

THE TAKEOVER PANEL

CODE COMMITTEE

DUAL LISTED COMPANY ("DLC") TRANSACTIONS

The Code Committee has today issued the following Consultation Paper:

Consultation Paper	Subject
PCP 11	Dual listed company transactions and Frustrating action Revision proposals relating to the definition of an offer and Rule 21.2 of the Takeover Code

In the Consultation Paper, the Code Committee reaffirms its preliminary view, announced on 11 March, that the Code should be amended to bring the establishment of DLC structures within the Code. The Code Committee also considered whether the Code should apply to DLCs from the start or only if and when there is a competing Code offer. It recommends that the Code should apply to DLC transactions from the start.

Rule 21.2 of the Code sets a limit on the level of inducement fees and other favourable arrangements between an offeror and offeree in a Code transaction. As part of its review of the status of DLC transactions, the Code Committee has concluded that the Rule should be amended to make clear that these favourable arrangements include, for example, break fees, penalties, put or call options or other provisions which may potentially benefit an offeror, regardless of whether such arrangements are considered to be in the ordinary course of business. The scope of Rule 21.2 would also be extended to cover DLC transactions.

The Code Committee is inviting comments on this Consultation Paper by 28 June 2002.

Copies of the Consultation Paper may be obtained from the Panel's website at www.thetakeoverpanel.org.uk or by telephoning the Panel on 020 7382 9026.

26 April 2002