

The Secretary to the Code Committee
The Takeover Panel
10 Paternoster Square
London
EC4M 7DY

23 October 2014

Your ref: BDO
Our ref: PCP14(2)/JS/Consultation

Dear Sirs

PCP 2014/2 Consultation - Post-Offer Undertakings and Intention Statements

BDO LLP (“BDO”) is pleased to respond to your request for comments on the above consultation. We understand and hereby approve that this response to the consultation is made available for public inspection and published on the Panel’s website.

BDO is the UK member firm of the BDO international network, the world’s fifth largest accountancy organisation. BDO has acted as both a financial advisor to clients on transactions to which the Takeover Code (the “Code”) applies and as a reporting accountant on specific aspects of the Code such as reports in connection with profit forecasts.

General comments

In general terms, we support the proposed additions and amendments to the Code, which we believe will encourage bidders to fully consider the implications of providing post-offer undertakings during an Offer period.

Responses to questions

Q1 Should the new definitions of “post-offer intention statement” and “post-offer undertaking” be introduced as proposed?

Yes, we agree with the new definitions although we believe it would be beneficial if there was greater detail in the associated note with regards to excluded statements.

Q2 Should the new Rule 19.7 be introduced as proposed?

Yes, we agree new Rule 19.7 should be introduced as proposed although we note that as drafted there is very limited flexibility to extend a timetable regarding the fulfilment of an undertaking without making an announcement. Accordingly where undertakings are given we would expect the indicated timetable to completion to provide suitable scope for any delays in fulfilling the undertaking.

We perceive the role of the Supervisor reporting on the compliance of a post-offer undertaking as being akin to the appropriate third party providing a cash confirmation under Rule 24.8 in terms of the need to undertake appropriate due diligence before providing its report.

Q3 Should the new Rule 19.8 be introduced as proposed?

Yes, we agree new Rule 19.8 should be introduced as proposed.

Q4 Should Rule 19.1 be amended, and Note 2 on Rule 19.1 deleted, as proposed?

Yes, we agree with the proposed amendments to Rule 19.1 and the deletion of Note 2 on Rule 19.1.



23 October 2014

Q5 Should the new Rules 24.2(d), 24.3(d)(xv), 25.2(c) and 25.7(c) be introduced, and Rules 27.2(b) and (c) amended, as proposed?

Yes, we agree with the proposed amendments although we would expand Rule 24.2(d) and Rule 25.2(c) to include reference to Rule 19.8 and not just Rule 19.7.

For example:

“If any statement made in accordance with Rules 24.2(a) to (c) is a post-offer undertaking it must comply with the requirements of Rule 19.7, or if it is a post-offer intention it must comply with the requirements of Rule 19.8.”

Q6 Do you agree with the proposed minor amendments to Rule 24.2?

Yes, we agree with the proposed minor amendments to Rule 24.7.

We would be pleased to discuss any queries you may have in relation to the points raised in this letter.

Yours faithfully



John Stephan, Partner
PLC Advisory, Mergers & Acquisitions
For and on behalf of BDO LLP



Simon Leathers, Director
PLC Advisory, Mergers & Acquisitions
For and on behalf of BDO LLP