

THE TAKEOVER PANEL

Rules Governing Substantial Acquisitions of Shares

The Panel executive issues the following notes which are intended to serve as a guide to certain aspects of the above Rules as amended by the Council for the Securities Industry on 24 September, 1981. These notes are subject to amendment in the light of experience.

Rule 1

A single shareholder with more than 50% of the voting rights of a company will not be subject to these Rules in respect of acquisitions of further shares in that company.

Rule 2

(a) Competitive Situations

A second or subsequent competing offeror who announces a full offer seven days or more after the announcement of the first offer will be subject only to the City Code on Take-overs and Mergers, and not to these Rules, in respect of acquisitions of shares made following the announcement of his offer.

A second offeror who announces a full offer during the seven days following the announcement of the first offer, will be subject to these Rules for the remainder of that seven day period. Thereafter, both offerors will be subject only to the City Code in respect of further acquisitions of shares.

(b) Revised Offers

The announcement of a revised offer seven days or more after the announcement of the original offer will not give rise to a further period of seven days during which the offeror will be subject to these Rules.

If a revised offer is announced within seven days of the first offer announcement, the offeror will be subject to these Rules for the remainder of that seven day period.

22nd October 1981