

RULE 14. WHERE THERE IS MORE THAN ONE CLASS OF SHARE CAPITAL

14.1 COMPARABLE OFFERS

(a) Where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not; the Panel should be consulted in advance.

(b) An offer for non-voting equity share capital should not be made conditional on any particular level of acceptances in respect of that class, or on the approval of that class, unless the offer for the voting equity share capital is also conditional on the success of the offer for the non-voting equity share capital.

(c) Classes of non-voting, non-equity share capital need not be the subject of an offer, except in the circumstances referred to in Rule 15.

NOTES ON RULE 14.1

1. Comparability

A comparable offer need not necessarily be an identical offer.

In the case of offers involving two or more classes of equity share capital, prices for all of which are published in the Daily Official List, the ratio of the offer values should normally be equal to the average of the ratios of the middle market quotations taken from the Daily Official List over the course of the six months preceding the commencement of the offer period. The Panel will not normally permit the use of any other ratio unless the advisers to the offeror and offeree company are jointly able to justify it.

In any other case, the ratio of the offer values must be justified to the Panel in advance.

2. Offer for non-voting shares only

Where an offer for non-voting shares only is being made, comparable offers for voting classes are not required.

3. Treatment of certain classes of share capital

For the purpose of this Rule, the Panel may not regard as equity share capital certain classes of shares which, although equity share capital under the Companies Act 2006, have in practice very limited equity rights. In appropriate cases, the Panel should be consulted.