

THE TAKEOVER PANEL

BASSISHAW INVESTMENTS LTD ("BASSISHAW")/UDS GROUP PLC ("UDS")

The Panel met on 24 January to consider a reference from the Panel executive arising from the offer by Bassishaw for UDS. The reference related to the inclusion in the Form of Acceptance issued by Barclays Merchant Bank Limited and N M Rothschild & Sons Limited on behalf of Bassishaw of a provision requiring the giving of a general proxy to representatives of Bassishaw to vote in such manner as they thought fit on any resolutions proposed at any general meeting of UDS over a maximum period of up to 28 days after the final date of the offer, so long as it had not lapsed.

This provision had not been mentioned in the original announcement of the terms of the offer. Due to a failure in communication, whilst the banks were under the impression that draft documents containing the provision had been submitted to The Stock Exchange for approval, this was not in fact the case; had The Stock Exchange seen the provision, it would have raised objection to the width of its terms.

The Panel found that the introduction of a material provision of this nature at the time of the issue of the offer document was inconsistent with Rule 8 of the Code. They further found that the use of proxies as an integral part of a shareholder's acceptance of an offer is undesirable unless the proxy is given in respect of a specific proposal and cannot become effective before the offer has become otherwise unconditional.

In consequence the Panel decided that the Form of Acceptance, which was posted to UDS stockholders on 20 January 1983, should be withdrawn.

An explanatory circular will be sent to all stockholders enclosing a fresh Form of Acceptance. Any Forms of Acceptance which have been completed will be treated as void.

24 January 1983