

THE TAKEOVER PANEL

PRACTICE STATEMENT NO. 2

RULE 20.2 - SITE VISITS AND MEETINGS WITH MANAGEMENT

Under Rule 20.2 any information given to one offeror or potential offeror must, on request, be given equally and promptly to another offeror or bona fide potential offeror even if that other offeror is less welcome. In the absence of such a requirement, a competing, and in the eyes of the offeree company board perhaps less welcome, offeror might be dissuaded from bidding and the shareholders of the offeree company might therefore be deprived of the opportunity to consider another, potentially more favourable, offer.

In the view of the Executive, Rule 20.2 extends to site visits and meetings with offeree company management in addition to information disclosed by other means. Accordingly, if one offeror or potential offeror has been afforded a site visit or granted access to management with a view to discussing the offeree company's business, an equivalent site visit or meeting with management must be granted to another offeror or bona fide potential offeror if it so requests.

The Executive recognises that it may not be possible to replicate exactly the same site visit or management access for a subsequent offeror as was given to the first offeror, but considers that the offeree company and its financial adviser are responsible for ensuring, as far as practicable, that the subsequent offeror is afforded equivalent access and equality of treatment. In the case of a meeting, and consistent with Note 1 on Rule 20.2, offeree company management would not be required to provide specific items of information to the subsequent offeror at that meeting unless the specific information requested had previously been provided to another offeror or potential

offeror. Should there be any dispute as to whether the provisions of Rule 20.2 have been complied with, the relevant financial adviser will be expected to satisfy the Panel that they have been.

The Executive should be consulted in cases 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 and the SARs in certain circumstances. Practice Statements do not form part of the Code or the SARs. 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 and the SARs apply in a particular case. All Practice Statements issued by the Executive are available on the Panel's website at www.thetakeoverpanel.org.uk.

12 February 2004