

THE TAKEOVER PANEL

GLANFIELD LAWRENCE PLC ("GLANFIELD")

The Panel executive has investigated whether certain acquisitions of shares in Glanfield made by Bajau Limited (a private company controlled by Mr C Selmes) and other persons who it is alleged may have been acting in concert with it breached Rule 34 of the Take-over Code and, if so, whether a mandatory offer should have been made by Bajau and/or others for the remaining shares in Glanfield at 62p, being the highest price paid by any of them.

The Panel executive has ruled that there was no breach of Rule 34 by Bajau or by others who it is alleged may have been acting in concert with it.

Glanfield has appealed against this ruling to the full Panel. The date of the full Panel hearing will be notified in due course.

The Panel has also investigated the acquisition by Gregory Securities Ltd, a private company controlled by Mr J Gregory, of 42.5% of the share capital of Glanfield. At the time of its acquisitions Gregory Securities was unaware of the allegations made against Bajau and others alleged to be acting in concert with Bajau. On 29 August, as early bargains for 30 August, Gregory Securities acquired in the market 570,000 shares (10.8%) at 46p per share. On 31 August, it acquired in the market 140,000 shares (2.6%) at 49.5p per share and later that day acquired 1,537,499 shares (29%) from Bajau and persons and companies associated with it at 44.625p per share.

The acquisition by Gregory Securities of the 1,537,499 shares was in breach of Rule 40. In brief, this Rule bars a person from acquiring, even from a single shareholder, shares that take his total holding to 30% or more of a company's share capital if that person has purchased any shares in the preceding seven days.

A partner of Panmure Gordon & Co, who had previously dealt for Gregory Securities, but who did not act for any of the vendors or for the purchaser in these transactions, arranged a meeting between Mr Selmes and Gregory Securities. He was subsequently asked by Gregory Securities whether the acquisition was permissible and replied wrongly that it was.

The acquisition by Gregory Securities from Bajau and its associates took place seven days earlier than the Code permits and the inadvertent breach of Rule 40 therefore resulted in control of Glanfield being acquired earlier than should otherwise have happened and without the board of Glanfield, or other parties, having due notice of the earlier acquisitions made in the market by Gregory Securities. On the basis of the ruling by the Panel executive in relation to the acquisition of shares in Glanfield made by Bajau and others, agreement has been reached in principle between the parties on proposals to resolve the position resulting from the acquisitions by Gregory Securities.

8 October 1984