

THE TAKEOVER PANEL

EXECUTIVE STATEMENT ON MWB GROUP HOLDINGS PLC

Introduction

Earlier today, the Takeover Appeal Board (the “**Board**”) published [Statement 2024/1](#) (the “**TAB Statement**”) in relation to MWB Group Holdings plc (“**MWB Group**”) on the Board’s website.

The publication of the TAB Statement represents the conclusion of an investigation by the Takeover Panel (the “**Panel**”) into breaches of the Takeover Code (the “**Code**”) in relation to MWB Group.

This statement has been prepared by the Panel Executive (the “**Executive**”) to summarise the outcome of the proceedings before the Hearings Committee of the Panel (the “**Hearings Committee**”) and the Board resulting from that investigation.

Proceedings initiated by the Executive

In December 2022, the Executive initiated proceedings before the Hearings Committee setting out the Executive’s conclusion that serious breaches of the Code had taken place in relation to MWB Group. These breaches principally related to:

- (a) the mandatory bid obligation in [Rule 9 of the Code](#) (“**Rule 9**”); and
- (b) the requirement in [section 9\(a\) of the Introduction to the Code](#) (the “**Introduction**”) for persons dealing with the Panel or to whom enquiries or requests are directed to take all reasonable care not to provide incorrect, incomplete or misleading information to the Panel.

The Executive recommended to the Hearings Committee the remedial and disciplinary action that should be taken as a result of these breaches.

Two separate hearings of the Hearings Committee were held, the first from 30 October 2023 to 17 November 2023 (the “**First Hearing**”) and the second on 31 January 2024 (the “**Second Hearing**”).

Rulings made by the Hearings Committee

Following the First Hearing, the Hearings Committee ruled that certain former members of the management of MWB Group, specifically Mr Richard Balfour-Lynn (former chief executive) (“**Mr Balfour-Lynn**”), Mr Jagtar Singh (former joint finance director) (“**Mr Singh**”) and Mr Richard Aspland-Robinson (former executive director of MWB Business Exchange plc, a quoted subsidiary of MWB Group) (“**Mr Aspland-Robinson**”), who, together with persons acting in concert with them, originally held approximately 29.7% of the shares carrying voting rights in MWB Group, breached Rule 9 on 12 January 2010. This was on the basis that, with the assistance of certain other parties, they acquired interests in further MWB shares which increased the aggregate percentage of shares carrying voting rights in MWB Group in which they, together with persons acting in concert with them, were interested through the 30% threshold and to more than 50%, without making an offer to other shareholders. Their interests in these additional shares were concealed from the other directors of MWB Group and from the market generally, including through a series of sham transactions involving offshore entities. The other directors of MWB Group and the market generally were led to believe that shares comprising approximately 15% of MWB Group’s share capital were independently managed or controlled by Audley Capital Advisors LLP, when they were in fact controlled by Messrs Balfour-Lynn and Singh. The Hearings Committee also ruled that Messrs Balfour-Lynn, Singh and Aspland-Robinson, and certain other parties, breached section 9(a) of the Introduction.

The Hearings Committee’s findings were provided to the parties in a ruling dated 22 December 2023 (the “**Main Ruling**”). The Main Ruling set out the Hearings Committee’s conclusions as to the facts, the breaches of the Code that had occurred and also the Hearings Committee’s ruling that, under [section 954 of the Companies Act 2006](#) (the “**Act**”) and [section 10\(c\) of the Introduction](#), Messrs Balfour-Lynn, Singh and Aspland-Robinson should be required to pay compensation to the shareholders in MWB Group who were on the register on 12 January 2010 so as to ensure that those former shareholders received what they would have been entitled to receive if Rule 9 had been complied with. The Main Ruling also set out the Hearings Committee’s rulings regarding those parties who did not contest the Executive’s recommendations as to the sanctions to be imposed on them, including that Messrs Balfour-Lynn, Singh and Aspland-Robinson

should be “cold-shouldered” under [section 11\(b\)\(v\) of the Introduction](#) for their breaches of Rule 9 and of section 9(a) of the Introduction.

Following the Second Hearing, the Hearings Committee provided supplementary rulings to the parties on 16 February 2024 (the “**Supplementary Ruling**”). In the Supplementary Ruling, the Hearings Committee determined, among other matters, the sanctions to be imposed on certain other parties, including that a number of other parties should be “cold-shouldered” under section 11(b)(v) of the Introduction for their breaches of section 9(a) of the Introduction as set out further below.

The Main Ruling and the Supplementary Ruling have been published today as Annexures to [Panel Statement 2024/16](#).

Response from the parties to the Hearings Committee’s rulings

None of the parties maintained an appeal to the Board against the Hearings Committee’s rulings that they should be “cold-shouldered”.

Neither Mr Singh nor Mr Aspland-Robinson appealed to the Board against the Hearings Committee’s ruling that they (and Mr Balfour-Lynn) should be required to pay compensation to the former MWB Group shareholders.

Mr Balfour-Lynn appealed against the Hearings Committee’s ruling that he (and Messrs Singh and Aspland-Robinson) should be required to pay compensation to the former MWB Group shareholders.

Ruling made by the Board

In the TAB Statement published today, the Board has dismissed the appeal by Mr Balfour-Lynn against the Hearings Committee’s ruling that he (and Messrs Singh and Aspland-Robinson) should be required to pay compensation to the former MWB Group shareholders.

Outcome of the Panel’s proceedings

In the light of the above, and following the publication by the Board of the TAB Statement, the Panel’s proceedings in relation to MWB Group have concluded as follows:

- (a) Messrs Balfour-Lynn, Singh and Aspland-Robinson are required under section 954 of the Act and section 10(c) of the Introduction to pay compensation in the sum of 40 pence per share (being the price at which the mandatory offer should have been made) to the shareholders of MWB Group who were on the register as at 12 January 2010 (less any sale proceeds or other compensation received by those shareholders after 12 January 2010), amounting to a maximum of approximately £33 million, plus interest. Further details are set out in paragraphs 250 to 273 of the Main Ruling and paragraphs 49 to 62 of the Supplementary Ruling;
- (b) the following persons have been “cold-shouldered” under section 11(b)(v) of the Introduction for the periods stated:
- (i) Mr Balfour-Lynn: five years for breaching Rule 9 and section 9(a) of the Introduction (paragraphs 279 to 280 of the Main Ruling and paragraphs 2 to 9 of the Supplementary Ruling);
 - (ii) Mr Singh: five years for breaching Rule 9 and section 9(a) of the Introduction (paragraphs 279 to 280 of the Main Ruling and paragraphs 2 to 9 of the Supplementary Ruling);
 - (iii) Mr Aspland-Robinson: four years for breaching Rule 9 and section 9(a) of the Introduction (paragraphs 279 to 280 of the Main Ruling and paragraphs 2 to 9 of the Supplementary Ruling);
 - (iv) Mr Julian Treger (founding partner of Audley Capital Advisors LLP): four years for breaching section 9(a) of the Introduction (paragraphs 286 to 320 of the Main Ruling and paragraphs 13 to 19 of the Supplementary Ruling);
 - (v) Mr Camille Froidevaux (former senior partner of Budin Associés, a Swiss law firm): three years for breaching section 9(a) of the Introduction (paragraphs 154 to 169 of the Main Ruling and paragraphs 36 to 40 of the Supplementary Ruling). In addition, the Hearings Committee’s ruling is to be brought to the attention of the Geneva Bar Commission (paragraph 41 of the Supplementary Ruling);

- (vi) Mr Patrice Huguenin (a senior lawyer with Budin Associés): three years for breaching section 9(a) of the Introduction (paragraphs 154 to 169 of the Main Ruling and paragraphs 36 to 40 of the Supplementary Ruling). In addition, the Hearings Committee's ruling is to be brought to the attention of the Geneva Bar Commission (paragraph 41 of the Supplementary Ruling);
 - (vii) Mr Jean-Daniel Cohen (chairman of Hoche Partners, a French investment advisory firm): two years for breaching section 9(a) of the Introduction (paragraphs 321 to 348 of the Main Ruling and paragraphs 20 to 30 of the Supplementary Ruling);
 - (viii) Mr Jeffrey Eker (uncle of Mr Richard Balfour-Lynn): one year for breaching section 9(a) of the Introduction (paragraphs 279 to 280 of the Main Ruling and paragraphs 11 to 12 of the Supplementary Ruling);
 - (ix) Mr Shaoul Hourri (principal of a number of businesses based in London): one year for breaching section 9(a) of the Introduction (paragraphs 154 to 167 of the Main Ruling and paragraphs 11 to 12 of the Supplementary Ruling); and
 - (x) Mr Keval Pankhania (former finance director of MWB Business Exchange plc): one year for breaching section 9(a) of the Introduction (paragraph 285 of the Main Ruling and paragraphs 11 to 12 of the Supplementary Ruling); and
- (c) Mr Andrew Blurton (former joint finance director of MWB Group) has been made the subject of a public statement of censure under section 11(b)(ii) of the Introduction for breaching [section 6\(b\) of the Introduction](#) by not consulting the Panel when he was in any doubt as to whether a proposed course of action was in accordance with the Code (paragraph 284 of the Main Ruling and paragraphs 31 to 35 of the Supplementary Ruling).