

THE TAKEOVER PANEL

AMENDMENTS TO THE CODE

COLD CALLING AND IRREVOCABLE COMMITMENTS

SIB's Common Unsolicited Calls Regulations come into effect on 1 September. It has been agreed that the regulation of cold calling in the context of takeovers should be undertaken by the Panel. The following amendments to the Code will therefore apply as from 1 September:

NEW RULE 4.3 GATHERING OF IRREVOCABLE COMMITMENTS

Any person proposing to contact a private individual or small corporate shareholder with a view to seeking an irrevocable commitment to accept or refrain from accepting an offer or contemplated offer must consult the Panel in advance.

NEW NOTE 8 ON RULE 4

8. *Irrevocable commitments*

When irrevocable commitments are to be sought, the Panel will wish to be satisfied that the proposed arrangements will provide adequate information as to the nature of the commitment sought; and a realistic opportunity to consider whether or not that commitment should be given and to obtain independent advice if required. The financial adviser concerned will be responsible for ensuring compliance with all relevant legislation and other regulatory requirements.

AMENDMENT TO NOTE 3 ON RULE 19.5

3. *Gathering of irrevocable commitments* In accordance with Rule 4.3, the Panel must be consulted before a telephone campaign is conducted with a view to gathering irrevocable commitments in connection with an offer. Rule 19.5 applies to such campaigns although, in appropriate circumstances, the Panel may permit those called to be informed of details of a proposed offer which has not been publicly announced. Attention is however drawn to General Principles 2 and 4.

New pages for the Code will be issued shortly.

30 August 1991