

# THE TAKEOVER PANEL

## CODE COMMITTEE

### CONSULTATION ON ASPECTS OF THE TAKEOVER CODE

#### **The role of the Takeover Code and the Code Committee**

The Takeover Code (the “Code”) is designed principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The Code Committee carries out the rule-making functions of the Takeover Panel and is responsible for keeping the Code under review and for proposing, consulting on, making and issuing amendments to the Code. In particular, the Code Committee is concerned to ensure that the Code continues to take account of changing market circumstances and practices. It welcomes both suggestions from interested parties for possible amendments to the Code and the valuable responses to consultation which it receives.

The Code is not concerned with the financial or commercial advantages or disadvantages of a takeover. These are matters for the company and its shareholders. Nor does the Code deal with issues, such as competition policy, which are the responsibility of government and other bodies.

#### **Consultation**

In the light of recent commentary and public discussion, and suggestions for consideration from the Secretary of State for Business, Innovation and Skills and others, the Code Committee has decided to initiate a consultation to consider whether

certain Code provisions and the timetable for determining the outcome of offers could usefully be improved.

The Code Committee intends to publish a public consultation paper on these matters as soon as practicable.

24 February 2010

Note to Editors:

The Takeover Panel is an independent body, established in 1968, whose main functions are to issue and administer the Code and to supervise and regulate takeovers and other matters to which the Code applies. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers under the EC Directive on Takeover Bids (2004/25/EC). Its statutory functions are set out in and under Chapter 1 of Part 28 of the Companies Act 2006.