

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE TESCO PLC SECURITIES LITIGATION

Case: 14 Civ. 8495-RMB

**NOTICE OF PENDENCY AND PROPOSED  
SETTLEMENT OF CLASS ACTION**

**TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED TESCO AMERICAN DEPOSITORY RECEIPTS (“ADRs”) (TRADING SYMBOL TSCDY) OR TESCO F SHARES (TRADING SYMBOL TSCDF) BETWEEN APRIL 18, 2012 AND SEPTEMBER 22, 2014, INCLUSIVE, AND WHO ARE NOT EXCLUDED FROM THE SETTLEMENT CLASS AS DESCRIBED BELOW IN SECTION II. B:**

- **PLEASE READ THIS NOTICE CAREFULLY.**
- **IF YOU WISH TO COMMENT IN FAVOR OF THE SETTLEMENT OR OBJECT TO THE SETTLEMENT, YOU MUST FOLLOW THE DIRECTIONS IN THIS NOTICE.**
- **YOU MAY BE ELIGIBLE TO RECEIVE MONEY FROM THE SETTLEMENT OF THIS CASE.**
- **YOUR LEGAL RIGHTS MAY BE AFFECTED BY THIS LAWSUIT.**
- **TO RECEIVE MONEY FROM THIS SETTLEMENT, YOU MUST SUBMIT A VALID PROOF OF CLAIM AND RELEASE FORM (“CLAIM FORM”) POSTMARKED ON OR BEFORE MAY 5, 2016.**
- **IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MAY REQUEST TO BE EXCLUDED BY SENDING A WRITTEN REQUEST FOR EXCLUSION THAT MUST BE POSTMARKED ON OR BEFORE APRIL 5, 2016.**
- **IF YOU RECEIVED THIS NOTICE ON BEHALF OF A CLASS MEMBER, AS DEFINED BELOW, WHO IS DECEASED, YOU SHOULD PROVIDE THE NOTICE TO THE AUTHORIZED LEGAL REPRESENTATIVE OF THAT CLASS MEMBER.**

YOU ARE HEREBY NOTIFIED AS FOLLOWS:

A proposed settlement (the “Settlement”) has been reached between the Settling Parties, as defined below, in this class action pending in the United States District Court for the Southern District of New York (the “Court”) brought on behalf of all individuals and entities described above (the “Class”). The Court has preliminarily approved the Settlement and has conditionally certified the Class for purposes of settlement only. The terms of the Settlement are set forth in a Stipulation of Settlement, which is available at [www.tescosecuritieslitigation.com](http://www.tescosecuritieslitigation.com). You have received this Notice of Pendency and Proposed Settlement of Class Action (“the Notice”) because the Settling Parties’ records indicate that you may be a member of the Class. This Notice is designed to inform you of your rights, how you can submit a claim and how you can comment in favor of the Settlement or object to the Settlement. If the Settlement is finally approved by the Court, the Settlement will be binding on you, unless you exclude yourself, even if you do not submit a Claim Form to obtain money from the Settlement and even if you object to the Settlement.

The Settlement creates a fund in the amount of **\$12,000,000** in cash (the “Settlement Fund”) for the benefit of members of the Class (“Class Members”) who purchased or otherwise acquired Tesco ADRs or Tesco F Shares between April 18, 2012 and September 22, 2014, inclusive (the “Class Period”). Your recovery from the Settlement Fund will be calculated according to the Plan of Allocation which is detailed below in Section II. E. Your recovery will depend on a number of variables, including the number of shares that you purchased during the Class Period and the timing of any purchases and sales that you made. **Lead Counsel estimates that the average recovery per damaged share of Tesco ADRs under the Settlement is \$0.41 before deduction of fees and expenses, and the average recovery per damaged share of Tesco F Shares under the Settlement is \$0.12 before deduction of fees and expenses.** If you have any questions regarding the Plan of Allocation or your potential recovery, you may contact Lead Counsel or the claims administrator, Epiq Systems, Inc. (“Claims Administrator”), whose contact information is listed below in this Notice.

There will be a fairness hearing on the Settlement (“Fairness Hearing”) at **2:00 p.m. on April 21, 2016** in Courtroom 17B of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007.

## I. BACKGROUND OF THE CASE

On or after October 23, 2014, six securities class action lawsuits were filed against Tesco PLC (“Tesco”) and certain former officers and/or directors of Tesco. These cases were consolidated into a single proceeding on March 19, 2015, and captioned *In re Tesco PLC Securities Litigation*, under the case number 14-CV-08495-RMB (the “Action”). On March 19, 2015, the Court also appointed Mr. Stephen Klug as lead plaintiff (“Lead Plaintiff”) and approved Lead Plaintiff’s selection of Kahn Swick & Foti, LLC as lead counsel (“Lead Counsel”) in the Action.

On June 18, 2015, Lead Plaintiff filed the Second Amended Complaint (the “Complaint”) against Defendants Philip Clarke, Laurie McIlwee, Richard Broadbent (collectively, the “Individual Defendants”), and Tesco (collectively with the Individual Defendants, “Defendants”).

Tesco is a multinational grocery and general merchandise retailer formed under the laws of the United Kingdom and headquartered in England. In the Complaint, Lead Plaintiff alleged that Defendants violated Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, by making materially false and misleading statements and omissions regarding, among other things, Tesco’s improper accounting and supplier practices, and its true financial condition. Lead Plaintiff further alleged that the prices of Tesco’s ADRs and F Shares were artificially inflated because of the failure to disclose this material information.

Defendants have denied and continue to deny Lead Plaintiff’s allegations. Defendants moved to dismiss the Complaint, denying all claims and contentions alleged by Lead Plaintiff in this Action, and maintaining that Lead Plaintiff did not adequately allege any valid claim under the federal securities laws. The Court has not ruled on Defendants’ motion to dismiss.

Mr. Klug and Tesco (the “Settling Parties”) and their respective counsel have determined that settlement of the Action is advantageous, considering the risks and uncertainties to each side of continued litigation. Lead Plaintiff and Lead Counsel have determined that the Settlement is fair, reasonable, and adequate and is in the best interests of the members of the Class.

Excluded from the Class are all persons and/or entities who brought claims in the litigation captioned: *Western & Southern Life Insurance Co., et al. v. Tesco PLC*, No. 15-cv-658-SSB-SKB, currently pending in the United States District Court for the Southern District of Ohio (the “Ohio Litigation”). The Ohio Litigation arises out of the same set of facts as this Action, but is not a class action, but rather an individual action against Tesco for violations of federal securities laws and Ohio state laws. Plaintiffs in the Ohio Litigation are The Western and Southern Life Insurance Company, Western & Southern Financial Group, Inc., Integrity Life Insurance Company, and Touchstone Strategic Trust. The Ohio Litigation is ongoing and there is currently a motion to transfer the Ohio Litigation to the United States District Court for the Southern District of New York.

## II. TERMS OF THE SETTLEMENT

The Stipulation of Settlement sets forth the terms of the Settlement, and provides for the following:

### A. What is the total size of the Settlement?

Tesco will pay (or cause to be paid) into an escrow account, pursuant to the Stipulation of Settlement dated November 19, 2015, cash in the amount of \$12,000,000.00 which will earn interest for the benefit of the Class.

### B. Am I included in the Settlement?

You are a member of the Class and are included in the Settlement if (i) you purchased or otherwise acquired Tesco ADRs or Tesco F Shares between April 18, 2012 and September 22, 2014, inclusive, and (ii) you are NOT in one of the following groups, each of which is excluded from the Class:

- a. Defendants; any officers or directors of Tesco during or after the Class Period; any corporation, trust or other entity in which any Defendant has a controlling interest; and the members of the immediate families of Philip Clarke, Laurie McIlwee, and Richard Broadbent and their successors, heirs, assigns, and legal representatives.
- b. All persons who would be otherwise a member of the Class, but who timely and validly request to be excluded from the Class. If you want to be excluded from the Class, you may request exclusion from the Class by following the steps described in Section II. F below.

- c. All persons and/or entities who have brought claims in the litigation captioned: *Western & Southern Life Insurance Co., et al. v. Tesco PLC*, No. 15-cv-658-SSB-SKB, pending in the United States District Court for the Southern District of Ohio.

**C. What is the legal effect of the Settlement on my rights?**

If you are a member of the Class, this Settlement will affect your legal rights. If the Court grants final approval of the Settlement, this Action will be dismissed with prejudice and all Class Members will fully release and discharge Defendants and other Released Persons, as defined below, from all claims for relief arising out of or based on Lead Plaintiff's allegations. When a person "releases" a claim, that person cannot sue the "released persons" for any of the claims covered by the release.

To share in the Settlement Fund, you must submit a Claim Form. If you submit a valid and timely Claim Form, you will receive a payment based upon the distribution formula described below in Section II. E.

The "Released Persons" are comprised of each and all of the Defendants; (ii) each and all of Tesco's past or present predecessors, successors, parent entities, affiliates, and subsidiaries, and, in the case of Tesco's respective predecessors, successors, parent entities, affiliates, and subsidiaries, each of Tesco's past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, parent entities, subsidiaries, divisions, joint ventures, assigns, spouses, heirs, related or affiliated entities, and any person, firm, trust, corporation, partnership, limited liability company, officer, director, or other individual or entity in which Tesco or its past or present predecessors, successors, parent entities, affiliates and subsidiaries has or had a controlling interest or which has or had a controlling interest in Tesco or its past or present predecessors, successors, parent entities, affiliates and subsidiaries, and (iii) the Individual Defendants' families, and any trust of which an Individual Defendant is the settlor or which is for the benefit of an Individual Defendant's family, and the legal representatives, heirs, successors or assigns of each of the foregoing.

**If you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Persons about the released claims in this case, ever again.**

**D. How can I get a payment?**

To qualify for a payment, you must submit a Claim Form. A Claim Form is included with this Notice. You may also get a Claim Form by downloading it from [www.tescosecuritieslitigation.com](http://www.tescosecuritieslitigation.com). Read the instructions carefully, fill out the Claim Form, include all the documents the form asks for, sign it, and mail it postmarked no later than May 5, 2016 to the address provided therein.

**E. Plan of Allocation: What will I receive from the Settlement?**

A Class Member's actual recovery will be a proportion of the Net Settlement Fund (defined below), determined by that claimant's recognized loss (*i.e.*, a claim proved by timely submission of a valid Claim Form) as compared to the total recognized losses of all Class Members.

The total Settlement Fund consists of \$12,000,000 plus accrued interest. Subject to the Court's approval, the Settlement Fund consists of: (i) certain administrative expenses, including costs of printing and mailing this Notice, the cost of issuing a press release, payment of any taxes assessed against the Settlement Fund, and costs associated with the processing of claims; these administrative expenses are estimated to be no greater than \$257,147.06; (ii) up to 30% of the Settlement Fund to Lead Counsel for their attorneys' fees and up to \$200,000.00 for reimbursement for Lead Counsel's expenses; and (iii) the remaining balance, or the "Net Settlement Fund", which will be distributed to Class Members who submit valid a timely Claim Forms. The Net Settlement Fund is estimated by Lead Counsel to be at least \$7,942,852.94.

If you are a Class Member, you will receive a share of the Net Settlement Fund unless you request exclusion from the Class or fail to submit a valid and timely Claim Form. Although we cannot determine an exact amount of individual payments at this time, your payment will be based on the formula described below.

- (1) A recognized loss amount will be calculated for each Tesco ADR or Tesco F Share purchased or acquired during the Class Period from April 18, 2012 (inclusive) through September 22, 2014 (prior the opening of the market). If the calculation of a recognized loss amount for any particular share purchased or acquired during the Class Period results in a negative number, that number shall be set to zero.

- (2) For each Tesco ADR purchased or acquired during the Class Period, and
- i. sold before the market opened on September 22, 2014, the recognized loss amount for each share shall be zero;
  - ii. sold after the market opened for trading on September 22, 2014, through the close of market trading on December 19, 2014, the recognized loss amount for each share is the least of (a) \$1.52; (b) the purchase/acquisition price minus the sale price; or (c) the purchase/acquisition price minus the average closing price of Tesco ADRs between September 22, 2014, and the date of sale;
  - iii. held as of the close of market trading on December 19, 2014, the recognized loss amount for each share is the lesser of (a) \$1.52; or (b) the purchase/acquisition price minus \$8.68, the average closing price of Tesco ADRs between September 22, 2014, and December 19, 2014.
- (3) For each Tesco F Share purchased or acquired during the Class Period, and
- i. sold before the market opened on September 22, 2014, the recognized loss amount for each share shall be zero;
  - ii. sold after the market opened for trading on September 22, 2014, through the close of market trading on December 19, 2014, the recognized loss amount for each share is the least of (a) \$0.44; (b) the purchase/acquisition price minus the sale price; or (c) the purchase/acquisition price minus the average closing price of Tesco F Shares between September 22, 2014, and the date of sale;
  - iii. held as of the close of market trading on December 19, 2014, the recognized loss amount for each share is the lesser of (i) \$0.44; or (ii) the purchase/acquisition price minus \$2.91, the average closing price of Tesco F Shares between September 22, 2014, and December 19, 2014.

If you have more than one purchase/acquisition or sale of either Tesco ADRs or Tesco F Shares during the Class Period, all purchases/acquisitions and sales of like securities will be matched on a First In, First Out (“FIFO”) basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

If the Net Settlement Fund exceeds the sum total amount of the recognized losses of all authorized claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed pro rata to all authorized claimants entitled to receive payment. The Net Settlement Fund will be allocated among all authorized claimants whose prorated payment is \$10.00 or greater. If the prorated payment to any authorized claimant calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that authorized claimant.

#### **F. Can I decide to opt out of this Settlement?**

Yes. If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Persons in some other lawsuit as to the released claims in this lawsuit, then you may request to be excluded from the Class by taking the following steps to remove yourself from this lawsuit. To exclude yourself from the Class, you must send a signed letter by mail stating that you “request exclusion from the Class in *In re Tesco PLC Securities Litigation*, Civil Action No. 14-CV-8495(RMB).” Your letter should state the date(s), price(s), and number of shares of all your purchases and sales of Tesco ADRs or Tesco F Shares during the Class Period. In addition, be sure to include your name, address, telephone number, and signature. You must mail your exclusion request postmarked no later than **April 5, 2016** to:

Tesco PLC Securities Litigation  
c/o Epiq Systems, Inc.  
P.O. Box 4390  
Portland, OR 97208-4390

**NO REQUEST FOR EXCLUSION WILL BE CONSIDERED VALID UNLESS ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.**

If you timely and validly request exclusion from the Class, (a) you will be excluded from the Class, (b) you will not share in the proceeds of the Settlement described above, (c) you will not be bound by any judgment entered in the case, and (d) you will not be precluded from otherwise prosecuting an individual claim, if timely, against Defendants or the Released Persons based on the matters alleged in this Action.

## **G. Notification of Shareholders and Legal Representatives**

If your address is different from the address to which this Notice was directed, or if it changes, you must notify the Claims Administrator for this Settlement of your new address as soon as possible. The appointed Claims Administrator for this Settlement is Epiq Systems, Inc. Any failure to keep the Claims Administrator informed of your current address may result in the loss of any monetary award you may be eligible to receive. If necessary, please send your new contact information to the address listed below and include your old address, new address, new telephone number, date of birth, and Social Security number. These last two items are required so that the Claims Administrator can verify that the address change is from the actual Class Member:

Tesco PLC Securities Litigation  
c/o Epiq Systems, Inc.  
P.O. Box 4390  
Portland, OR 97208-4390

The authorized legal representative of a Class Member may receive a recovery on behalf of the Class Member.

## **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased ADRs or F Shares of Tesco from April 18, 2012 to September 22, 2014, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that WITHIN TEN DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased Tesco ADRs or Tesco F Shares during such time period or (b) request additional copies of this Notice and the Claim Form, which will be provided to you free of charge, and within ten days mail the Notice and Claim Form directly to the beneficial owners of that Tesco ADR or F Share. If you choose to follow alternative procedure (b), you are requested to send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Tesco PLC Securities Litigation  
c/o Epiq Systems, Inc.  
P.O. Box 4390  
Portland, OR 97208-4390

If you choose to mail the Notice and Claim Form yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Claim Form and which would not have been incurred but for the obligation to forward the Notice and Claim Form, upon submission of appropriate documentation to the Claims Administrator.

## **H. Compensation for the Lead Plaintiff**

Stephen Klug, the court-appointed Lead Plaintiff, has not applied to the Court for any compensation that is different from that which is to be received by all other Class Members.

## **I. Compensation for Lead Counsel**

At the Fairness Hearing, Lead Counsel will request the Court to award attorneys' fees not greater than thirty (30%) of the gross Settlement Fund and reimbursement of expenses incurred in connection with the prosecution of this action not to exceed \$200,000. The requested fees and expenses, plus the expenses of the Claims Administrator for the notice and administration of the Settlement which shall be no greater than \$257,147.06, would amount to an average of not more than \$0.15 per damaged share in total for fees and expenses for Tesco ADRs and an average of not more than \$0.04 per damaged share in total for fees and expenses for Tesco F Shares. Class Members are not personally liable for any such fees, expenses, or compensation.

To date, Lead Counsel has not received any payment for its services in conducting this Action, and has not been reimbursed for their substantial expenses incurred in prosecuting this Action. The fee requested by Lead Counsel will compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class, and for the risk in undertaking this representation on a wholly contingent basis.



### III. LEAD PLAINTIFF'S AND LEAD COUNSEL'S SUPPORT OF THE SETTLEMENT

On October 20, 2015, the Settling Parties underwent a mediation session before a neutral mediator, former Judge Layn R. Philips, as well as extensive informal settlement negotiations to arrive at a compromise. Following the extensive arms-length negotiations, the Settling Parties reached an agreement in principle for the settlement of the Action.

For Lead Plaintiff, the principal reason for the Settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved if the Court were to rule in favor of Defendants on their pending motion to dismiss the Complaint or after a contested trial and likely appeals, possibly years into the future. Lead Plaintiff further considered, after conducting a substantial investigation into the facts of this case, the risks to proving liability and damages.

This Settlement enables the Class to recover a significant percentage of the alleged damages as calculated by Lead Counsel in conjunction with their economic consultant, without incurring any additional risk. Therefore, upon careful consideration of all of the facts and circumstances of this case, Lead Plaintiff and Lead Counsel believe this settlement is fair, reasonable and adequate.

### IV. OPPORTUNITIES TO GIVE YOUR OPINION ABOUT THE SETTLEMENT

If you are a Class Member, you can tell the Court that you agree or do not agree with the Settlement or some part of it. You can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the application by Lead Counsel for an award of fees and expenses.

If you wish to submit a written objection to the settlement, you must send a signed letter stating that you object to the proposed settlement in *In re Tesco PLC Securities Litigation*, Civil Action No. 14-CV-8495(RMB). Your objection must include a cover page identifying this case name and number and naming the hearing date of **April 21, 2016, at 2:00 p.m.** at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 17B, New York, NY 10007. Be sure to include your name, address, telephone number, and signature; identify the date(s), price(s), and number of shares of all purchases and sales of Tesco ADRs and/or Tesco F Shares you made during the Class Period, and state the reasons why you object to the settlement. Your objection must be postmarked on or before **April 5, 2016** and sent to Kahn Swick & Foti, LLC, on behalf of the Lead Plaintiff, at the following address:

#### FOR LEAD PLAINTIFF:

Lewis S. Kahn  
KAHN SWICK & FOTI, LLC  
206 Covington Street  
Madisonville, LA 70447

You do not need to go to the Fairness Hearing to have your written objection considered by the Court.

At the Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class may appear and be heard, to the extent allowed by the Court, to state any objection to the settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Fairness Hearing. If you or your representative intend to appear in person but have not submitted a written objection postmarked by **April 5, 2016**, it is recommended that you give advance notice to Lead Counsel for the Class of your intention to attend the hearing in order to object and the basis for your objection. You may contact them at the address provided above.

### V. FAIRNESS HEARING

The Court will hold a Fairness Hearing at **2:00 p.m. on April 21, 2016**, at the Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., Courtroom 17B, New York, NY 10007. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. At the Fairness Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections. You are not obligated to attend this hearing.

You should be aware that the Court may change the date and time of the Fairness Hearing. Thus, if you would like to come to the hearing, you should contact Lead Counsel before coming to confirm the date and/or time has not changed.

## **VI. ADDITIONAL INFORMATION**

This Notice summarizes the proposed settlement. More details are contained in a Stipulation of Settlement with Defendant Tesco dated November 19, 2015 (the “Stipulation”). You can get a copy of the Stipulation by writing to Lead Counsel at their address above.

You also can call the Claims Administrator toll-free at 1 (888) 643-2168; write to the Claims Administrator at Tesco PLC Securities Litigation, c/o Epiq Systems, Inc., P.O. Box 4390, Portland, OR 97208-4390; or visit the website at [www.tescosecuritieslitigation.com](http://www.tescosecuritieslitigation.com), where you will find a Claim Form, answers to common questions about the Settlement, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

For more detailed information concerning the matters involved in this Action, you can inspect the pleadings, the Stipulation, the Orders entered by the Court, and the other papers filed in the Action at the office of the Clerk of Daniel Patrick Moynihan United States Courthouse, 500 Pearl St., New York, NY 10007, during regular business hours. You may also contact Lead Counsel.

DATED: January 6, 2016