from the Company (the terms of which are in accordance with the Act) and appropriate directors' and officers' liability insurance.

## 7. Significant Shareholders

As at the close of business on 19 July 2018 (being the latest practicable date prior to the publication of this document), the HSS Group had been notified under TR-1/Rule 5 of the Disclosure and Transparency Rules of the following holdings of notifiable interests in its share capital exceeding three per cent of the issued share capital of HSS.

<b>Name</b>	<b>Number of HSS Shares</b>	<b>Percentage of existing issued share capital as at the date HSS had been notified in accordance with the DTRs</b>
Exponent <sup>1</sup>	85,681,709	50.34%
Toscafund Asset Management LLP <sup>2</sup>	45,812,070	26.92%
Standard Life Capital Partners LLP	13,958,979	8.20%

1 Comprises shareholdings held by Exponent Private Equity Partners GP II, LP (UK) and Exponent Havana Co-Investment GP Limited Partners (UK).

2 Comprises shareholdings held by the Tosca Mid-Cap fund, the Tosca Opportunity fund and the Micro-Cap Units fund.

## 8. Material Contracts

### 8.1 The Retained Group

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by any member of the Retained Group either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to the Retained Group; or (ii) at any time, which contain any provisions under which any member of the Retained Group (as relevant) has an obligation or entitlement which is or may be material to the Retained Group (as relevant) as at the date of this document, save as discussed below.

#### *Principal Transaction Documents*

Your attention is drawn to Part V (*Summary of the Principal Terms and Conditions of the Disposal*) of this document which contains a summary of the key Disposal agreements, being the Sale Agreement (including the tax schedule), the Transitional Services Agreement and the Property Licences.

#### *Revolving Credit Facility*

HSS had an £80 million revolving credit facility which it announced on 14 February 2018 had been extended so that it would mature on 6 July 2019. This resulted in an increase in the margin payable under the facility from 2.50 per cent. to 3.00 per cent. There were no changes in covenants. If HSS

had not refinanced its senior security notes by 30 September 2018, the £80 million revolving credit facility would have become repayable at the option of the lenders on 30 April 2019. The terms of this revolving credit facility are no longer applicable due to the refinancing arrangements described in further detail below and according to which any outstanding balance will be repaid. As at 30 December 2017, the amount drawn down under this revolving credit facility was £69.0 million and was £74.0 million as at the date of this document.

### ***Unipart arrangement***

On 14 February 2018, HSS announced its formal termination of the remaining 8 year term of its agreement with Unipart Group Limited who previously operated HSS's National Distribution and Engineering Centre. As compensation to Unipart Group Limited, HSS will make cash payments of £33.8 million over the period 2018 to 2026, of which £9.6 million is payable in 2018. The provision has been discounted at a rate of 1.19 per cent. at 30 December 2017 based on 10 year UK gilt yields. A 1 per cent. increase in the discount rate at 30 December 2017 would decrease the provision by £0.9 million.

### ***Refinancing arrangements***

On 20 June 2018 HSS announced that it had entered into a new term loan facility of £220 million and a revolving credit facility of £25 million in order to refinance its existing corporate debt.

The new term loan facility of £220 million will be provided by HPS Investment Partners and associated lending entities with £200 million maturing in June 2023, and £20 million, with flexibility to be settled before maturity, in December 2020. This facility is at interest rates of between 700bps and 800bps over LIBOR dependent upon the net debt leverage ratio of the Retained Group.

In connection with this new term loan facility, HSS has granted HPS Investment Partners 8,510,300 Warrants to subscribe for new ordinary shares in HSS. The warrants are exercisable at a price of £0.01 per share and can be exercised for five years subject to certain specific conditions, including the full repayment of the term loan facility.

A new revolving credit facility was also agreed with HSBC Bank plc and National Westminster Bank plc, maturing in December 2022, at rates of between 250bps and 300bps over LIBOR dependent upon the net leverage of the Group.

Closing of the new facilities is subject to customary conditions and is expected to take place on or around 9 July 2018, together with repayment of the Company's existing senior secured notes and revolving credit facility outstanding balances.

## **8.2 UK Platforms Limited**

No contracts have been entered into (other than contracts entered into in the ordinary course of business) by or on behalf of UK Platforms Limited either: (i) within the period of two years immediately preceding the date of this document, which are or may be material to UK Platforms Limited; or (ii) at any time, which contain any provisions under which UK Platforms Limited has an obligation or entitlement which is or may be material as at the date of this document, save as discussed below.

## **9. Litigation**

### **9.1 The Retained Group**

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) which may have, or during the last 12 months prior to the date of this document have had, a significant effect on the financial position or profitability of the Retained Group.

### **9.2 UK Platforms Limited**

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) which may have, or during

the last 12 months prior to the date of this document have had, a significant effect on the financial position or profitability of UK Platforms Limited.

## **10. Related Party Transactions**

Details of related party transactions (which for these purposes are those set out in the standards adopted according to Regulation (EC) No 1606/2002) that HSS has entered into are set out below:

- during the financial year ended 26 December 2015, such transactions are disclosed in notes 7 and 24 on pages 91 and 105 (respectively) of HSS's Annual Report 2015 which is hereby incorporated by reference into this document;
- during the financial year ended 31 December 2016, such transactions are disclosed in notes 7 and 25 on pages 91 and 110 (respectively) of HSS's Annual Report 2016 which is hereby incorporated by reference into this document;
- during the financial year ended 30 December 2017, such transactions are disclosed in notes 7 and 25 on pages 83 and 102 (respectively) of HSS's Annual Report 2017 which is hereby incorporated by reference into this document; and
- during the period from 30 December 2017 to the date of this document, HSS has not entered into any related party transactions.

## **11. No Significant Change**

### **11.1 The Retained Group**

On 20 June 2018 HSS entered into a new term loan facility of £220 million and a revolving credit facility of £25 million in order to refinance its existing corporate debt. For further details please see the section entitled "*Refinancing arrangements*" in paragraph 8.1 of this Part VI (*Additional Information*).

Save as set out above, there has been no significant change in the financial or trading position of the Retained Group since 30 December 2017, being the date to which the last published audited financial information for the HSS Group was prepared.

### **11.2 UK Platforms Limited**

There has been no significant change in the financial or trading position of UK Platforms Limited since 30 December 2017, being the date to which the most recent unaudited financial information on UK Platforms Limited presented in PART III (*Financial Information on UK Platforms Limited*) of this document.

## **12. Current Trading and Prospects**

**12.1** HSS announced an update on its performance for the 13 week period ended 31 March 2018 on 24 May. Financial highlights for the quarter included:

- Adjusted EBITDA growth of 64.3%
  - Rental revenue growth and cost initiatives improved margins by 5.9pp to 16.4%
  - LTM Adjusted EBITDA of £54.3m
- Revenue growth of 5.2%
  - Underlying revenue growth greater than 8%
  - Underlying core rental revenue growth greater than 4%
  - Continued strength in Services with revenue +14.5% and contribution +55.0%
- Network has been reconfigured
  - Smooth implementation of new supply chain model delivering annualised savings of c.£11 million

Current trading remains in line with the Board's expectations and the Board looks forward with confidence to the future as a stand-alone business with greater focus on its core operations.



### 13. Working Capital

HSS is of the opinion that, taking into account the bank and other facilities available to the Retained Group and the net proceeds from the Disposal, the working capital available to the Retained Group is sufficient for its present requirements, that is for 12 months from the date of this document.

### 14. Consents

BDO LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets of the Retained Group set out in PART IV (*Unaudited Pro Forma Financial Information of the Retained Group*) of this document in the form and context in which it appears.

The Sponsor has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which they appear.

### 15. Information Incorporated by Reference

Information from the following documents has been incorporated into this document by reference:

<b>Information incorporated by reference</b>	<b>This document</b>	<b>Page number</b>
Information on related party transactions in notes 7 and 24 on pages 91 and 105 (respectively) of HSS's Annual Report 2015	PART VI	26
Information on related party transactions in notes 7 and 25 on pages 91 and 110 (respectively) of HSS's Annual Report 2016	PART VI	26
Information on related party transactions in notes 7 and 25 on pages 83 and 102 (respectively) of HSS's Annual Report 2017	PART VI	26

Where only parts of a document are being incorporated by reference in this document, the parts of the document which are not being incorporated by reference are either not relevant for the investor or are covered elsewhere in this document.

A person who has received this document may request a copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested from the Registrars on 0371 384 2030 or on +44 (0) 121 415 7047 from outside the UK. If requested, copies will be provided free of charge.

### 16. Documents Available for Inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of HSS at Oakland House, Talbot Road, Old Trafford, Manchester, M16 0PQ and at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London, EC4Y 1HS from the date of this document up to and including the date of the General Meeting and for the duration of the General Meeting:

- (a) the Company's articles of association;
- (b) the audited financial statements of HSS for each of the financial years ended 30 December 2017, 31 December 2016 and 26 December 2015;
- (c) the consent letters referred to in Section 14 of this PART VI (*Additional Information*) of this document;
- (d) the report of BDO LLP set out in PART IV (*Unaudited Pro Forma Financial Information of the Retained Group*) of this document;
- (e) this document and the Form of Proxy; and
- (f) the Principal Transaction Documents.



## PART VII – DEFINITIONS

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

“ <b>Affiliate</b> ”	in relation to any party, any subsidiary or parent company of that party and any subsidiary of any such parent company, in each case from time to time
“ <b>BDO</b> ”	BDO LLP, a UK Limited Liability Partnership registered in England and Wales under number OC305127 and whose registered address is at 55 Baker Street, London, W1U 7EU
“ <b>Business Days</b> ”	a day other than a Saturday or Sunday or public holiday in England and Wales on which banks are open in London for general commercial business
“ <b>Chairman</b> ”	the Chairman of the board of directors of HSS, currently Alan Peterson
“ <b>Closing</b> ”	completion of the sale and purchase of UK Platforms Limited in accordance with the Sale Agreement
“ <b>Commercial Agreement</b> ”	means the long term agreement between the Purchaser and the Seller, governing the future trading relationship between the parties and to be entered into at Closing
“ <b>CSOP</b> ”	has the meaning given to it in paragraph 5 of PART VI ( <i>Additional Information</i> ) of this document
“ <b>Directors</b> ”	the directors of HSS
“ <b>Disclosure Guidance and Transparency Rules</b> ”	the Disclosure Guidance and Transparency Rules as published by the FCA
“ <b>Disposal</b> ”	the sale of HSS’s powered access business in the United Kingdom and Ireland
“ <b>Executive Directors</b> ”	the executive directors of HSS, currently Steve Ashmore and Paul Quested
“ <b>Exponent Shareholders</b> ”	collectively refers to Exponent Private Equity Partners GP II, LP (UK) and Exponent Havana Co-Investment GP Limited Partners (UK)
“ <b>FCA</b> ”	the Financial Conduct Authority of the UK, its predecessors or its successors from time to time, including, as applicable, in its capacity as the competent authority for the purposes of Part VI of FSMA
“ <b>Form of Proxy</b> ”	the form of proxy in connection with the General Meeting, which accompanies this document
“ <b>FSMA</b> ”	the Financial Services and Markets Act 2000, as amended
“ <b>General Meeting</b> ”	the general meeting of HSS to be held at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11:00am on 7 August 2018
“ <b>HSS</b> ” or “ <b>Company</b> ”	HSS Hire Group plc, incorporated in England and Wales with registered number 09378067 and whose registered office is at Oakland House, Talbot Road, Old Trafford, Manchester M16 0PQ

<b>“HSS Group” or “Group”</b>	in respect of any time prior to Closing, HSS and its consolidated subsidiaries and subsidiary undertakings and, in respect of any time following Closing, the Retained Group
<b>“HSS Group’s Branding”</b>	the “HSS Hire” name (including any logos incorporating such name), the “You’re better equipped” tagline and the use of the combination of blue and yellow that is visually similar to the get up used by the HSS Group
<b>“HSS Shares”</b>	the ordinary shares of one pence each in the capital of the Company
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority under section 73A of the FSMA as amended from time to time
<b>“Locked Box Accounts Date”</b>	30 December 2017
<b>“Long Stop Date”</b>	19 January 2019 or 19 March 2019 if required to address regulatory requirements
<b>“LTIP”</b>	has the meaning given to it in paragraph 5 of PART VI ( <i>Additional Information</i> ) of this document
<b>“Net Cash Proceeds”</b>	has the meaning given to it in paragraph 1 of PART I ( <i>Letter from the Chairman of HSS</i> ) of this document
<b>“Non-executive Directors”</b>	the non-executive directors of HSS, currently Amanda Burton, Douglas Robertson and Thomas Sweet-Escott,
<b>“Notice of General Meeting”</b>	the notice of the General Meeting, as set out in PART VIII ( <i>Notice of General Meeting</i> ) of this document
<b>“Numis”</b>	Numis Securities Limited
<b>“Principal Transaction Documents”</b>	the Sale Agreement, Transitional Services Agreement, the Property Licences and the Commercial Agreement, each as described in PART V ( <i>Summary of the Principal Terms and Conditions of the Disposal</i> ) of this document
<b>“Pro Forma Financial Information”</b>	the information set out in PART IV ( <i>Unaudited Pro Forma Financial Information of the Retained Group</i> ) of this document
<b>“Property Licences”</b>	means the licences to occupy in relation to leases for the six sites which are currently owned by the Retained Group and partially used by UK Platforms Limited which will be appended to the Sale Agreement as agreed form documents
<b>“Prospectus Rules”</b>	the Prospectus Rules as published by the FCA
<b>“Purchaser”</b>	Nationwide Platforms Limited
<b>“Purchaser Group”</b>	the Purchaser and its Affiliates from time to time, which from Closing shall include UK Platforms Limited
<b>“Registrars”</b>	Equiniti Limited, incorporated in England and Wales with registered number 06226088 and whose registered address is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
<b>“Resolution”</b>	the resolution being proposed at the General Meeting to approve the Disposal and to grant the Directors authority to implement the Disposal

<b>“Retained Group”</b>	HSS Hire Group plc and its subsidiaries and subsidiary undertakings from time to time (excluding, for the avoidance of doubt, UK Platforms Limited after Closing), being the continuing business of the HSS Group following Closing
<b>“RIS”</b>	a Regulatory Information Service that is approved by the FCA and that is on the list of Regulatory Information Services maintained by the FCA
<b>“Sale Agreement”</b>	the share purchase agreement dated 19 July 2018 entered into between, the Seller, the Company (as Seller guarantor), Purchaser and Loxam SAS (as Purchaser Guarantor) in connection with the Disposal, as described in more detail in Part V ( <i>Summary of the Principal Terms and Conditions of the Disposal</i> ) of this document
<b>“SAYE Plan”</b>	has the meaning given to it in paragraph 5 of PART VI ( <i>Additional Information</i> ) of this document
<b>“Seller”</b>	HSS Hire Service Group Limited, incorporated in England and Wales with registered number 00644490 and whose registered office is at Oakland House Talbot Road, Old Trafford, Manchester, England, M16 0PQ;
<b>“Services”</b>	has the meaning given to it in paragraph 2.1 of PART V ( <i>Summary of the Principal Terms and Conditions of the Disposal</i> ) of this document
<b>“Shareholders”</b>	the holders of HSS Shares from time to time
<b>“Sponsor”</b>	Numis
<b>“Transitional Services Agreement”</b>	the transitional services agreement to be entered into on Closing between the Seller and UK Platforms Limited in respect of services to be provided by the Retained Group to UK Platforms Limited after Closing;
<b>“Tax Schedule”</b>	the schedule relating to tax set out in the Sale Agreement
<b>“UK”</b>	the United Kingdom of Great Britain and Northern Ireland

## PART VIII – NOTICE OF GENERAL MEETING

### HSS HIRE GROUP PLC (the “Company”)

*(Company number 09378067)*

#### NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of the Company will be held at Exponent PE, 30 Broadwick Street, London W1F 8JB at 11:00am on 7 August 2018 to consider and, if thought fit, to pass the following resolution, which shall be proposed as an ordinary resolution of the Company, in connection with the disposal of the Company’s business UK Platforms Limited (the “**Disposal**”).

#### **Ordinary resolution to approve the Disposal**

#### **THAT**

- (a) the Disposal, as described in the circular to the Company’s shareholders dated 20 July 2018 (the “**Circular**”), be and is hereby approved; and
- (b) the directors of the Company (the “**Directors**”) (or any duly constituted committee thereof) be and are hereby authorised to take all necessary or appropriate steps and to do all necessary or appropriate things to implement, complete or to procure the implementation or completion of the Disposal and give effect thereto with such modifications, variations, revisions or amendments (not being modifications, variations, revisions or amendments of a material nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate in connection with the Disposal.

*By order of the Board*

Daniel Joll  
Group Company Secretary  
20 July 2018

Registered Office  
Oakland House, Talbot Road, Old Trafford, Manchester, England, M16 0PQ

## Shareholder notes

### Notes

#### Right to attend and vote at the meeting

1. The right to attend and vote at the General Meeting is determined by reference to the Company's register of members. Only persons entered in the register of members of the Company at 6.30p.m. on 3 August 2018 (or, in the event that the meeting is adjourned, in the register of members at 6.30p.m. two Business Days before any adjourned General Meeting) are entitled to attend, speak and vote at the General Meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

#### Proxies

2. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by him/ her. A proxy need not be a shareholder of the Company but must attend the meeting to represent you. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you intend appointing additional proxies, please contact Equiniti Limited on 0371 384 2030, or on +44 (0) 121 415 7047 from outside the UK, to obtain (an) additional proxy form(s).
3. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting. A shareholder may only appoint a proxy or proxies by:
  - (a) completing and returning the proxy form enclosed in this pack to the Registrars, Equiniti Limited, by no later than 11:00am on 3 August 2018;
  - (b) going to [www.sharevote.co.uk](http://www.sharevote.co.uk) and following the instructions provided; or
  - (c) if they are a user of the CREST system (including CREST personal members), having an appropriate CREST message transmitted.

#### Sharevote

4. You may, if you wish, register the appointment of a proxy or proxies, and give voting instructions for the meeting, electronically by logging on to [www.sharevote.co.uk](http://www.sharevote.co.uk). You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your proxy form. Full details of the procedure are given on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk). The proxy appointment and/or voting instructions must be received by Equiniti Limited at least 48 hours before the appointed time of the meeting (excluding any part of a day that is not a working day), that is to say, no later than 11:00 a.m. on 3 August 2018. Please note that any electronic communication sent to the Company or the Registrars that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the meeting is governed by Equiniti Limited's conditions of use set out on the website, [www.sharevote.co.uk](http://www.sharevote.co.uk), and may be read by logging on to that site.
5. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### CREST

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 7 August 2018 and any adjournment(s) thereof by using the procedures described in the CREST manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by 11:00am on 3 August 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. CREST personal members, sponsored members and CREST members

who have appointed a voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST.

9. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Further details of the appointment of proxies are given in the notes to the proxy form enclosed with this pack.
11. You may not use any electronic address provided in this Notice of General Meeting (including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated. To appoint more than one proxy, please print out or copy and fill in a separate copy of the proxy form.
12. **IMPORTANT: In any case your proxy form must be received by the Company's registrars, Equiniti, by no later than 11:00am on 3 August 2018.**

#### **Availability of proxy by joint members**

13. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### **Availability of documents and other information**

14. The following documents will be available for inspection at the registered office of the Company during usual business hours every business day from the date of this Notice until the meeting and will be available for inspection at the place of the meeting for one hour prior to and until the close of the meeting:
  - (a) copies of directors' service contracts and letters of appointment;
  - (b) copies of the directors' deeds of indemnity entered into in connection with the indemnification of director provisions of the Company's articles of association; and
  - (c) the documents listed in Section 15 of PART VI (*Additional Information*) of the Circular.
15. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice details the total number of shares in respect of which members are entitled to exercise voting rights at the meeting and, if applicable, members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice will be available on the Company's website [www.hsshiregroup.com](http://www.hsshiregroup.com).
16. You may not use any electronic address provided either in this Notice or in any related documents (including the enclosed proxy form) to communicate with the Company for any purposes other than those expressly stated.

#### **Corporate representative**

17. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers, provided that if two or more representatives purport to vote in respect of the same shares
  - (a) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and
  - (b) in other cases, the power is treated as not exercised.

#### **Issued share capital and total voting rights**

18. As at 19 July 2018 (being the latest business day prior to publication of this Notice), the Company's issued share capital consisted of 170,207,142 ordinary shares, carrying one vote each. The Company does not hold any ordinary shares in treasury, and therefore the total voting rights in the Company as at 19 July 2018 were 170,207,142.

#### **Nominated persons**

19. Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have the right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
20. The statements of the rights of shareholders in relation to the appointment of proxies in this Notice do not apply to Nominated Persons. Those rights can only be exercised by registered shareholders of the Company.

#### **Electronic addresses**

21. You may not use any electronic address provided in this document to communicate with the Company for any purpose other than that expressly stated.

**Accessibility**

22. The venue is wheelchair accessible. Please let us know in advance if you will need wheelchair assistance or if you have any other needs to ensure appropriate arrangements are in place. Anyone accompanying a shareholder in need of assistance will be admitted to the meeting. Other guests will only be admitted at the discretion of the Company.

**Security**

23. We thank you in advance for your co-operation with our security staff and the security staff at the venue. You may be asked to pass through the security systems before entering the meeting. We do not permit cameras or recording equipment at the meeting and we would be grateful if you would ensure you switch off your mobile telephone before the start of the meeting. We will not permit behaviour which may interfere with anyone's safety or the orderly conduct of the meeting.

**Members' rights to ask questions**

24. Under Section 319A of the Companies Act 2006, any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
- (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

**Website**

25. A copy of this notice, and other information required by s311A of the Act, can be found at [www.hsshiregroup.com](http://www.hsshiregroup.com).

**Voting results**

26. The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on our website [www.hsshiregroup.com](http://www.hsshiregroup.com) as soon as practicable after the General Meeting.

