

THE TAKEOVER PANEL

THE STOCK EXCHANGE

PANEL ON TAKE-OVERS AND MERGERS

JOINT STATEMENT

In the light of recent events, the Panel and The Stock Exchange wish to make their position clear.

The Panel, which is made up of representatives of those organisations listed below*, is the body primarily responsible for the regulation of the conduct of take-overs. Its overall objective is to ensure that all shareholders are treated equally and fairly and are enabled to make an informed judgment on take-over proposals. Its operations have always been conducted with the highest degree of co-operation with, and support from, its member organisations. The Stock Exchange has additionally maintained a close relationship with the Panel as regards the investigation of dealings in securities during take-overs.

The Take-Over Code, as developed and administered by the Panel, imposes upon the field of take-over activity in the United Kingdom an unmatched degree of protection, compared with securities markets in other centres, for investors interested in the securities which are affected by take-overs. It has done so for almost 19 years and in respect of some 5,000 take-overs. The Panel and The Stock Exchange are determined that the generally-observed high standards required in the conduct of take-overs shall be maintained in the future so as to ensure continuance of the highest possible level of protection of investors against, for example, any secret attempts to manipulate share prices.

As far as dealings in securities are concerned, the Code has always contained detailed rules for public disclosure of dealings by parties with special interests, which, together with the

requirements of The Stock Exchange, are designed to ensure the maintenance of an orderly and informed market in the course of a take-over.

Since Big Bang, sophisticated equipment has been available to the Surveillance Division of The Stock Exchange to ensure rapid access to full Stock Exchange dealings data. The linking of that data with the greater disclosures of dealings, which will be required under the new rules announced today by the Panel, is aimed to enhance the ability to detect market manipulation. The Stock Exchange will monitor all share price movements and dealings in the shares of offeror and offeree companies during contested take-overs and will, at the request of the Panel, carry out further investigations as necessary.

30 January 1987

* In addition to the Chairman and Deputy Chairman who are appointed by the Governor of the Bank of England, the organisations whose members are represented on the Panel are as follows:

The Accepting Houses Committee	The Financial Intermediaries, Managers
The Association of Investment	and Brokers Regulatory Association
Trust Companies	The Institute of Chartered Accountants
The Association of British Insurers	in England and Wales
The Committee of London and	The Issuing Houses Association
Scottish Bankers	The National Association of Pension
The Confederation of British Industry	Funds
The Council of The Stock Exchange	The Unit Trust Association