

THE TAKEOVER PANEL

INTERNATIONAL MARINE SYSTEMS LIMITED ("INTERNATIONAL MARINE")

BENJAMIN PRIEST GROUP PLC ("BENJAMIN PRIEST")

The Panel met on 3 December 1990 to hear an appeal by International Marine, advised by Henry Ansbacher & Co. Limited ("Ansbachers"), against a ruling by the Executive that, if International Marine (or persons acting in concert with it) were to purchase further shares in Benjamin Priest and, as a result, incur an obligation under Rule 11.1 of the Code, its current offer for Benjamin Priest would need to be revised to at least the highest price paid by Bedexplex BV ("Bedexplex") for certain shares in Benjamin Priest in August and September 1989.

On 1 November 1990, International Marine, a wholly-owned subsidiary of International Marine Holdings, Inc, announced a unilateral cash offer for Benjamin Priest. The offer document was posted on 19 November 1990. A talks announcement had previously been issued by Ansbachers, advisers to International Marine, on 25 May 1990 pursuant to Rule 2.2(d) of the Code. Benjamin Priest has, accordingly, been in an offer period since 25 May 1990.

The offer document reveals that International Marine, and persons acting in concert with it, have purchased a total of 3,611,716 shares in Benjamin Priest (representing approximately 9% of its current issued share capital) since 25 May 1989 (12 months before the start of the offer period).

Ansbachers, on behalf of International Marine, asked the Executive to rule, in exercise of its discretion under Rule 11.2, that, if International Marine were to purchase further shares so as to incur an obligation under Rule 11.1, aggregate purchases of 900,000 shares in Benjamin Priest (representing 2.2% of the issued share capital) during August and September 1989 by Bedexplex (which owns 47.7% of the

outstanding common stock of International Marine Holdings, Inc and which is acting in concert with International Marine for the purpose of the offer for Benjamin Priest) should not be taken into account in determining the offer price required by Rule 11.1. The current offer price is 112p; the highest price at which such shares were purchased was 141.25p.

The Executive declined to grant a dispensation under Rule 11.2. In reaching its decision, the Executive had regard to a number of factors, including those listed in the Note on Rule 11.2 and, in particular, the size, purpose and timing of the purchases and the attitude of the board of Benjamin Priest and its advisers.

The Panel agreed with the Executive. The Panel was of the view that whether or not dispensation should be granted in any particular case depended on the precise facts of each case; and it was of the view that it would be inappropriate to grant a dispensation in the present case. Accordingly, the Panel dismissed the appeal.

3 December 1990