

THE TAKEOVER PANEL

NOTE TO ADVISERS IN RELATION TO THE DISCLOSURE OF INFORMATION ON RULE 9 OF THE TAKEOVER CODE IN RULE 9 WAIVER AND IPO DOCUMENTS

The Panel Executive (the “Executive”) notes that a company that is, or will become, subject to the Takeover Code (the “Code”) may provide information in relation to Rule 9 to potential investors when seeking the admission of its shares to trading on a stock exchange if a person or group of persons acting in concert will be interested in shares which carry 30% or more of the voting rights of that company following admission. This is similar to the information provided to shareholders where the Takeover Panel (the “Panel”) is asked to grant a Rule 9 waiver in accordance with Note 1 of the Notes on Dispensations from Rule 9 and Appendix 1 of the Code.

To assist advisers, the Executive has prepared the attached pro forma drafting that may be used when providing such information in relation to Rule 9. Advisers should note that the pro forma drafting will need to be amended as appropriate to take account of the particular facts.

Where the pro forma drafting is intended to be used in connection with a Rule 9 waiver, the attention of advisers is also drawn to the “Note to advisers in relation to Rule 9 waiver circulars” which is available on the Notes to Advisers page of the Panel’s website and contains additional information to assist advisers in preparing Rule 9 waiver circulars.

Advisers are reminded that the Executive should be consulted in cases of doubt as to whether a group of persons will be considered to be acting in concert and, in particular, if the parties wish to seek to rebut a presumption that they are persons acting in concert.

Suggested drafting to be used to provide information on Rule 9

The Takeover Code (the “Code”) applies to [company name] (the “Company”). Under Rule 9 of the Code, any person who acquires an interest in shares which, taken together with shares in which that person or any person acting in concert with that person is interested, carry 30% or more of the voting rights of a company which is subject to the Code is normally required to make an offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of such a company but does not hold shares carrying more than 50% of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 must be made in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that the following persons are acting in concert in relation to the Company: *[provide details of the members of the concert party and the nature of the relationship between them]*.

Following *[completion of the transaction / admission]*, the members of the concert party will be interested in [] shares, representing []% of the voting rights of the Company. *[Assuming exercise in full by the members of the concert party of [insert details of any convertible securities, warrants or options] (and assuming that no other person converts any convertible securities or exercises any options or any other right to subscribe for shares in the Company), the members of the concert party would be interested in [] shares, representing approximately []% of the enlarged voting rights of the Company.]* A table showing the respective individual interests in shares of the members of the concert party on *[completion / admission]* *[and following the exercise of the [convertible securities, warrants or options]* is set out below.

[The following wording should be included where the concert party will hold shares carrying more than 50% of the voting rights of the Company.]

Following *[completion / admission]*, the members of the concert party will hold shares carrying more than 50% of the voting rights of the Company and (for so long as they continue to be acting in concert) may accordingly increase their aggregate interests in shares without incurring any obligation to make an offer under Rule 9, although individual members of the concert party will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Panel consent.

[Alternatively, the following wording should be included where the concert party will be interested in shares carrying 30% or more of the voting rights of the Company, but will not hold more than shares carrying 50% of the voting rights of the Company.]

Following [completion / admission], the members of the concert party will be interested in shares carrying more than 30% of the voting rights of the Company but will not hold shares carrying more than 50% of the voting rights of the Company. For so long as they continue to be acting in concert, any increase in their aggregate interest in shares will be subject to the provisions of Rule 9.

[The exercise by the members of the concert party of the [convertible securities, warrants or options] described above would normally trigger an obligation for an offer to be made under Rule 9. However, the Panel has agreed to waive this obligation such that there will be no requirement for an offer to be made in respect of the exercise of such [convertible securities, warrants or options].]

Additional suggested drafting to be used for Rule 9 waiver circulars

Section for the explanatory circular

The Panel has agreed to waive the obligation to make an offer that would otherwise arise under Rule 9 as a result of the transaction, subject to the approval of independent shareholders. Accordingly, Resolution [] is being proposed at a general meeting of the Company and will be taken on a poll. [Details of any shareholders who are not considered to be independent] will not be entitled to vote on the Resolution.

Resolution

THAT the waiver granted by the Takeover Panel of the obligation that would otherwise arise on [the members of the concert party], both individually and collectively, to make an offer to the shareholders of the Company pursuant to Rule 9 of the Takeover Code as a result of [the transaction], as described in the Company's circular to shareholders of which this notice forms part, be and is hereby approved.

Note: In order to comply with the Takeover Code, Resolution [] will be taken on a poll of independent shareholders. [Details of any shareholders who are not considered to be independent] will not be entitled to vote on the Resolution.

[Advisers should note that Appendix 1 of the Code sets out additional information requirements for Rule 9 waiver circulars.]