

# THE TAKEOVER PANEL

The following statement is released by the Panel on Take-overs and Mergers following the Panel's statement on 18th July.

The Panel has continued discussions with Morgan, Grenfell & Co. Limited and Cazenove & Co. The following statement has been seen by the parties concerned.

1. Morgan Grenfell and Cazenoves have informed the Panel that they wish to refute any implication that the statement issued by Viscount Harcourt and Sir Antony Hornby on 18th July, in which they expressed their disagreement with the conclusions of the Panel, indicated in any way that Morgan Grenfell and Cazenoves contemplated flouting the authority of the Panel. Morgan Grenfell and Cazenoves have already given an undertaking to observe the Code and wish to make it clear that they would always comply with a definite ruling of the Panel and would never knowingly put themselves in breach of the Code.
2. The Panel accepts that, in their dealings in Gallaher shares on Tuesday, 16th July, American Tobacco, Morgan Grenfell and Cazenoves acted in good faith in their belief that such dealings were within the letter and spirit of the Code.
3. Morgan Grenfell and Cazenoves have represented to the Panel that the provisions of the Code concerning Market purchases have not previously been tested in a partial bid situation, and that in such circumstances those provisions could create difficulties to the point where they would seem to result in a total inability to make purchases. This would seem, in its turn, in Morgan Grenfell's and Cazenove's view, to conflict with Rule 29 which expresses that it is undesirable to fetter the Market.
4. The Panel nevertheless re-affirms its conclusion that the dealings referred to in the Panel's statement of 18th July resulted in a breach of Paragraph 7 of the General Principles of the Code and has so informed the Stock Exchange and the Issuing Houses Association.
5. The Panel already has arrangements to keep the provisions of the Code under constant review. The points mentioned by Morgan Grenfell and Cazenoves in Paragraph 3 above will be examined under this procedure.

25th July 1968.