

THE TAKEOVER PANEL

AMENDMENTS TO PRACTICE STATEMENTS

The Panel Executive has today amended a number of its Practice Statements. Other than as described below, the amendments are not material and many of the changes have been made as a consequence of the amendments to the Takeover Code which came into effect today.

1. Practice Statement No. 1: Rule 20.1 - Equality of information to shareholders and the policing of meetings

Practice Statement No. 9, which also related to Rule 20.1, has been withdrawn and its contents incorporated into Practice Statement No. 1.

2. Practice Statement No. 6: Strategic review announcements

2.1 The amended Practice Statement No. 6 makes clear that, where a company makes a “strategic review announcement” which starts an offer period, any potential offeror with which the company is already in talks with regard to a possible offer will be required to be identified in the announcement in accordance with the new Rule 2.4(a). In such cases, the announcement must also specify the date on which the “put up or shut up” deadline set in accordance with the new Rule 2.6(a) will expire.

2.2 In addition, the amended Practice Statement encourages companies and their advisers to consult the Executive not only before making a strategic review announcement but also before making any statement that confirms that the strategic review is continuing.

3. Practice Statement No. 20: Rule 2 – Secrecy, possible offer announcements and pre-announcement responsibilities

3.1 A new paragraph 3.5 of Practice Statement No. 20 provides that the Executive would consider as being in breach of the new Rule 2.3(d) any attempt by a potential offeror to specify the circumstances in which an offeree company may not publicly identify the potential offeror - for example, a provision to the effect that an approach will be withdrawn automatically in the event that:

- (a) the offeree company does not engage with the potential offeror within a specified period of time;
- (b) a requirement to make an announcement under Rule 2.2 is triggered; or
- (c) the offeree company receives an approach from a third party.

3.2 Paragraph 5.12 of the Practice Statement makes clear that, where it is proposed that an announcement which commences an offer period will not identify a potential offeror on the basis that its approach has been unequivocally rejected, the Executive should be consulted.

3.3 The contents of sections 4(d) and 5(d) of the previous version of the Practice Statement, both headed “No announcement required if no truth”, are now to be found in a new section 6. The new section 6 also refers to the new Note 4 on Rule 2.2, which relates to the circumstances in which the Panel may grant a dispensation from the requirement for an announcement to be made under Rule 2.2(c) or Rule 2.2(d) where it is satisfied that the potential offeror has ceased actively to consider making an offer for the offeree company.

4. Practice Statement No. 23: Rule 21.2 – Inducement fees and other offer-related arrangements

Practice Statement No. 23 has been substantially amended, following the introduction of the general prohibition on inducement fees and other offer-related arrangements in the new Rule 21.2. The amended Practice Statement relates primarily to the limited circumstances in which, by way of exception, the Panel may permit an offeree company to enter into an inducement fee arrangement with an offeror.

All Practice Statements may be found on the Practice Statements page of the Panel's website.

19 September 2011