

# THE TAKEOVER PANEL

## PRACTICE STATEMENT NO. 1

### RULE 20.1 – EQUALITY OF INFORMATION

Rule 20.1 provides that information about companies involved in an offer must be made equally available to all shareholders as nearly as possible at the same time and in the same manner. This Rule is derived from General Principle 1 which is a fundamental principle of the Code in providing protection to shareholders in the offeree company.

Note 3 on Rule 20.1 permits representatives of the offeror or offeree company or their respective advisers to hold meetings with shareholders of either party and with analysts, brokers and fund managers provided that no material new information is forthcoming and no significant new opinions are expressed. In order to ensure that this takes place, an adviser to the relevant party is normally required to attend the meeting and to confirm in writing to the Panel that this obligation has not been breached. This helps the Executive to ensure that all shareholders and market participants have access to the same information in making their acceptance decisions or decisions to trade in the shares of the offeror or offeree company.

It is important to note that Rule 20.1 applies equally to significant new opinions of the offeror or the offeree company on an offer as it does to factual information released by or on behalf of either such party, even if such opinions are based on publicly available information. As a result, it is not acceptable for an offeror or offeree company or their respective advisers to make significant arguments in support of or against an offer to selected shareholders, analysts or brokers unless these opinions have been disclosed to all shareholders and to the market generally by means of a circular and/or a public announcement.

The Executive should be consulted in case of doubt.

*Practice Statements are issued by the Executive to provide informal guidance to companies involved in takeovers and practitioners as to how the Executive normally interprets and applies relevant provisions of the Code in certain circumstances. Practice Statements do not form part of the Code. Accordingly, they are not binding on the Executive or the Panel and are not a substitute for consulting the Executive to establish how the Code applies in a particular case. All Practice Statements issued by the Executive are available on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).*

12 February 2004

Amended 14 January 2008