

The Secretary to the Code Committee
The Takeover Panel
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Date: 11 September 2015

Dear Sir or Madam

RE: Takeover Panel Consultation – PCP 2015/3 – Additional Presumptions to the Definition of Acting in Concert

The Investment Association welcomes the opportunity to respond to the Takeover Panel Consultation on the additional presumptions to the definition of acting in concert. The Investment Association represents UK investment managers. We have over 200 members who manage more than £5.5 trillion for clients around the world, helping them to achieve their financial goals. Our aim is to make investment better for clients, companies and the economy so that everyone prospers.

We are supportive of the proposals within the consultation, which will result in the codification of the Takeover Panel's existing approach to the definition of acting in concert. This will make it clear to all market participants the approach which the Panel will take.

In particular we agree that:

- (Question 1) - the new definition of "close relatives" is sensible as it makes it clearer for all market participants which relatives will be covered by the acting in concert definition. It also codifies the Panel's current practice. We also believe that the new definition captures those relatives which should be considered as close relatives.
- (Question 2) – the new presumption of acting in concert should be introduced as it will codify the Panel's existing practice and clarify the approach which will be taken by the Panel for all market participants. As the consultation documents outlines in situations when close relatives are not "acting in concert" the presumption can be rebutted if appropriate.
- (Question 3) – the consequential amendments to Rule 9.6 and Note 1 of Rule 9.2 are appropriate.
- (Question 4) – the new presumptions of the definition of "acting in concert", that a "founder" and their relatives should be considered as acting in concert is appropriate and reflects the current practice of the Panel and will provide market certainty on the approach of the Panel; and
- (Question 5) – the new presumption of the definition of "acting in concert" relating to the vendors of a private company who receives shares as a consideration for the sale

to a company to which the Code applies can be considered as a concert party is appropriate and reflects the current practice of the Panel. As the consultation document outlines, the shareholders in the private company can rebut this presumption in circumstances where they are able to prove that they are not acting in concert.

We hope that this feedback is helpful. Please do not hesitate to contact me if you have any further information.

Yours faithfully,



Andrew Ninian
Director, Corporate Governance and Engagement