

THE CITY CODE ON TAKEOVERS AND MERGERS

INTRODUCTION

1 OVERVIEW

The Panel on Takeovers and Mergers (the “Panel”) is an independent body, established in 1968, whose main functions are to issue and administer the City Code on Takeovers and Mergers (the “Code”) and to supervise and regulate takeovers and other matters to which the Code applies in accordance with the rules set out in the Code. The Panel’s statutory functions are set out in and under Chapter 1 of Part 28 of the Companies Act 2006 (the “Act”). The rules of the Code include rules set out in this Introduction, the General Principles, the Definitions, the Rules, and the related Notes and Appendices (including the Rules of Procedure of the Hearings Committee which are set out in Appendix 9). These rules may be changed from time to time, and rules may also be set out in other documents as specified by the Panel. The rules set out in the Code also have a statutory basis in relation to the Isle of Man, Jersey and Guernsey: see sections 14, 15 and 16 respectively.

Further information relating to the Panel and the Code can be found on the Panel’s website at www.thetakeoverpanel.org.uk. The Code is also available on the Panel’s website.

2 THE CODE

Save for section 2(c) (which sets out a rule), this section gives an overview of the nature and purpose of the Code.

(a) Nature and purpose of the Code

The Code is designed principally to ensure that shareholders in an offeree company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders in the offeree company 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 is not concerned with the financial or commercial advantages or disadvantages of a takeover. These are matters for the offeree company and its shareholders. In addition, it is not the purpose of the Code either to facilitate or to impede takeovers. Nor is the Code concerned with those issues, such as competition policy, which are the responsibility of government and other bodies.

The Code has been developed since 1968 to reflect the collective opinion of those professionally involved in the field of takeovers as to appropriate business standards and as to how fairness to offeree company shareholders and an orderly framework for takeovers can be achieved. The rules set out

INTRODUCTION CONTINUED

in the Code have a statutory basis in relation to the United Kingdom and comply with the relevant requirements of the Act. The rules set out in the Code also have a statutory basis in relation to the Isle of Man, Jersey and Guernsey: see sections 14, 15 and 16 respectively.

(b) General Principles and Rules

The Code is based upon a number of General Principles, which are essentially statements of standards of commercial behaviour. These General Principles are the same as the general principles set out in Part 1 of Schedule 1C to the Act. They apply to takeovers and other matters to which the Code applies. They are expressed in broad general terms and the Code does not define the precise extent of, or the limitations on, their application. They are applied in accordance with their spirit in order to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of rules. Although most of the rules are expressed in less general terms than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter.

(c) Derogations and Waivers

The Panel may derogate or grant a waiver to a person from the application of a rule (provided that the General Principles are respected) either:

- (i) in the circumstances set out in the rule; or
- (ii) in other circumstances where the Panel considers that the particular rule would operate unduly harshly or in an unnecessarily restrictive or burdensome or otherwise inappropriate manner (in which case a reasoned decision will be given).

In exceptional circumstances, for example, in order to facilitate the rescue of a company to which the Code applies which is in serious financial difficulty, the Panel may derogate or grant a waiver to a person from the application of a rule notwithstanding that, in doing so, one or more of the General Principles might not be respected.

3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

This section (except for sections 3(d) and (e)) sets out the rules as to the companies, transactions and persons to which the Code applies.

INTRODUCTION CONTINUED

(a) Companies

(i) UK, Channel Islands and Isle of Man registered and quoted companies

The Code applies to any company which has its registered office* in the United Kingdom, the Channel Islands or the Isle of Man if any of its securities are admitted to trading on a UK regulated market, a UK MTF#, or a stock exchange in the Channel Islands or the Isle of Man.

(ii) Recently quoted companies

The Code also applies to any company (not falling within paragraph (i) above or paragraphs (iii) or (iv) below) which has its registered office* in the United Kingdom, the Channel Islands or the Isle of Man if any of its securities were admitted to trading on a UK regulated market, a UK MTF#, or a stock exchange in the Channel Islands or the Isle of Man at any time during the two years prior to the relevant date.

The “relevant date” is the date on which an announcement is made of an offer or possible offer for the company or on which some other event occurs in relation to the company which has significance under the Code.

(iii) Transition companies

During the transition period only, the Code applies to a transition company if, on the relevant date, the Code would apply to an offer for the company under paragraph (ii) of former section 3(a) of the Introduction (as if paragraph (ii) of former section 3(a) of the Introduction had remained in force on the relevant date).

See the Transitional Appendix for the definitions of “former section 3(a) of the Introduction”, “relevant date”, “transition company” and “transition period”.

(iv) Companies to which the Code does not apply

The Code does not apply to an open-ended investment company or to a company with a sole beneficial owner.

If a company which falls within paragraph (i) or paragraph (ii) above becomes a company with a sole beneficial owner, the Code will cease to apply to it and the Code will thereafter apply to the company only if it subsequently falls within paragraph (i) above.

(v) Waivers

Where appropriate, the Panel may grant a waiver from the application of some or all of the provisions of the Code in respect of a company referred to in paragraph (ii) or paragraph (iii) above.

INTRODUCTION CONTINUED

**In the case of a UK unregistered company, the reference to “registered office” shall be read as a reference to the company’s principal office in the UK.*

#In the case of a company whose securities are or were admitted to trading on a UK MTF, the Code will apply only if the company approved trading, or requested admission to trading, of its securities on the relevant UK MTF.

(b) Transactions

The Code is concerned with regulating takeover bids and merger transactions of the companies referred to in section 3(a) above, however effected, including by means of statutory merger or scheme of arrangement (as defined in the Definitions Section). The Code is also concerned with regulating other transactions (including offers by a parent company for shares in its subsidiary, dual holding company transactions, new share issues, share capital reorganisations and offers to minority shareholders) which have as their objective or potential effect (directly or indirectly) obtaining or consolidating control of the relevant companies, as well as partial offers (including tender offers pursuant to Appendix 5) to shareholders for securities in the relevant companies. The Code also applies to unitisation proposals which are in competition with another transaction to which the Code applies.

The Code applies to all the above transactions at whatever stage of their implementation, including possible transactions which have not yet been announced.

References in the Code to “takeovers”, “takeover bids”, “bids” and “offers” include all transactions subject to the Code as referred to in this section.

The Code does not apply to offers for non-voting, non-equity capital unless they are offers required by Rule 15.

(c) Related matters

In addition to regulating the transactions referred to in section 3(b) above, the Code also contains rules for the regulation of things done in consequence of, or otherwise in relation to, takeovers and about cases where any such takeover is, or has been, contemplated or apprehended or an announcement is made denying that any such takeover is intended.

(d) Dual jurisdiction

Takeovers and other matters to which the Code applies may from time to time be subject to the dual jurisdiction of the Panel and an overseas takeover regulator. In such cases, early consultation with the Panel is advised so that guidance can be given on how any conflicts between the relevant rules may be resolved.

INTRODUCTION CONTINUED

(e) Cancellation of admission to trading

A company referred to in paragraph (i) of section 3(a) above may decide that it wishes to cancel the admission of its securities to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. In such circumstances, early consultation with the Panel is advised so that guidance can be given on the appropriate disclosure to be made to shareholders about the fact that, as a result of the cancellation of the admission of its securities to trading, the company will fall within paragraph (ii) of section 3(a) above for a period of two years, following which the Code will cease to apply.

(f) Code responsibilities and obligations

In addition to the companies referred to in section 3(a) above, the Code applies to a range of persons who participate in, or are connected with, or who in any way seek to influence, intervene in, or benefit from, takeovers or other matters to which the Code applies.

The Code also applies to all advisers to such persons, and all advisers in so far as they advise on takeovers or other matters to which the Code applies. Financial advisers to whom the Code applies have a particular responsibility to comply with the Code and to ensure, so far as they are reasonably able, that their client and its directors are aware of their responsibilities under the Code and will comply with them and that the Panel is consulted whenever appropriate.

The Code also applies to any directors, employees or representatives through whom any body corporate, partnership or other entity to which the Code applies acts. The Panel expects all bodies corporate, partnerships and other entities to which the Code applies to ensure that their relevant directors and employees receive appropriate and timely guidance in respect of the Code and will hold any such entity responsible for its directors' and employees' acts or omissions.

The Code imposes limitations on the manner in which directors can act in connection with takeovers, which may impinge on the duties that the directors of offeror and offeree companies might owe.

The Code applies in respect of the acts and omissions of any person in connection with a takeover or any other matter to which the Code applies, notwithstanding that the offeree company may since have ceased to be subject to the Code.

INTRODUCTION CONTINUED

In this section 3(f), references to “directors” means, in relation to any body corporate, its directors and officers, in relation to any partnership, its partners, and, in relation to any other entity, those persons exercising equivalent functions on behalf of the entity concerned.

In cases of doubt, the Panel must be consulted as to the persons to whom the Code applies.

4 THE PANEL AND ITS COMMITTEES

Save for section 4(d) (which sets out a rule), this section gives an overview of the membership, functions, responsibilities and general activities of the Panel and certain of its Committees.

Details of various other Committees of the Panel are available on the Panel’s website.

(a) The Panel

The Panel assumes overall responsibility for the policy, financing and administration of the Panel’s functions and for the functioning and operation of the Code. The Panel operates through a number of Committees and is directly responsible for those matters which are not dealt with through one of its Committees.

The Panel comprises up to 34 members:

- (i) the Chair, who is appointed by the Panel;
- (ii) up to three Deputy Chairs, who are appointed by the Panel;
- (iii) up to twenty other members, who are appointed by the Panel; and
- (iv) individuals appointed by each of the following bodies:
 - The Association for Financial Markets in Europe
 - The Association of British Insurers
 - The Association of Investment Companies
 - The Confederation of British Industry
 - The Institute of Chartered Accountants in England and Wales
 - The Investment Association
 - The Personal Investment Management and Financial Advice Association
 - The Quoted Companies Alliance
 - UK Finance (with a separate appointee also for its Corporate Finance Committee).

Appointments of members to the Panel are for a period of up to three years extendable by no more than an additional two periods of up to three years each. In exceptional circumstances the Panel may, as appropriate, grant or agree to further extensions at the request of the Nomination Committee.

INTRODUCTION CONTINUED

Appointments of members to the Panel are for a period of up to three years extendable by no more than an additional two periods of up to three years each. In exceptional circumstances the Panel may, as appropriate, grant or agree to further extensions at the request of the Nomination Committee.

The Chair and at least one Deputy Chair are designated as members of the Hearings Committee. Each other Panel member appointed by the Panel under paragraphs (ii) and (iii) above is designated upon appointment to act as a member of either the Panel's Code Committee or its Hearings Committee.

Up to twelve Panel members appointed by the Panel under paragraph (iii) above are designated as members of the Code Committee.

Up to eight Panel members appointed by the Panel under paragraph (iii) above are designated as members of the Hearings Committee. The Panel may appoint designated alternates for such members of the Hearings Committee. One designated alternate may act as a member of the Panel (or the Hearings Committee) in a relevant member's place when he or she is unavailable.

The Panel members appointed by the bodies under paragraph (iv) above become members of the Panel's Hearings Committee without further designation by the Panel. Each of these bodies may appoint designated alternates for its appointees. One designated alternate may act as a member of the Panel (or the Hearings Committee) in the relevant member's place when he or she is unavailable. In performing their functions on the Hearings Committee, these members (and their alternates) act independently of the body which has appointed them (and not as that body's agent or delegate) and exercise their own judgment as to how to perform their functions and how to vote.

The Chair and the Deputy Chairs do not have alternates.

Details of the Panel and its Committees, and the names of members of the Panel and the designated alternates, are available on the Panel's website.

(b) The Code Committee

The Code Committee is drawn from a spread of shareholder, corporate, practitioner and other interests within the Panel's regulated community. Its membership from time to time, its Terms of Reference and the Procedures for Amending the Takeover Code are available on the Panel's website.

The Code Committee carries out the rule-making functions of the Panel and is solely responsible for keeping the Code (other than the matters set out in sections 1, 2(a) and (b), 4(a), (b) and (c), 5, 7, 8, 13, 14, 15 and 16 of the Introduction) under review and for proposing, consulting on, making and issuing amendments to those parts of the Code. The Code Committee is also responsible, in consultation with the Hearings Committee, for proposing, consulting on and adopting the Rules of Procedure of the Hearings

INTRODUCTION CONTINUED

Committee. The Code Committee's consultation procedures are set out in its Procedures for Amending the Takeover Code. Amendments to the matters set out in sections 1, 2(a) and (b), 4(a), (b) and (c), 5, 7, 13, 14, 15 and 16 of the Introduction are the responsibility of and will be made by the Panel. Amendments to the matters set out in section 8 of the Introduction will be agreed by the Takeover Appeal Board (the "Board") and made by the Panel.

(c) The Hearings Committee

The principal function of the Hearings Committee is to review rulings of the Executive. The Hearings Committee also hears disciplinary proceedings instituted by the Executive when the Executive considers that there has been a breach of the Code (see section 11 below). The Hearings Committee may also be convened for hearings in certain other circumstances. Its membership from time to time and Terms of Reference are available on the Panel's website. The Rules of Procedure of the Hearings Committee are set out in Appendix 9.

(d) Membership and representation restrictions

No person who is or has been a member of the Code Committee may simultaneously or subsequently be a member (or an alternate of a member) of the Hearings Committee or the Board.

When acting in relation to any proceedings before the Hearings Committee or the Board, the Panel shall do so only by an officer or member of staff (or a person acting as such) who must not be a member of the Code Committee, the Hearings Committee or the Board.

5 THE EXECUTIVE

This section gives an overview of the functions, responsibilities and general activities of the Executive.

The day-to-day work of takeover supervision and regulation is carried out by the Executive. In carrying out these functions, the Executive operates independently of the Panel. This includes, either on its own initiative or at the instigation of third parties, the conduct of investigations, the monitoring of relevant dealings in connection with the Code and the giving of rulings on the interpretation, application or effect of the Code. The Executive is available both for consultation and also the giving of rulings on the interpretation, application or effect of the Code before, during and, where appropriate, after takeovers or other relevant transactions.

INTRODUCTION CONTINUED

The Executive is staffed by a mixture of employees and secondees from law firms, accountancy firms, corporate brokers, investment banks and other organisations. It is headed by the Director General, usually an investment banker on secondment, who is an officer of the Panel. The Director General is assisted by Deputy Directors General, Assistant Directors General and Secretaries, each of whom is an officer of the Panel, and the various members of the Executive's permanent and seconded staff. In performing their functions, the secondees act independently of the body which has seconded them (and not as that body's agent or delegate). Further information about the membership of the Executive is available on the Panel's website.

6 INTERPRETING THE CODE

This section sets out the rules according to which the Executive issues guidance and rulings on the interpretation, application or effect of the Code.

The Executive gives guidance on the interpretation, application and effect of the Code. In addition, it gives rulings on points of interpretation, application or effect of the Code which are based on the particular facts of a case. References to "rulings" shall include any decision, direction, determination, order or other instruction made by or under rules.

(a) Interpreting the Code – guidance

The Executive may be approached for general guidance on the interpretation or effect of the Code and how it is usually applied in practice. It may also be approached for guidance in relation to a specific issue on a "no names" basis, where the person seeking the guidance does not disclose to the Executive the names of the companies concerned. In either case, the guidance given by the Executive is not binding, and parties or their advisers cannot rely on such guidance as a basis for taking any action without first obtaining a ruling of the Executive on a named basis.

In addition, the Executive may from time to time publish Practice Statements which provide informal guidance as to how the Executive usually interprets and applies particular provisions of the Code in certain circumstances. Practice Statements do not form part of the Code and, accordingly, are not binding and are not a substitute for consulting the Executive to establish how the Code applies in a particular case.

Panel Statements published by the Hearings Committee, statements published by the Board and publications of the Code Committee may also contain guidance on the interpretation, application or effect of the Code.

INTRODUCTION CONTINUED**(b) Interpreting the Code — rulings of the Executive and the requirement for consultation**

When a person or its advisers are in any doubt whatsoever as to whether a proposed course of conduct is in accordance with the General Principles or the rules, or whenever a waiver or derogation from the application of the provisions of the Code is sought, that person or its advisers must consult the Executive in advance. In this way, they can obtain a ruling as to the basis on which they can properly proceed and thus minimise the risk of taking action which might, in the event, be a breach of the Code. To take legal or other professional advice on the interpretation, application or effect of the Code is not an appropriate alternative to obtaining a ruling from the Executive.

In addition to giving rulings at the request of a party, the Executive may, on its own initiative, give rulings on the interpretation, application or effect of the Code where it considers it necessary or appropriate to do so.

The nature of the Executive's rulings will depend on whether or not the Executive is able to hear the views of other parties involved. If the Executive is not able to hear the views of other parties involved, it may give a conditional ruling (on an ex parte basis), which may be varied or set aside when any views of the other parties have been heard; if the Executive is able to hear the views of other parties involved, it may give an unconditional ruling. Save where the Executive varies or sets aside a ruling, a ruling is binding on those who are made aware of it unless and until overturned by the Hearings Committee or the Board, or unless the Hearings Committee or the Board otherwise directs. In addition, such persons must comply with any ruling given by the Executive for the purpose of preserving the status quo pending the unconditional ruling.

Rulings of the Executive, including any grant or refusal to grant a waiver or derogation from the application of any rules, may be referred to the Hearings Committee for review.

7 RULES OF PROCEDURE OF THE HEARINGS COMMITTEE

The Rules of Procedure of the Hearings Committee are set out in Appendix 9.

8 TAKEOVER APPEAL BOARD

The Board is an independent body which hears appeals against rulings of the Hearings Committee. The Chair and Deputy Chairs of the Board will usually have held high judicial office and are appointed by the Master of the Rolls. The rules, procedures and practices by which appeals to the Board are conducted are set out in its Rules, which are published on the Board's website at www.thetakeoverappealboard.org.uk.

INTRODUCTION CONTINUED

9 PROVIDING INFORMATION AND ASSISTANCE TO THE PANEL AND THE PANEL'S POWERS TO REQUIRE DOCUMENTS AND INFORMATION

This section sets out the rules according to which persons dealing with the Panel must provide information and assistance to the Panel.

(a) Dealings with and assisting the Panel

The Panel expects any person dealing with it to do so in an open and co-operative way. It also expects prompt co-operation and assistance from persons dealing with it and those to whom enquiries and other requests are directed. In dealing with the Panel, a person must disclose to the Panel any information known to them and relevant to the matter being considered by the Panel (and correct or update that information if it changes). A person dealing with the Panel or to whom enquiries or requests are directed must take all reasonable care not to provide incorrect, incomplete or misleading information to the Panel.

A person is entitled to resist providing information or documents on the grounds of legal professional privilege.

Where a matter has been determined by the Panel and a person becomes aware that information they supplied to the Panel was incorrect, incomplete or misleading, that person must promptly contact the Panel to correct the position. In addition, where a determination of the Panel has continuing effect (such as the grant of exempt status or a concert party ruling), the party or parties to that determination must promptly notify the Panel of any new information unless they reasonably consider that it would not be likely to have been relevant to that determination.

(b) Power to require documents and information

Section 947 of the Act gives the Panel certain powers to require documents and information. It provides that, where documents or information are reasonably required in connection with the exercise of its functions, the Panel may by notice in writing require any person:

- (i) to produce any documents that are specified or described in the notice; or
- (ii) to provide, in the form and manner specified in the notice, such information as may be specified or described in the notice,

within such reasonable period and at such place as is specified in the notice. It may also require any information or document so provided to be verified or authenticated in such manner as it may reasonably require. Where the Panel imposes a requirement under section 947 of the Act, the addressee must comply with that requirement. Failure to comply with any requirement is a breach of the Code.

INTRODUCTION CONTINUED

A person is entitled to resist providing information or documents on the grounds of legal professional privilege.

10 ENFORCING THE CODE

Sections 10(a) to 10(c) set out certain rules pursuant to which the Panel enforces the Code. Section 10(e) sets out the “offer document rules” and the “response document rules” for the purposes of section 953 of the Act.

It is the practice of the Panel, in discharging its functions under the Code, to focus on the specific consequences of breaches of the Code with the aim of providing appropriate remedial or compensatory action in a timely manner. Furthermore, in respect of certain breaches of the Code, disciplinary action may be appropriate (see section 11 below). For the purposes of section 956(2) of the Act, no contravention of any requirement imposed by or under rules shall render any transaction void or unenforceable or affect the validity of any other thing.

(a) Requirement of promptness in dealings with the Executive

If a complaint is to be made that the Code has been breached, it must be made promptly, in default of which the Executive may, at its discretion, decide not to consider the complaint. Similarly, where a person who has made a complaint to the Executive fails to comply with a deadline set by the Executive, the Executive may decide to disregard the complaint in question.

(b) Compliance rulings

If the Panel is satisfied that:

- (i) there is a reasonable likelihood that a person will contravene a requirement imposed by or under rules; or
- (ii) a person has contravened a requirement imposed by or under rules,

the Panel may give any direction that appears to it to be necessary in order:

- (A) to restrain a person from acting (or continuing to act) in breach of rules; or
- (B) to restrain a person from doing (or continuing to do) a particular thing, pending determination of whether that or any other conduct of the person is or would be a breach of rules; or
- (C) otherwise to secure compliance with rules.

(c) Compensation rulings

Where a person has breached the requirements of any of Rule 6, Rule 9, Rule 11, Rule 14, Rule 15, Rule 16.1 or Rule 35.3 of the Code, the Panel may make a ruling requiring the person concerned to pay, within such period as is specified, to the holders, or former holders, of securities of the offeree company such amount as it thinks just and reasonable so as to ensure that

INTRODUCTION CONTINUED

such holders receive what they would have been entitled to receive if the relevant Rule had been complied with. In addition, the Panel may make a ruling requiring simple or compound interest to be paid at a rate and for a period (including in respect of any period prior to the date of the ruling and until payment) to be determined.

(d) Enforcement by the Courts

Under section 955 of the Act, the Panel may seek enforcement by the courts. If the court is satisfied that:

- (i) there is a reasonable likelihood that a person will contravene a requirement imposed by or under rules; or
- (ii) a person has contravened a requirement imposed by or under rules or a requirement imposed under section 947 of the Act,

the court may make any order it thinks fit to secure compliance with the requirement. Any failure to comply with a resulting court order may be a contempt of court.

(e) Bid documentation rules

For the purposes of section 953 of the Act, the “offer document rules” and the “response document rules” are those parts of Rule 24 and Rule 25 respectively which are set out in Appendix 6 and, in each case, Rule 27 to the extent that it requires the inclusion of material changes to, or the updating of, the information in those parts of Rule 24 or Rule 25, as the case may be, in relation to offer documents and offeree board circulars and the revised offer documents and subsequent offeree board circulars referred to in Rule 32.1 and Rule 32.6 respectively.

11 DISCIPLINARY POWERS

This section sets out the disciplinary rules of the Panel in connection with breaches and alleged breaches of the Code.

(a) Disciplinary action

The Executive may itself deal with a disciplinary matter where the person who is to be subject to the disciplinary action agrees the facts and the action proposed by the Executive. In any other case, where it considers that there has been a breach of the Code or of a ruling of the Executive, the Hearings Committee and/or the Board, the Executive may commence disciplinary proceedings before the Hearings Committee. The person concerned is informed in writing of the alleged breach and of the matters which the Executive will present to the Hearings Committee. Disciplinary actions are conducted in accordance with the Rules of Procedure of the Hearings Committee.

INTRODUCTION CONTINUED

(b) Sanctions or other remedies for breach of the Code

If the Hearings Committee finds a breach of the Code or of a ruling of the Executive, the Hearings Committee and/or the Board, it may:

- (i) issue a private statement of censure; or
- (ii) issue a public statement of censure; or
- (iii) suspend or withdraw any exemption, approval or other special status which the Panel has granted to a person, or impose conditions on the continuing enjoyment of such exemption, approval or special status, in respect of all or part of the activities to which such exemption, approval or special status relates; or
- (iv) report the offender's conduct to a United Kingdom or overseas regulatory authority or professional body (most notably the Financial Conduct Authority ("FCA")) so that that authority or body can consider whether to take disciplinary or enforcement action (for example, the FCA has power to take certain actions against an authorised person or an approved person who fails to observe proper standards of market conduct, including the power to fine); or
- (v) publish a Panel Statement indicating that the offender is someone who, in the Hearings Committee's opinion, is not likely to comply with the Code. The Panel Statement will normally indicate that this sanction will remain effective for only a specified period. The FCA Handbook and the rules of certain professional bodies oblige their members, in certain circumstances, not to act for the person in question in a transaction subject to the Code, including a dealing in relevant securities requiring disclosure under Rule 8 (so called "cold-shouldering"). For example, the FCA Handbook requires a person authorised under the Financial Services and Markets Act 2000 ("FSMA") not to act, or continue to act, for any person in connection with a transaction to which the Code applies if the firm has reasonable grounds for believing that the person in question, or the person's principal, is not complying or is not likely to comply with the Code.

12 CO-OPERATION AND INFORMATION SHARING

This section summarises the relevant provisions of the Act and the professional secrecy obligations applying in relation to information held by the Panel in connection with the exercise of its functions which does not fall within section 948 of the Act.

Under section 950 of the Act, the Panel must, to the extent it has power to do so, take such steps as it considers appropriate to co-operate with:

INTRODUCTION CONTINUED

- (a) the FCA, the Prudential Regulation Authority and the Bank of England; and
- (b) regulators outside the United Kingdom having functions similar to the Panel, the FCA or the Prudential Regulation Authority, or similar to the regulatory functions of the Bank of England,

including by the sharing of information which the Panel is permitted to disclose (see below). It may also exercise its powers to require documents and information (see section 9(b) above) for this purpose.

Under section 948 of the Act, information received by the Panel in connection with the exercise of its statutory functions may not be disclosed without the consent of the individual (where it concerns a person's private affairs) or business to which it relates except as permitted by the Act. Schedule 2 of the Act includes gateways to allow the Panel to pass information it receives to United Kingdom and overseas regulatory authorities and other persons in accordance with the conditions laid down in that Schedule. The circumstances in which this may occur include, but are not limited to, the circumstances falling within paragraph 11(b)(iv) above.

Information (in whatever form) relating to the private affairs of an individual or to any particular business not falling within section 948 of the Act which is created or held by the Panel in connection with the exercise of its functions, will not be disclosed by the Panel except as permitted in the circumstances set out in sections 948(2), (3) and (8) of the Act. A direct or indirect recipient of such information from the Panel may disclose it in the circumstances set out in sections 948(2), (3), (6) and (8) of the Act.

The Panel works closely with the FCA in relation to insider dealing and market abuse.

13 FEES AND CHARGES

Document charges shall be payable by the persons and in the circumstances set out on the Panel's website.

Third parties shall pay such charges as the Panel may reasonably require for any goods (including copies of the Code) or services (including in relation to the granting, and maintenance, of exempt principal trader, exempt fund manager or recognised intermediary status as set out in the Definitions section of the Code) it provides. These charges are set out on the Panel's website.

14 ISLE OF MAN

Chapter 1 of Part 28 of the Act has been extended to the Isle of Man with certain modifications by The Companies Act 2006 (Extension of Takeover

INTRODUCTION CONTINUED

Panel Provisions) (Isle of Man) Order 2019. The rules set out in the Code have statutory effect in the Isle of Man by virtue of this Order.

15 JERSEY

The Panel has been appointed by the Companies (Appointment of Takeovers and Mergers Panel) (Jersey) Order 2009 made under Article 2 of the Companies (Takeovers and Mergers Panel) (Jersey) Law 2009 (the “Jersey Law”), to carry out certain regulatory functions in relation to takeovers and mergers under Jersey law. The rules set out in the Code have statutory effect in Jersey by virtue of the Jersey Law and the Jersey Law contains provisions equivalent to the sections of the Act referred to in section 9(b), the second paragraph of section 10, section 10(d) and section 12 of the Introduction.

16 GUERNSEY

The Panel has been appointed under the Companies (Guernsey) Law, 2008 (the “Guernsey Law”) to carry out certain regulatory functions in relation to takeovers and mergers under Guernsey law. The rules set out in the Code have statutory effect in Guernsey by virtue of the Guernsey Law and the Guernsey Law contains provisions equivalent to the sections of the Act referred to in section 9(b), the second paragraph of section 10, section 10(d) and section 12 of the Introduction.