

THE TAKEOVER PANEL

CODE COMMITTEE

Instrument 2007/1

Schemes of arrangement

Pursuant to sections 942, 943 and 944 of the Companies Act 2006, and in exercise of the functions conferred on it by the Panel in paragraph 2 of its Terms of Reference, the Code Committee hereby makes this instrument containing rules.

The Takeover Code is amended, with effect from 14 January 2008, in accordance with the Appendix to this instrument.

In the Appendix, underlining indicates new text and striking through indicates deleted text.

Made by Lindsay Tomlinson, Chairman, acting on behalf of the Code Committee.

29 November 2007

APPENDIX

INTRODUCTION

3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

...

(b) Transactions

In cases falling within paragraphs (a)(i) or (ii) above, the Code is concerned with regulating takeover bids and merger transactions of the relevant companies, however effected, including by means of statutory merger or ~~Court approved~~ scheme of arrangement (as defined in the Definitions Section). ...

DEFINITIONS

Irrevocable commitments and letters of intent

Irrevocable commitments and letters of intent include irrevocable commitments and letters of intent:

(a) to accept or not to accept (or to procure that any other person accept or not accept) an offer; or

(b) ~~and also irrevocable commitments and letters of intent~~ to vote (or to procure that any other person vote) in favour of or against a resolution of an offeror or the offeree company (or of its shareholders) in the context of the an offer, including a resolution to approve or to give effect to a scheme of arrangement.

Offeree company

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In the case of a scheme of arrangement, a reference to the offeree company should normally be construed as a reference to the company whose shares are proposed to be acquired under the scheme.

Offeror

...

In the case of a scheme of arrangement, a reference to an offeror should normally be construed as a reference to the person who it is proposed will acquire shares of the offeree company under the scheme.

Offer period

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In the case of a scheme of arrangement, the offer period will continue until it is announced in accordance with Section 5(c) of Appendix 7 that the scheme has become effective or that the scheme has lapsed or been withdrawn. Provisions of the Code that apply during the course of the offer, or before the offer closes for acceptance, will apply until the same time.

Scheme of arrangement or scheme

A transaction effected by means of a scheme of arrangement under the Companies Act 1985, the Companies Act 2006 or similar statutory provisions in the Channel Islands or the Isle of Man.

Rule 2.9

2.9 PUBLICATION OF AN ANNOUNCEMENT ABOUT AN OFFER OR POSSIBLE OFFER

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NOTES ON RULE 2.9

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2. *Rules 6, 7, 9, 11, 17, 30, 31, 32, Appendix 1.6, ~~and~~ Appendix 5 and Appendix 7*

Announcements made under Rules 6.2(b), 7.1, 9.1(Note 9), 11.1(Note 6), 17.1, 30.1(a), 30.2(a), 31.2, 31.6(a)(Note 1(b)), 31.6(c), 31.7(Note 2), 31.8(Note), 31.9, 32.1, 32.6(a), Appendix 1.6, ~~and~~ Appendix 5.5, Appendix 7.6 and Appendix 7.8 must also be published in accordance with the requirements of this Rule.

Rule 4.5

4.5 RESTRICTION ON THE OFFEREE COMPANY ACCEPTING AN OFFER IN RESPECT OF TREASURY SHARES*

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* This Rule is disapplied in a scheme.

Rule 9**9.1 WHEN A MANDATORY OFFER IS REQUIRED AND WHO IS
PRIMARILY RESPONSIBLE FOR MAKING IT**

...

NOTES ON RULE 9.1

...

*9. Triggering Rule 9 during an offer period**

...

*In the case of a scheme of arrangement, see Note 2 on Section 2 of Appendix
7.*

Rule 10**RULE 10. THE ACCEPTANCE CONDITION***

...

** This Rule is disapplied in a scheme.*

Rule 11.1**11.1 WHEN A CASH OFFER IS REQUIRED**

...

NOTES ON RULE 11.1

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*3. When the obligation is satisfied**

...

** This Note is disapplied in a scheme.*

Rule 12

12.1 REQUIREMENT FOR APPROPRIATE TERM IN OFFER

(a) Where an offer comes within the statutory provisions for possible reference to the Competition Commission, it must be a term of the offer that:—

(i) in the case of a contractual offer, it the offer will lapse if there is a reference before the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later; or

(ii) in the case of an offer being implemented by way of a scheme of arrangement, the offer will lapse and the scheme will not become effective if there is a reference before the shareholder meetings (as defined in Appendix 7).

(b) Where an offer would give rise to a concentration with a Community dimension within the scope of Council Regulation 139/2004/EC, it must be a term of the offer that ~~it will lapse if either: (i) the European Commission initiates proceedings under Article 6(1)(c);² or (ii) there is a reference to the Competition Commission following a referral by the European Commission under Article 9.1 to a competent authority in the United Kingdom, there is a subsequent reference to the Competition Commission;:-~~

(i) in either the case of a contractual offer, the offer will lapse if this occurs before the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later; or

(ii) in the case of an offer being implemented by way of a scheme of arrangement, the offer will lapse and the scheme will not become effective if this occurs before the shareholder meetings (as defined in Appendix 7).

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NOTE ON RULE 12.1

*The effect of lapsing**

...

** This Note is disapplied in a scheme.*

12.2 OFFER PERIOD CEASES DURING COMPETITION REFERENCE PERIOD

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NOTES ON RULE 12.2

1. Schemes of arrangement

In the case of an offer being implemented by way of a scheme of arrangement, the offer period will end following a reference or initiation of proceedings only if the offer then lapses as a result of a term included pursuant to Rule 12.1(a) or (b) or upon a condition included pursuant to Rule 12.1(c) being invoked.

2. After a reference or initiation of proceedings

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Rule 13.5

13.5 INVOKING OFFEREE PROTECTION CONDITIONS

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NOTES ON RULE 13.5

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2. Availability of withdrawal rights*

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* This Note is disapplied in a scheme.

Rule 14

14.1 COMPARABLE OFFERS

Where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not; the Panel should be consulted in advance. An offer for non-voting equity share capital should not be made conditional on any particular level of acceptances in respect of that class, or on the approval of that class, unless the offer for the voting equity share capital is also conditional on the success of the offer for the non-voting equity share capital. Classes of non-voting, non-equity share capital need not be the subject of an offer, except in the circumstances referred to in Rule 15.

Rule 15**RULE 15. APPROPRIATE OFFER FOR CONVERTIBLES ETC.**

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(d) The offer or proposal to stockholders required by this Rule should not normally be made conditional on any particular level of acceptances. It may, however, be put by way of a scheme to be considered at a stockholders' meeting provided that, if the scheme is not approved at that meeting, or is not sanctioned by the court, the offeror shall immediately make an offer or proposal to stockholders which is not conditional on any particular level of acceptances or approval.

Rule 17**RULE 17. ANNOUNCEMENT OF ACCEPTANCE LEVELS***

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** This Rule is disapplied in a scheme.*

Rule 18**RULE 18. THE USE OF PROXIES AND OTHER AUTHORITIES IN RELATION TO ACCEPTANCES***

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** This Rule is disapplied in a scheme.*

Rule 19.3**RULE 19.3 UNACCEPTABLE STATEMENTS**

Parties to an offer or potential offer and their advisers must take care not to issue statements which, while not factually inaccurate, may mislead shareholders and the market or may create uncertainty. In particular, an offeror must not make a statement to the effect that it may improve its offer, or that it may make a change to the structure, conditionality or the non-financial terms of its offer, without committing itself to doing so and specifying the improvement or change. In the case of any doubt as to the application of this Rule to a proposed statement, parties to an offer or potential offer and their advisers should consult the Panel.

NOTES ON RULE 19.3

1. *Holding statements*

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In the case of a scheme of arrangement, see Section 4 of Appendix 7.

Rule 19.4

19.4 ADVERTISEMENTS

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- (viii) **advertisements which are notices relating to ~~Court~~ a schemes of arrangement; or**

Rule 20.1

20.1 EQUALITY OF INFORMATION TO SHAREHOLDERS

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NOTES ON RULE 20.1

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4. *Information issued by associates (eg brokers)*

When an offer is referred to the Competition Commission or the European Commission initiates proceedings, the offer period may ends in accordance with Rule 12.2. Associates must, however, consult the Panel about the issue of circulars as described in this Note during the reference or proceedings. The Panel will normally apply the restrictions in this Note in the period of one month before the relevant authority is expected to make its recommendation or issue its decision as the case may be.

Rule 20.2

20.2 EQUALITY OF INFORMATION TO COMPETING OFFERORS

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NOTES ON RULE 20.2

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5. *The Competition Commission and the European Commission*

When an offer is referred to the Competition Commission or the European Commission initiates proceedings, the offer period may ends in accordance with Rule 12.2. The Panel will, however, continue to apply Rule 20.2 during the reference or proceedings and, therefore, for the purposes of this Rule alone, will normally deem the referred offeror to be a bona fide potential offeror.

Rule 21.1

21.1 WHEN SHAREHOLDERS' CONSENT IS REQUIRED

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NOTES ON RULE 21.1

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4. *The Competition Commission and the European Commission*

When an offer is referred to the Competition Commission or the European Commission initiates proceedings, the offer period may ends in accordance with Rule 12.2. The Panel will, however, normally consider that General Principle 3 and Rule 21.1 apply during the competition reference period, but on a more flexible basis. For example, issues of shares, which do not increase the equity share capital or the share capital carrying voting rights as at the end of the offer period by, in aggregate, more than 15%, would normally not be restricted; and for the purpose of Note 2, a 15% rather than a 10% test would normally be applied.

Rule 24.2

24.2 FINANCIAL AND OTHER INFORMATION ON THE OFFEROR, THE OFFEREE COMPANY AND THE OFFER

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NOTES ON RULE 24.2

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6. *Certain offers where the consideration is solely in cash*

The Panel will normally consent to the provisions of Rules 24.2(b), (c)(i) (to the extent that it refers to Rule 24.2(a)) and (f) being disapplied in relation to offers where the consideration is solely in cash provided that the offer (including all related offers and proposals) is structured so that no person will

remain or become a minority shareholder in the offeree company, or the risk of anyone doing so is negligible. In such circumstances, the offer document or scheme circular must nonetheless contain the names of the offeror's directors.

If an offer to which this Note applies is subsequently restructured with the effect that:

(a) the consideration is no longer solely in cash; or

(b) the transaction structure switches to a contractual offer where the risk of a person remaining or becoming a minority shareholder in the offeree company is not negligible.

the provisions of Rules 24.2(b), (c)(i) and (f) will apply in full and the information required by those provisions must be included in the supplementary scheme circular or offer document (as appropriate).

Where Rule 24.2(c)(i) applies, compliance with the "further information" requirements of that rule will still be required (see Note 2 on Rule 24.2).

The Panel should be consulted in advance where consent to the disapplication of any of the requirements of Rule 24.2(b), (c)(i) or (f) is sought.

Rule 24.6

24.6 INCORPORATION OF OBLIGATIONS AND RIGHTS*

...

* This Rule is disapplied in a scheme.

Rule 24.13

24.13 CASH UNDERWRITTEN ALTERNATIVES WHICH MAY BE SHUT OFF*

* This Rule is disapplied in a scheme.

Rule 26

RULE 26. DOCUMENTS TO BE ON DISPLAY

...

(f) all any material contracts described in the offer document or offeree board circular (as appropriate) in compliance with (Rules 24.2(a) and, Rule 24.2(c) and or Rule 25.6(a);

Rule 30.2**30.2 THE OFFEREE BOARD CIRCULAR**

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NOTE ON RULE 30.2Where there is no separate offeree board circularWhere the offeree board's circular is combined with the offer document the references to the offeree board's circular being posted and made readily and promptly available after publication of the offer document will be inapplicable. Other than this, the requirements of Rule 30.2 will apply as usual to the single document.**Rule 31****RULE 31. TIMING OF THE OFFER***

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* This Rule is disapplied in a scheme. See Appendix 7.

...

31.6 FINAL DAY RULE (FULFILMENT OF ACCEPTANCE CONDITION, TIMING AND ANNOUNCEMENT)

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NOTES ON RULE 31.61. *Extension of offer under Rule 31.6(a)*(a) It should be noted ...(b) Any extension to which the Panel consents must be announced by the offeror in accordance with Rule 2.9. The Panel should be consulted as to whether notice of the extension should also be posted to offeree company shareholders.

...

31.7 TIME FOR FULFILMENT OF ALL OTHER CONDITIONS

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NOTES ON RULE 31.71. The effect of lapsing

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2. Extensions

Any extension to which the Panel consents must be announced by the offeror in accordance with Rule 2.9. The Panel should be consulted as to whether notice of the extension should also be posted to offeree company shareholders.

31.8 SETTLEMENT OF CONSIDERATION

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NOTE ON RULE 31.8Extensions

Any extension to which the Panel consents must be announced by the offeror in accordance with Rule 2.9. The Panel should be consulted as to whether notice of the extension should also be posted to offeree company shareholders.

...

31.10 RETURN OF DOCUMENTS OF TITLE

If an offer lapses, all documents of title and other documents lodged with forms of acceptance must be returned as soon as practicable (and in any event within 14 days of the lapsing of the offer) and the receiving agent should immediately give instructions for the release of securities held in escrow.

Rule 32**32.1 OFFER OPEN FOR 14 DAYS AFTER POSTING OF REVISED OFFER DOCUMENT**

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(b) ... acceptances.*NOTES ON RULE 32.1

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3. When revision is not permissible*

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* Rule 32.1(b) and the first sentence of Note 3 on Rule 32.1 are disapplied in a scheme. See Section 7 of Appendix 7.

4. *Triggering Rule 9**

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* This Note is disapplied in a scheme. See Section 2 of Appendix 7.

32.2 NO INCREASE STATEMENTS

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NOTES ON RULE 32.2

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3. *Competitive situations*

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(b) *... posted.**

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4. *Recommendations*

Subject to Note 2 above, the offeror can choose not to be bound by a no increase statement which would otherwise prevent the posting of an increased or improved offer recommended ~~for acceptance~~ by the board of the offeree company.

5. *Rule 31.9 announcements**

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* Paragraph (b) of Note 3, and Note 5, are disapplied in a scheme.

6. *Schemes of arrangement*

A switch to or from a scheme of arrangement will not normally, of itself, be regarded as an amendment which would be precluded by an earlier no increase statement in relation to the value or type of consideration offered. Therefore, it is not necessary for an offeror making such a statement specifically to reserve the right to switch its offer structure.

...

32.4 NEW CONDITIONS FOR INCREASED OR IMPROVED OFFERS OR FOLLOWING A SWITCH

Subject to the prior consent of the Panel, and only to the extent necessary to implement an increased or improved offer, or a switch to or from a scheme of arrangement, the offeror may introduce new conditions (eg obtaining shareholders' approval or the admission to listing or admission to trading of new securities).

32.5 COMPETITIVE SITUATIONS

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NOTES ON RULE 32.5

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3. Schemes of arrangement

Where one or more of the competing offers is being implemented by way of a scheme of arrangement, the parties must consult the Panel as to the applicable timetable. The Panel will then determine the date or dates on which final revisions to the competing offers must be announced and on which any auction procedure will commence, taking into account all the relevant circumstances.

Rule 33

RULE 33. ALTERNATIVE OFFERS*

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* This Rule is disapplied in a scheme. See Appendix 7.

Rule 34

RULE 34. RIGHT OF WITHDRAWAL*

(a) An acceptor must be entitled to withdraw his acceptance from the date which is 21 days after the first closing date of the initial offer, if the offer has not by such date become or been declared unconditional as to acceptances. This entitlement to withdraw must be exercisable until the earlier of:

(ai) the time that the offer becomes or is declared unconditional as to acceptances; and

(bii) the final time for lodgement of acceptances which can be taken into account in accordance with Rule 31.6.

(b) An acceptor must also be entitled to withdraw his acceptance if so determined by the Panel in accordance with Rule 13.5.

(c) If a shareholder withdraws his acceptance, all documents of title and other documents lodged with the form of acceptance must be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and the receiving agent should immediately give instructions for the release of securities held in escrow.

** This Rule is disapplied in a scheme.*

Rule 36

36.4 OFFER FOR BETWEEN 30% AND 50%*

...

36.5 OFFER FOR 30% OR MORE REQUIRES 50% APPROVAL*

...

36.7 SCALING DOWN*

...

** This Rule is disapplied in a scheme.*

Rule 38

38.3 ASSENTING SECURITIES AND DEALINGS IN ASSENTED SECURITIES

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NOTES ON RULE 38.3

1. Withdrawal rights under Rule 38.5

...

2. Schemes of arrangement

See Section 12 of Appendix 7.

38.4 VOTING

...

NOTE ON RULE 38.4

Schemes of arrangement

See Section 12 of Appendix 7.

Appendix 2

APPENDIX 2

FORMULA OFFERS GUIDANCE NOTE

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3 DATE ON WHICH THE FORMULA CRYSTALLIZES

In all circumstances, the consideration payable under the formula should be determined as at the day the offer becomes or is declared unconditional as to acceptances or, in the case of a scheme of arrangement, as at a date which is a fixed number of days prior to the court sanction hearing (in either case, the “FAV calculation date”). ~~The formula should then cease to operate, shareholders accepting the offer after that date receiving the consideration thus determined.~~

NOTE ON SECTION 3

Schemes of arrangement

In the case of a scheme, the FAV calculation date should normally be set for a date no earlier than seven days prior to the date of the court sanction hearing (as defined in Appendix 7). The Panel should be consulted if this is impracticable.

...

8 “FLOOR AND CEILING” CONDITIONS

There is no objection to the incorporation of conditions in a formula offer which provide for the offer to lapse in the event that the formula asset value (calculated on the FAV calculation date ~~day the offer becomes or is declared unconditional as to acceptances~~) falls outside specified limits or if movements in certain securities markets’ indices exceed specified limits.

9 OFFEREE BOARD OBLIGATIONS

There is no obligation on the board of the offeree company to provide information relating to the calculation of the formula price until a successful offeror has taken control. Nevertheless, where an offer has a “floor and ceiling” condition related to the formula asset value, the board of the offeree company must announce, within 7 days ~~of~~ after the FAV calculation date ~~offer becoming or being declared unconditional as to acceptances~~, whether the formula calculated on the FAV calculation date ~~day the offer became or was declared unconditional as to acceptances~~ fell within the specified limits.

...

Appendix 7

APPENDIX 7

SCHEMES OF ARRANGEMENT

DEFINITIONS AND INTERPRETATION

Court sanction hearing

The hearing of the court to sanction a scheme of arrangement.

Effective date

Effective date means the date on which the order of the court sanctioning the scheme is delivered to the registrar of companies for registration or, if later, the date on which the order of the court confirming the reduction of capital and minute of the reduction of capital are delivered to the registrar of companies and registered by him.

Offer documents and offeree board circulars

In the case of a scheme of arrangement, references in the Code to an offer document or to the first major circular from the offeree board (and related expressions) shall be construed as references to the scheme circular and references to a revised offer document or to a subsequent offeree board circular (and related expressions) shall be construed as references to any supplementary scheme circular.

Shareholder meetings

The meeting of shareholders in the offeree company (or meetings of relevant classes of shareholders) convened by the court to consider a resolution to approve a scheme of arrangement and any general meeting of the offeree

company (and related class meetings) convened to consider any resolution to approve or give effect to a scheme.

1 APPLICATION OF THE CODE TO SCHEMES OF ARRANGEMENT

The provisions of the Code apply to an offer effected by means of a scheme of arrangement in the same way as they apply to an offer effected by means of a contractual offer, except as set out in this Appendix 7.

2 MANDATORY OFFERS

An obligation to make a mandatory offer under Rule 9 may not be satisfied by way of a scheme of arrangement except with the prior consent of the Panel.

NOTES ON SECTION 2

1. When the Panel's consent may be granted

Factors which the Panel will take into account when considering an application to satisfy a mandatory offer obligation by way of a scheme include the views of the offeree board and its independent adviser and the likely timetable of the scheme.

If the Panel permits the mandatory offer obligation to be so satisfied and the scheme lapses for a reason which would not have caused a contractual offer to lapse, the Panel will require the offeror to make a new contractual offer immediately in compliance with Rule 9. The scheme circular must include a statement by the offeror that, if the scheme lapses for such a reason, the offeror will make a new contractual offer as required by the Panel. Until the posting of the offer document in respect of a new contractual offer, the Panel may impose restrictions on the ability of the offeror and persons acting in concert with it to exercise, or procure the exercise of, voting rights of the offeree company attaching to the shares in which they have an interest.

2. Triggering Rule 9 during a scheme

Where an offeror is implementing its offer by way of a scheme of arrangement, the offeror and persons acting in concert with it may acquire an interest in shares which causes the offeror to have to extend a mandatory offer under Rule 9 only if the offeror has obtained the Panel's prior consent either to satisfy its mandatory offer obligation by way of a scheme or to switch to a contractual offer (see Section 8 of this Appendix 7).

3 DATE OF SHAREHOLDER MEETINGS

The shareholder meetings must normally be convened for a date which is at least 21 days after the date of the scheme circular.

4 HOLDING STATEMENTS

(a) If a statement of the kind described in Note 1 on Rule 19.3 is made during an offer period involving a scheme of arrangement, the Panel will normally require the statement to be clarified by a date, to be specified by the Panel, in advance of the date of the shareholder meetings.

(b) Where appropriate, however, taking into account all relevant circumstances, including:

(i) the interests of offeree shareholders and the desirability of clarification prior to the shareholder meetings; and

(ii) the time which the offeror or potential offeror has had to consider its position,

the Panel may permit clarification after the date of the shareholder meetings but before the date of the court sanction hearing.

5 ANNOUNCEMENTS FOLLOWING KEY EVENTS IN A SCHEME

(a) As soon as practicable after the votes on the relevant resolutions at the shareholder meetings and, in any event, by no later than 8.00 am on the business day following the shareholder meetings, the offeree company must make an announcement stating whether or not the resolutions were passed by the requisite majorities (and, if not, whether or not the scheme has lapsed) and giving details of the voting results in relation to the meetings, including:

(i) in the case of any general meeting of the offeree company convened to consider any resolution to approve or give effect to the scheme, if a poll was taken, the number of shares of each class which were voted for and against the resolutions and the percentage of the shares voted which those numbers represent; and

(ii) in the case of each court-convened meeting:

(a) the number of shareholders of the class who voted for and against the resolution to approve the scheme and the percentage of those voting shareholders which those numbers represent;

(b) the number of shares of the class which were voted for and against the resolution to approve the scheme and the percentage of the total shares voted which those numbers represent; and

(c) the percentage of the issued shares of the class which the shares voted for and against the resolutions represent.

(b) As soon as practicable following the court sanction hearing, the offeree company must make an announcement stating the decision of the court and including details of whether the scheme will proceed or has lapsed.

(c) As soon as practicable on the effective date, the offeree company or the offeror must make an announcement stating that the scheme has become effective.

6 CHANGES TO THE EXPECTED SCHEME TIMETABLE

(a) Any adjournment of a shareholder meeting or court sanction hearing, or a decision by the offeree board to propose such an adjournment, must be announced promptly by the offeree company in accordance with the requirements of Rule 2.9. If the meeting or hearing is adjourned to a specified date, the announcement should set out the relevant details. If the meeting or hearing is adjourned without at the same time specifying a date for the adjourned meeting, a further announcement should be made in accordance with the requirements of Rule 2.9 once the new date has been set.

(b) Similarly, except with the consent of the Panel, any other change to the expected timetable of events set out in the scheme circular must be announced promptly by the offeror or offeree company (as appropriate) in accordance with the requirements of Rule 2.9.

(c) In all cases, the Panel should be consulted as to whether notice of an adjournment of any meeting or hearing or any other delay in, or change to, the expected timetable should, in addition, be posted to offeree company shareholders.

7 REVISION

Any revision to a scheme of arrangement should normally be made by no later than the date which is 14 days prior to the date of the shareholder meetings (or any later date to which such meetings are adjourned). The consent of the Panel must be obtained if it is proposed to make any revision to a scheme either:

(a) less than 14 days prior to the date of the shareholder meetings (or any later date to which such meetings are adjourned); or

(b) following the shareholder meetings.

8 SWITCHING

(a) With the consent of the Panel, the offeror may switch from a scheme of arrangement to a contractual offer or from a contractual offer to a scheme of arrangement, whether or not the offeror has reserved the right to change the structure of the offer.

(b) The Panel will determine the offer timetable that will apply following any switch to which it consents.

(c) The offeror must announce a switch in accordance with the requirements of Rule 2.9. The announcement must include:

(i) details of all changes to the terms and conditions of the offer as a result of the switch;

(ii) details of any material changes to the other details originally announced pursuant to Rule 2.5(b);

(iii) an explanation of the offer timetable applicable following the switch (as determined by the Panel); and

(iv) an explanation of whether or not any irrevocable commitments or letters of intent procured by the offeror or its associates will remain valid following the switch.

NOTE ON SECTION 8

Determination of the offer timetable following a switch

Factors which the Panel may take into account when determining the offer timetable that will apply following a switch include:-

(a) the time required to enable shareholders in the offeree company to reach a properly informed decision;

(b) the time which has elapsed since the switching offeror's original announcement under Rule 2.5 and the extent to which it is reasonable for the offeree board to be hindered in the conduct of its affairs;

(c) the views of the offeree board and the switching offeror; and

(d) the likely effect of the new offer timetable on any competing offeror.

9 ALTERNATIVE CONSIDERATION

(a) If a scheme of arrangement permits shareholders to elect to receive any alternative form of consideration, or to elect, subject to the election of others, to vary the proportions in which they receive different forms of

consideration, the ability of shareholders to make such elections must not be closed off or withdrawn before the shareholder meetings.

(b) A shareholder who has elected to receive a particular form of consideration in respect of any of his shares must be entitled to withdraw his election. However, this right may be shut off not earlier than one week prior to the date on which the court sanction hearing is originally proposed to be held or, if for any reason the court sanction hearing is rearranged for a later date, not earlier than one week prior to that later date.

NOTE ON SECTION 9

Rule 11.1

The obligation to make cash available under Rule 11.1 will be considered to have been met if, at the time the acquisition was made, shareholders were able to elect for cash consideration at a price per share not less than that required by Rule 11.1, even if such an election subsequently ceases to be available.

10 SETTLEMENT OF CONSIDERATION

Except with the consent of the Panel, the consideration must be posted within 14 days of the effective date. The terms of the scheme must reflect this requirement.

11 RETURN OF DOCUMENTS OF TITLE

If an offer being implemented by way of a scheme lapses or is withdrawn, or if a shareholder withdraws his election for a particular form of consideration, all documents of title and other documents lodged with any form of election must be returned as soon as practicable (and in any event within 14 days of such lapsing or withdrawal) and the receiving agent should immediately give instructions for the release of securities held in escrow.

12 VOTING BY CONNECTED EXEMPT PRINCIPAL TRADERS

Except with the consent of the Panel, securities owned by an exempt principal trader connected with an offeror or the offeree company must not be voted on a resolution put to shareholders in the offeree company to approve or to give effect to a scheme of arrangement. The Panel will normally grant its consent in the following circumstances:

(a) an exempt principal trader connected with an offeror whose offer is being implemented by way of a scheme will normally be permitted to vote against the scheme but will not normally be permitted to vote in favour of it;

(b) an exempt principal trader connected with a competing offeror (or potential offeror) will normally be permitted to vote in favour of such a scheme but will not normally be permitted to vote against it; and

(c) an exempt principal trader connected with the offeree company will normally be permitted to vote in favour of or against the scheme.

13 SCHEMES WHICH DO NOT HAVE THE SUPPORT OF THE OFFEREE BOARD

The Panel should be consulted if an offeror is considering announcing an offer or possible offer which it is proposed will be implemented by means of a scheme of arrangement without, prior to such announcement, obtaining the support of the offeree board.

14 PROVISIONS DISAPPLIED IN A SCHEME

The following provisions of the Code do not apply to a scheme of arrangement:

(a) Rule 4.5 (restriction on the offeree company accepting an offer in respect of treasury shares);

(b) Rule 10 (the acceptance condition);

(c) Note 3 on Rule 11.1 (when the obligation to offer cash is satisfied);

(d) the Note on Rule 12.1 (the effect of lapsing);

(e) Note 2 on Rule 13.5 (availability of withdrawal rights);

(g) Rule 18 (the use of proxies and other authorities in relation to acceptances);

(h) Rules 24.6 (incorporation of obligations and rights) and Rule 24.13 (cash underwritten alternatives which may be shut off);

(i) Rules 31.1 to 31.10 (timing of the offer);

(j) Rule 32.1(b), Notes 3 (first sentence) and 4 on Rule 32.1, paragraph (b) of Note 3 on Rule 32.2 and Note 5 on Rule 32.2 (revision);

(k) Rules 33.1 to 33.3 (alternative offers);

(l) Rule 34 (right of withdrawal); and

(m) Rules 36.4, 36.5 and 36.7 (partial offers).