

THE TAKEOVER PANEL

Ashbourne Investments Limited ("Ashbourne")

The Panel has received from the Consortium a copy of a document dated 13th September, 1974 which they have lodged with Ashbourne requisitioning an Extraordinary General Meeting of Ashbourne to consider ordinary resolutions as follows:-

1. That the Directors of the Company shall not, without the approval of shareholders in General Meeting, issue any authorised but unissued shares or issue or grant options in respect of any unissued shares, create or issue or permit the creation or issue of any securities carrying rights of conversion into or subscription for shares in the Company.
2. That the Directors of the Company shall not, without the approval of shareholders in General Meeting, vary the terms including rate of interest, basis on conversion and redemption date, of the 7% Convertible Unsecured Loan Stock 1984 of the Company.
3. That the Directors of the Company shall not without the approval of shareholders in General Meeting, enter into any arrangement under which the Company would dispose of all or part of the Company's investments in The Argentine Southern Land Company Limited and Armour Trust Limited.
4. That the Directors of the Company shall not without the approval of shareholders in General Meeting, enter into any arrangement under which the Company would dispose of all or part of its interest in any of the subsidiary companies owned by the Company.
5. That the Directors of the Company be and are hereby authorised and instructed to re-elect to the Board of Directors of E. S. Schwab & Co. Limited two Representatives of the Consortium comprising Crest International Securities Limited and Corporate Guarantee Trust Limited.
6. That the Directors of the Company be and are hereby authorised and instructed to ensure that all executives and employees of E. S. Schwab & Co. Limited and others working on behalf of the Company at the date hereof be given security of employment with that Company for a period of not less than six months from the date of the Extraordinary General Meeting herein requisitioned."

The Consortium has asked guidance from the Panel as to the extent to which the Consortium can use their votes on these resolutions in the light of the rulings set out in the Panel's statement of 23rd July, 1974, the relevant extract of which is as follows: -

"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's statement of 23rd July 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 the resolutions set out in the Consortium's requisition are designed to limit or curtail those powers, the Panel

has ruled that the Consortium should vote the shares held by them (other than those purchased on 6th December, 1973) against all of the proposed resolutions. The prohibition on voting the shares purchased on 6th December, 1973 would apply.

As a separate matter, the Panel has advised the Ashbourne board that the Panel regards Ashbourne as still being in a bid situation and that, accordingly, Rule 38 of the Code (which requires the board of an offeree company to obtain the approval of shareholders to certain proposals or transactions) is applicable.

18th September, 1974.