

THE TAKEOVER PANEL

Ashbourne Investments Limited ("Ashbourne")

The Panel has seen requisitions calling for an Extraordinary General Meeting of Ashbourne signed by companies which hold shares in Ashbourne on behalf of Crest International Securities Limited ("Crest") and its associates. The Panel has also seen copies of a letter dated 15th July, 1975 from Mr. L.I Casper, Chairman of Crest, to the shareholders of Ashbourne. Inter alia, this letter invites shareholders to support certain resolutions to be proposed at the Extraordinary General Meeting and which would change the composition of the Board of Ashbourne and which would purport to direct the Board to adopt certain courses of action. It is unfortunate that the Panel was not consulted before these documents were despatched.

In a Statement of 23rd July, 1974, the Panel directed the Consortium (consisting of Crest, Corporate Guarantee Trust Limited ("Corporate") and their associates) and the Board of Ashbourne to take steps to reconstitute the Board of Ashbourne, pending the outcome of certain legal proceedings which have not yet been concluded. The Board was subsequently reconstituted as suggested by the Panel. The Statement also required that:-

"The Consortium do not exercise the voting rights attached to 19.9% of the ordinary shares in Ashbourne (being the shares purchased by them on 6th December, 1973) and the Consortium exercise the voting rights attached to any other shares held by any of them in such a manner as may be appropriate so as to preserve the composition of the board on the above lines".

The Panel reaffirms that these interim rulings are still in force and can see no reason to alter them at the present time. Accordingly the Panel wishes to make clear that, in relation to the resolutions numbers 1-6 and, if appropriate, 7 and 8, as set out in the letter of 15th July from Mr. Casper, the Consortium would be precluded from voting the shares purchased on 6th December, 1973 and would be required to vote the remaining shares held by them against all of these resolutions.

A further Statement on 18th September, 1974 which amplified the Panel's Statement of 23rd July, 1974 envisaged that the reconstituted Ashbourne Board would continue to exercise the powers conferred on them by the Articles of Association in the normal manner. Since resolutions numbers 9-12 in Mr. Casper's letter of 15th July would appear to conflict with this statement of the position, the Panel has directed that the Consortium should not vote the shares purchased on 6th December, 1973 in respect of the resolutions and should vote the remaining shares held by them against these resolutions.

Had the Panel been consulted about the requisition for the Extraordinary General Meeting and the letter to shareholders before they had been issued, it would have considered them to be contrary to the spirit of the interim rulings. Not having been so consulted, the Panel has requested and has received from all the members of the Consortium, namely Crest and its associates (which include Mr. Bernard Glazer and his family trusts) and Corporate and its associates, express undertakings that they will comply with the Panel's rulings of 23rd July, 1974 in respect of the shares in Ashbourne held by them. In the light of these undertakings the Panel does not consider that it would be in the interest of Ashbourne shareholders or that any other useful purpose would be served if the Consortium were to persist in requisitioning an Extraordinary General Meeting for the purpose indicated in the circular letter from Mr. Casper already referred to.

The Panel must make it plain for the future that, so long as its rulings of 23rd July, 1974 remain in force, none of the shares held by the Consortium as at the date of that ruling or acquired since can be voted except in the manner directed by those rulings nor may such shares be used in support of requisitions for any Extraordinary General Meeting to discuss resolutions against which the Consortium shares would (as required by the Panel's rulings) have to be voted.

APPENDIX

The text of the resolutions set out in Mr. Casper's circular of 15th July, 1975 is as follows:-

1. That Mr. E.J.C. Album be and he is hereby removed from office as a Director of the Company (and that Mr. A.L. Silver be and he is hereby appointed a Director of the Company in his place, to hold office only during such time as Mr. E.J.C. Album would have held office if he had not been removed).
2. That Mr. S.L.J. Raynaud be and he is hereby removed from office as a Director of the Company.
3. That Mr. E.J. Speyer be and he is hereby removed from office as a Director of the Company.
4. That Dr.E.Vandyk be and he is hereby removed from office as a Director of the Company.
5. That Mr. K.F. Suggett be and he is hereby removed from office as a Director of the Company.
6. That Mr. R.W. Smith be and he is hereby removed from office as a Director of the Company.
7. That any other member of the Board appointed from the date of this requisition and up to the date of the Extraordinary General Meeting hereby requisitioned other than Messrs. Simmons and Blausten be and he is hereby removed from office as a Director of the Company.
8. That the Board be instructed to co-opt as an additional Director a shareholder with suitable professional qualifications to replace Dr.E.Vandyk.
9. That the Board be instructed to co-opt as an additional Director a person with suitable experience in representing the interests of oppressed outside shareholders in public companies.
10. That the Board be instructed not to acquire or dispose of any asset with a value in excess of £250,000 without the prior approval of shareholders in General Meeting.
11. That the Board be instructed to forthwith commence negotiations with the "Consortium", Brandts, the Panel, the Stock Exchange and all other interested parties with a view to obtaining a re-listing on the Stock Exchange and the highest possible offer for the share and loan capital of the Company at the earliest practicable date.
12. That the Board be instructed to write to shareholders within four weeks of the date of the Extraordinary General Meeting hereby requisitioned reporting details of the progress they are making in implementing Resolution 11 above and to report further to shareholders quarterly thereafter on all material aspects of the Company's affairs.