

Takeover Regulations (Takeover Code) Rules 2015

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TAKEOVER REGULATIONS (TAKEOVER CODE) RULES 2015

Date of Adoption: 4 October 2015

The Panel, in exercise of the powers conferred by section 2 of the Takeover Regulations 2015, hereby makes the following rules-

1. Citation and commencement

- (1) These Rules may be cited as the Takeover Regulations (Takeover Code) Rules 2015.
- (2) These Rules shall come into force on 4 October 2015.
- (3) Unless the context otherwise requires, a reference to a “Section” or “Sections” is a reference to a section of these Rules and a reference to a “Paragraph” or “Paragraphs” is a reference to a Paragraph of the Schedule, which shall be referred to in their entirety as the “Takeover Code” and, together with the Takeover Regulations 2015 (including any direction issued thereunder) and these Rules, the “Takeover Regime”.

2. Takeover Principles

The Takeover Regime is based on a number of general principles which the Panel, in deciding how to exercise its powers, shall seek to give effect to. The principles, which are expressed in broad terms and are to be applied and interpreted in accordance with their spirit in order to achieve their underlying purpose, are-

- (1) all holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected,
- (2) the holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the takeover transaction; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the takeover transaction on employment, conditions of employment and the locations of the company’s places of business,
- (3) the board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the takeover transaction,
- (4) false markets must not be created in the securities of the offeree company, of the offeror company or of any other company concerned by the takeover transaction in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted,

- (5) an offeror must announce a takeover transaction only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration, and
- (6) an offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a takeover transaction for its securities.

3. **Dual Jurisdiction**

- (1) Where a takeover transaction may be subject to the jurisdiction of the Panel and also subject to the jurisdiction of a regulator other than the Panel, the Panel shall be consulted as soon as practicable.
- (2) Where a takeover transaction is subject to dual jurisdiction, the Panel may exercise its powers under Sections 4 and 5 to address, among other matters-
 - (a) any conflicts between the Takeover Regime and the rules of the overseas regulator,
 - (b) how such conflicts may be resolved, and
 - (c) which aspects of the offer are subject to these Rules.

4. **Enforcement by the Panel**

- (1) In discharge of its obligations under section 1(2) of the Takeover Regulations 2015 the Panel may take appropriate remedial, compensatory or disciplinary action in the event of breaches of the Takeover Regime.
- (2) Complaints that the Takeover Regime has been breached must be made promptly, failing which the Panel may, at its discretion, decide not to consider the complaint. Where a person who has made a complaint to the Panel fails to comply with a deadline set by the Panel, the Panel may decide to disregard the complaint in question.
- (3) If the Panel is satisfied that-
 - (a) there is a reasonable likelihood that a person will contravene a requirement imposed by or under the Takeover Regime, or
 - (b) a person has contravened a requirement imposed by or under the Takeover Regime,the Panel may give any direction that appears to it to be necessary in order-
 - (i) to restrain a person from acting (or continuing to act) in breach of the Takeover Regime,

- (ii) to restrain a person from doing (or continuing to do) a particular thing, pending determination of whether that or any other conduct of his is or would be a breach of the Takeover Regime, or
 - (iii) otherwise to secure compliance with rules.
- (4) Where a person has breached the requirements of any of paragraphs 6, 9, 11, 13, 14, 15.1 or 34.3 of the Takeover 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 such holders receive what they would have been entitled to receive if the relevant paragraph 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.
- (5) If the Panel finds a breach of the Takeover Regime, it may-
 - (a) issue a private statement of censure,
 - (b) issue a public statement of censure,
 - (c) 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,
 - (d) report the offender's conduct to any authority or professional body which the offender is regulated or authorised by so that that authority or body can consider whether to take disciplinary or enforcement action, or
 - (e) publish a statement indicating that the offender is someone who, in the Panel's opinion, is not likely to comply with the Code. Such statements will normally indicate that this sanction will remain effective for only a specified period.

5. Offer Document Rules

For the purposes of section 18 of the Takeover Regulations 2015-

- (a) the "offer document rules" are Paragraphs-
 - (i) 23.2;
 - (ii) 23.3(d)(ii);

- (iii) 23.3(d)(iii);
 - (iv) 23.3(d)(iv);
 - (v) 23.3(d)(v);
 - (vi) 23.3(d)(xi);
 - (vii) 23.3(d)(xiii);
 - (viii) 23.3(d)(xiv);
 - (ix) 23.3(f);
 - (x) 23.4(a)(i) and (ii);
 - (xi) 23.7 (first phrase); and
- (b) the “response document rules” are Paragraphs-
- (i) 24.1; and
 - (ii) 25.2(a),

and, in each case, paragraph 26 of the Takeover Code to the extent that it requires the inclusion of material changes to, or the updating of, the information in those parts of Paragraphs 23 or 24 of the Takeover Code, 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 Paragraphs 31.1 and 31.6 respectively.

6. Fees and Charges

- (1) The document charges set out in the Takeover Code shall be payable by the persons and in the circumstances set out in the Takeover Code.
- (2) Third parties shall pay such charges as the Panel may reasonably require for any goods (including copies of the Takeover 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 Takeover Code) it provides. These charges shall be as published on the ADGM website.

The Schedule Takeover Code

DEFINITIONS

Acting in concert

This definition has particular relevance to mandatory offers.

Persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), co operate to obtain or consolidate control (as defined below) of a company or to frustrate the successful outcome of an offer for a company. A person and each of its affiliated persons will be deemed to be acting in concert all with each other (see Guidance Note 2 below).

Without prejudice to the general application of this definition, the following persons will be presumed to be persons acting in concert with other persons in the same category unless the contrary is established:

- (1) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other (for this purpose ownership or control of 20% or more of the equity share capital of a company is regarded as the test of associated company status);
- (2) a company with any of its directors (together with their close relatives and related trusts);
- (3) a company with any of its pension schemes and the pension schemes of any company covered in (1);
- (4) a fund manager (including an exempt fund manager) with any investment company, unit trust or other person whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;
- (5) a connected adviser with its client and, if its client is acting in concert with a Bidder or with the Target, with that Bidder or with that Target respectively, in each case in respect of the interests in shares of that adviser and persons controlling#, controlled by or under the same control as that adviser (except in the capacity of an exempt fund manager or an exempt principal trader);
- (6) directors of a company which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent. (See Note 5 on this definition.); and
- (7) (where the person in question is an individual) his spouse, parents, any person with whom he shares a parent or grandparent and any child or step-child of his who is less than 18 years old.

#See Note at end of Definitions Section.

GUIDANCE NOTES ON ACTING IN CONCERT

1. Break up of concert parties

Where the Panel has ruled that a group of persons is acting in concert, it will be necessary for clear evidence to be presented to the Panel before it can be accepted that the position no longer remains.

2. Affiliated persons

For the purposes of this definition an “affiliated person” means any undertaking in respect of which any person:

- (a) has a majority of the shareholders’ or members’ voting rights;*
- (b) is a shareholder or member and at the same time has the right to appoint or remove a majority of the members of its board of directors;*
- (c) is a shareholder or member and alone controls a majority of the shareholders’ or members’ voting rights pursuant to an agreement entered into with other shareholders or members; or*
- (d) has the power to exercise, or actually exercises, dominant influence or control.*

For these purposes, a person’s rights as regards voting, appointment or removal shall include the rights of any other affiliated person and those of any person or entity acting in his own name but on behalf of that person or of any other affiliated person.

3. Underwriting arrangements

The relationship between an underwriter (or sub underwriter) of a cash alternative offer and a Bidder may be relevant for the purpose of this definition. Underwriting arrangements on arms’ length commercial terms would not normally amount to an agreement or understanding within the meaning of acting in concert. The Panel recognises that such underwriting arrangements may involve special terms determined by the circumstances, such as weighting of commissions by reference to the outcome of the offer. However, in some cases, features of underwriting arrangements, for example the proportion of the ultimate total liability assumed by an underwriter, the commission structure or the degree of involvement of the underwriter with the Bidder in connection with the offer, may be such as to lead the Panel to conclude that a sufficient level of understanding has been created between the Bidder and the underwriter to amount to an agreement or understanding within the meaning of acting in concert. In cases of doubt, the Panel should be consulted.

4. Other statutory or regulatory provisions

This definition applies only in respect of the relevant provisions of the Takeover Rules . Any Panel view expressed in relation to “acting in concert” can only relate to the Takeover Rules and should not be taken as guidance on the interpretation of any other statutory or regulatory provisions.

5. Standstill agreements

Agreements between a company, or the directors of a company, and a person which restrict that person or the directors from either offering for, or accepting an offer for, the shares of the company or from increasing or reducing the number of shares in which he or they are interested, may be relevant for the purpose of this definition. However, the Panel will not normally consider the parties to the agreement to be acting in concert provided that the agreement does not restrict any of the parties from either:

- (a) accepting an offer for the company's shares at any stage; or*
- (b) agreeing to accept any offer for the company's shares either before or after its announcement.*

The same approach will normally apply to an agreement to which the company's financial adviser or nominated adviser and/or its sponsor and/or underwriter, rather than the company itself (and/or its directors), is a party, for example, an agreement entered into at the time of an equity offering with a view to ensuring an orderly aftermarket in the company's shares.

Where parties intend to enter into standstill agreements to which neither the company (and/or its directors) nor its financial adviser or nominated adviser, its sponsor or underwriter is a party (for example, an agreement between two shareholders), or in any other cases of doubt, the Panel should be consulted in advance.

6. Consortium offers

Investors in a consortium (eg through a vehicle company formed for the purpose of making an offer) will normally be treated as acting in concert with the Bidder. Where such an investor is part of a larger organisation, the Panel should be consulted to establish which other parts of the organisation will also be regarded as acting in concert.

Where the investment in the consortium is, or is likely to be, 10% or less of the equity share capital (or other similar securities) of the Bidder, the Panel will normally be prepared to waive the acting in concert presumption in relation to other parts of the organisation, including any connected fund manager or principal trader, provided it is satisfied as to the independence of those other parts from the investor. Where the investment is, or is likely to be, more than 10% but less than 50%, the Panel may be prepared to waive the acting in concert presumption in relation to other parts of the organisation depending on the circumstances of the case. (See also Connected fund managers and principal traders in the Definitions Section and Paragraph 7.2.)

7. Pension schemes

The presumption that a company is acting in concert with any of its pension schemes will normally be rebutted if it can be demonstrated to the Panel's satisfaction that the assets of the pension scheme are managed under an agreement or arrangement with an independent third party which gives such third party absolute discretion regarding dealing, voting and offer acceptance decisions relating to any securities in which the pension scheme is interested.

Where, however, the discretion given is not absolute, the presumption will be capable of being rebutted, provided that the pension scheme managers do not exercise any powers they have retained to intervene in such decisions.

8. Sub contracted fund managers

Where a fund manager sub contracts discretionary management of funds to another independent fund manager, the Panel will normally regard those funds as controlled by the latter if the discretion regarding dealing, voting and offer acceptance decisions relating to the funds, originally granted to the fund manager, has been transferred to the sub contracted fund manager and presumption (4) will apply to the sub contracted fund manager in respect of those funds. This approach assumes that the sub contracted fund manager does not take instructions from the beneficial owner or from the originally contracted manager on the dealings in question and that fund management arrangements are not established or used to avoid disclosure.

9. Irrevocable commitments

A person will not normally be treated as acting in concert with a Bidder or the Target by reason only of giving an irrevocable commitment. However, the Panel will consider the position of such a person in relation to the Bidder or the Target (as the case may be) in order to determine whether he is acting in concert if either:

- (a) the terms of the irrevocable commitment give the Bidder or the Target (as the case may be) either the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to the shares or general control of them; or*
- (b) the person acquires an interest in more shares.*

The Panel should be consulted before the acquisition of any interest in shares in such circumstances.

10. Disclosure where presumption rebutted

Where it is accepted by the Panel that a person who would normally be presumed to be acting in concert with either a Bidder or the Target should not in fact be considered in a particular case to be acting in concert with that party, the Panel may, where it considers it appropriate, require the person concerned to make private disclosures to the Panel (containing the details that would be required to be disclosed under Paragraph 8.4) of any dealings by it in any relevant securities of any party to the offer.

11. Indemnity and other dealing arrangements

- (a) For the purpose of this Note, a dealing arrangement includes any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing.*

- (b) *If any person is party to a dealing arrangement of the kind referred to in Note 11(a) with any Bidder or any person acting in concert with any Bidder, whether in respect of relevant securities of that Bidder or the Target or any competing Bidder, such person will be treated (during an offer period) as acting in concert with that Bidder. If any person is party to a dealing arrangement of the kind referred to in Note 11(a) with a Target or any person acting in concert with a Target, such person will be treated (during an offer period) as acting in concert with the Target.*

Such dealing arrangements must be disclosed as required by Paragraph 2.4, Paragraph 2.7(c)(viii), Paragraph 8, Paragraph 24.13 and Paragraph 25.6.

- (c) *Note 11(b) does not apply to irrevocable commitments or letters of intent, which are subject to Paragraph 2.7(c)(vi) and Paragraph 2.11.*
- (d) *See also Paragraph 4.4.*

12. Government-owned entities

Entities will not be presumed to be acting in concert solely due to the fact that they are under the common ownership (whether directly or indirectly) of any government.

Bidder

Bidder includes companies wherever incorporated and individuals wherever resident. Any reference to a Bidder includes a potential Bidder.

In the case of a scheme of arrangement, a reference to a Bidder should normally be construed as a reference to the person who it is proposed will acquire shares of the Target under the scheme.

Business day

A business day is a day on which any Recognised Investment Exchange operating in Abu Dhabi Global Market is open for business.

Cash acquisitions

Acquisitions for cash include contracts or arrangements where the consideration consists of a debt instrument capable of being redeemed in less than 3 years.

Connected adviser

Connected adviser normally includes only the following:

- (1) in relation to the Bidder or the Target:
 - (a) an organisation which is advising that party in relation to the offer; and
 - (b) a corporate broker to that party; and

(2) in relation to a person who is acting in concert with the Bidder or the Target, an organisation which is advising that person either:

(a) in relation to the offer; or

(b) in relation to the matter which is the reason for that person being a member of the relevant concert party.

Such references do not normally include a corporate broker which is unable to act in connection with the offer because of a conflict of interest.

Cash Bidder

A Bidder (or potential Bidder) which has announced, or in respect of which the Target has announced, that its offer is, or is likely to be, solely in cash. A non convertible debt instrument will normally be treated as cash.

Connected fund managers and principal traders

A fund manager or principal trader will normally be connected with a Bidder or the Target, as the case may be, if the fund manager or principal trader is controlled# by, controls or is under the same control as:

(1) a Bidder or any person acting in concert with it (for example as a result of being an investor in a consortium (see also Note 6 on the definition of acting in concert));

(2) the Target or any person acting in concert with the Target; or

(3) any connected adviser to any person covered in (1) or (2).

Control

Control means an interest, or interests, in shares carrying in aggregate 30% or more of the voting rights (as defined below) of a company, irrespective of whether such interest or interests give de facto control.

Dates, periods of time and time

Unless otherwise stated in the Takeover Rules :

(1) a reference to the date of an event is to the time of occurrence of the event on the day in question;

(2) where a period of time is calculated from a stated event, the day on which that event occurs should be excluded from the calculation of the period (this is not relevant to the definition of an offer period); and

(3) all references to time are to the time in Abu Dhabi.

Dealings

A dealing includes the following:

- (a) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities;
- (b) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities;
- (c) subscribing or agreeing to subscribe for securities;
- (d) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;

#See Note at end of Definitions Section.

- (e) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- (f) entering into, terminating or varying the terms of any agreement to purchase or sell securities;
- (g) the redemption or purchase of, or taking or exercising an option over, any of its own relevant securities by the Target or a Bidder; and
- (h) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position.

GUIDANCE NOTES ON DEALINGS

1. Indemnity and other dealing arrangements

Dealing arrangements of the kind referred to in Guidance Note 11 on the definition of acting in concert in relation to relevant securities which are entered into during the offer period by any Bidder, the Target or a person acting in concert with any Bidder or the Target must be disclosed as required by Paragraph 2.7(c)(viii), Paragraph 8, Paragraph 23.13 and Paragraph 24.6.

2. Securities borrowing and lending

Securities borrowing and lending transactions are not regarded as dealings. However, under Paragraph 4.6, if a Bidder, the Target or any person acting in concert with a Bidder or the Target enters into, or takes action to unwind, a securities borrowing or lending transaction (including any financial collateral arrangement of the kind referred to in contemplated by Paragraph 4.6) in respect of relevant securities of a securities exchange Bidder or, with the

Panel's consent, the Target, the transaction must be disclosed as if it were a dealing in relevant securities (see Paragraph 8).

Derivative

Derivative includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security.

GUIDANCE NOTE ON DEFINITION OF DERIVATIVE

The term "derivative" is intentionally widely defined to encompass all types of derivative transactions. However, it is not the intention of the Takeover Rules to restrict transactions in, or require disclosure of, derivatives which are not connected with an offer or potential offer. The Panel will not normally regard a derivative which is referenced to a basket or index of securities, including relevant securities, as connected with an offer or potential offer if at the time of dealing the relevant securities in the basket or index represent less than 1% of the class in issue and, in addition, less than 20% of the value of the securities in the basket or index. In the case of any doubt, the Panel should be consulted.

Directors

Directors include persons in accordance with whose instructions the directors or a director are accustomed to act.

Electronic form

A document, an announcement or any information will be sent in electronic form if it is:

- (1) sent by means of electronic equipment for the processing or storage of data; and
- (2) entirely transmitted and conveyed by wire, radio, optical or other electromagnetic means,

provided that the sender reasonably considers that the form in which it is sent, and the means by which it is sent, will enable the recipient to read and retain a copy of it.

Employee representative

An employee representative is:

- (a) a representative of an independent trade union, where that trade union has been recognised by the Bidder or the Target in respect of some or all of its employees; and
- (b) any other person who has been elected or appointed by employees to represent employees for the purposes of information and consultation.

Exempt fund manager

An exempt fund manager is a person who manages investment accounts on a discretionary basis and is recognised by the Panel as an exempt fund manager for the purposes of the Takeover Rules (see Guidance Notes under Exempt principal trader).

Exempt principal trader

An exempt principal trader is a principal trader who is recognised by the Panel as an exempt principal trader for the purposes of the Takeover Rules .

GUIDANCE NOTES ON EXEMPT FUND MANAGER AND EXEMPT PRINCIPAL TRADER

1. Persons who manage investment accounts on a discretionary basis and principal traders must apply to the Panel in order to seek the relevant exempt status and will have to comply with any requirements imposed by the Panel as a condition of its granting such status.

Hard copy form

A document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read.

Interests in securities

This definition and its Guidance Notes apply equally to references to interests in shares and interests in relevant securities.

A person who has long economic exposure, whether absolute or conditional, to changes in the price of securities will be treated as interested in those securities. A person who only has a short position in securities will not be treated as interested in those securities.

#See Note at end of Definitions Section.

In particular, a person will be treated as having an interest in securities if:

- (1) he owns them;
- (2) he has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
- (3) by virtue of any agreement to purchase, option or derivative he:
 - (a) has the right or option to acquire them or call for their delivery; or
 - (b) is under an obligation to take delivery of them,

whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise; or

- (4) he is party to any derivative:

- (a) whose value is determined by reference to their price; and
- (b) which results, or may result, in his having a long position in them; and
- (5) in the case of Paragraph 5 only, he has received an irrevocable commitment in respect of them.

GUIDANCE NOTES ON INTERESTS IN SECURITIES

1. Gross interests

The number of securities in which a person is treated as having an interest is normally the gross number, aggregating the number of securities falling under each of paragraphs (1) to (4) (and, for the purposes of Paragraph 5 only, also paragraph (5)) above. If an interest in securities falls within more than one paragraph, the person shall be treated as interested in the highest number determined under the relevant paragraphs. Short positions should not normally be deducted.

However, if each of the following conditions is met, the Panel will normally allow offsetting positions to be netted off against each other:

- (a) *the offsetting positions are in respect of the same class of relevant security;*
- (b) *the offsetting positions are in respect of the same investment product;*
- (c) *save for the number of securities in question, the terms of the offsetting positions are the same, eg as to strike price and, if appropriate, exercise period; and*
- (d) *the counterparty to the offsetting positions is the same in each case.*

2. Interests of two or more persons

As a result of the way in which interests in securities are categorised, two or more persons may be treated as interested in the same securities. For example, where a shareholder grants a call option to another person, the shareholder will be interested in the shares the subject of the option as a result of paragraph (1) of the definition of interests in securities, and the option holder will be interested in those shares as a result of paragraph (3) of the definition.

3. Number of securities concerned

- (a) *Where the number of securities the subject of an agreement to purchase, option or derivative is not fixed, a person will normally be treated as interested in the maximum possible number of securities.*
- (b) *Where the value of any derivative is determined by reference to the price of a number of securities multiplied by a particular factor, a person will be treated as interested in the number of reference securities multiplied by the relevant factor.*

- (c) *Where a derivative is not referenced to any stated number (or maximum number) of securities, a person will normally be treated as interested in the gross number of securities to changes in the price of which he has, or may have, economic exposure.*

4. *Securities borrowing and lending*

If a person has borrowed or lent securities, he will normally be treated as interested in any securities which he has lent but will not normally be treated as interested in any securities which he has borrowed. If a person has on lent securities which he has borrowed, he will not normally be treated as interested in those securities.

5. *New shares*

Where a person holds securities convertible into, or warrants or options in respect of, new shares, he will be treated as interested in those securities, warrants or options but will not be treated as interested in the new shares which may be issued upon conversion or exercise. However, the acquisition of new shares on conversion or exercise of any convertible securities, warrants or options will be treated as an acquisition of an interest in the new shares which are then issued.

6. *Proxies and corporate representatives*

A person will not be treated as having an interest in securities by reason only that he has been appointed as a proxy to vote at a specified general or class meeting of the company concerned, or has been authorised by a corporation to act as its representative at any general or class meeting or meetings.

7. *Security interests*

A bank taking security over shares or other securities in the normal course of its business will not normally be considered to be interested in those shares or securities.

8. *Other statutory or regulatory provisions*

This definition applies only in respect of the relevant provisions of the Takeover Rules . Any Panel view expressed in relation to interests in securities can only relate to the Takeover Rules and should not be taken as guidance on the interpretation of any other statutory or regulatory provisions.

9. *Acquisitions of interests in securities*

- (a) *References to a person acquiring an interest in securities include any transaction or dealing (including the variation of the terms of an option in respect of, or derivative referenced to, securities) which results in an increase in the number of securities (including, where relevant, securities which have been assented to an offer) in which the person is treated as interested.*

- (b) *A person will not be treated as acquiring an interest in securities which are the subject of an irrevocable commitment received by him as a result only of paragraph (3) of the definition of interests in securities.*
- (c) *The Panel should be consulted if a Bidder or any person acting in concert with it proposes to enter into a conditional share sale and purchase agreement or option in the context of the offer.*

Irrevocable commitments and letters of intent

Irrevocable commitments and letters of intent include irrevocable commitments and letters of intent:

- (a) to accept or not to accept (or to procure that any other person accept or not accept) an offer; or
- (b) to vote (or to procure that any other person vote) in favour of or against a resolution of a Bidder or the Target (or of its shareholders) in the context of an offer, including a resolution to approve or to give effect to a scheme of arrangement.

Offer

Any reference to an offer includes any transaction subject to the Takeover Rules as referred to in section 3(b) of the Introduction.

In the case of a scheme of arrangement, a reference to the Target should normally be construed as a reference to the company whose shares are proposed to be acquired under the scheme.

Offer period

The Target companies that are in an offer period at any particular time, and any Bidders or publicly identified potential Bidders, are set out in the Disclosure Table on the ADGM website.

An offer period will commence when the first announcement is made of an offer or possible offer for a company, or when certain other announcements are made, such as an announcement that a purchaser is being sought for an interest in shares carrying 30% or more of the voting rights of the company or that the board of the company is seeking potential Bidders.

Subject to Guidance Note 2 below, an offer period will end when an announcement is made that an offer has become or has been declared unconditional as to acceptances, that a scheme of arrangement has become effective, that all announced offers have been withdrawn or have lapsed or following certain other announcements having been made (such as all publicly identified potential Bidders having made a statement to which Paragraph 2.8 applies).

GUIDANCE NOTES ON OFFER PERIOD

1. Schemes of arrangement

In the case of a scheme of arrangement, provisions of the Takeover Rules that apply during the course of the offer, or before the offer closes for acceptance, will apply until it is announced that the scheme has become effective or that it has lapsed or been withdrawn.

2. First closing date

Where an offer is unconditional from the outset, or becomes or is declared unconditional as to acceptances prior to the first closing date, the offer period will nevertheless continue until the first closing date.

Official List

The list maintained by the Financial Services Regulator under section 60 of the Financial Services and Markets Regulations 2015.

Ordinary course profit forecast

A profit forecast published by the Target or a securities exchange Bidder in accordance with its established practice and as part of the ordinary course of its communications with its shareholders and the market.

Parties to the offer

The Target and any Bidder or competing Bidder whose identity has been publicly announced (including, in each case, any potential Target, Bidder or competing Bidder).

Pension scheme

A funded scheme sponsored by a company, or any of its subsidiaries, which provides pension benefits, some or all of which are on a defined benefit basis, and which has trustees or managers.

Person with information rights

A person in respect of whom a nomination pursuant to the provisions of the Companies Regulations 2015 has been made (and has not been suspended, revoked or ceased to have effect) by a registered shareholder in a Target which has its registered office in Abu Dhabi Global Market for that person to receive a copy of all communications that the Target sends to its shareholders generally or to any class of its shareholders that includes the registered shareholder making the nomination.

Post offer intention statement

A statement made by a party to an offer in any document, announcement or other information published by it in relation to the offer relating to any particular course of action that the party intends to take, or not take, after the end of the offer period, other than a post offer undertaking.

Post offer undertaking

A statement made by a party to an offer in any document, announcement or other information published by it in relation to the offer relating to any particular course of action that the party commits to take, or not take, after the end of the offer period and which is described by that party as a post offer undertaking.

GUIDANCE NOTE ON POST OFFER UNDERTAKING

A commitment relating to action to be taken, or not taken, after the end of the offer period made directly to, and enforceable by, one or more identified parties (whether by name or as a member of an identified class of persons), including an undertaking given to a government or governmental agency in order to obtain an official authorisation or regulatory clearance, will not be regarded as a post offer undertaking.

Principal trader

A principal trader is a person who:

- (1) is registered as a market maker with a recognised investment exchange, or is accepted by the Panel as a market maker; or
- (2) is a member firm of a recognised investment exchange dealing as principal in order book securities.

Profit estimate

A profit forecast for a financial period which has expired and for which audited results have not yet been published.

Profit forecast

A form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word “profit” is not used.

Quantified financial benefits statement

A quantified financial benefits statement is either:

- (a) a statement by a securities exchange Bidder or the Target quantifying any financial benefits expected to accrue to the enlarged group if the offer is successful; or
- (b) a statement by the Target quantifying any financial benefits expected to accrue to the Target from cost saving or other measures and/or a transaction proposed to be implemented by the Target if the offer is withdrawn or lapses.

Recognised intermediary

A recognised intermediary is that part of the operations of a bank or securities house which is accepted by the Panel as a recognised intermediary for the purposes of the Takeover Rules .

GUIDANCE NOTES ON RECOGNISED INTERMEDIARY

1. *If any part of the trading operations of a bank or securities house wishes to be accepted by the Panel as a recognised intermediary, it must apply to the Panel to be granted such status and it will have to comply with any requirements imposed by the Panel as a condition of its granting such status.*

2. *Recognised intermediary status is relevant only for the purposes of the Panel's approach to Paragraph 9.1, on Paragraph 7.2, Paragraph 8.3(e) and Paragraph 8.8(b), in each case to the extent only that the recognised intermediary is acting in a client serving capacity. As a result, subject to Guidance Note 3 below and to the extent only that it is acting in a client serving capacity: (i) a recognised intermediary will not be treated, for the purposes of Paragraph 9.1, as interested in (or as having acquired an interest in) any securities by virtue only of paragraph (3) or paragraph (4) of the definition of interests in securities; (ii) any dealings by it in relevant securities during an offer period will not be required to be publicly disclosed under Paragraphs 8.3(a) to (d); and (iii) dealing disclosures required to be made by it under Paragraph 8.5(c) will need to include the details specified in Paragraph 8.8(b), rather than those specified in Paragraph 8.8(a).*

3. *Where a recognised intermediary is, or forms part of, a principal trader connected either with a Bidder or potential Bidder or with the Target, the recognised intermediary will not benefit from the dispensations afforded under Paragraph 9.1 and Paragraph 7.2 after the time at which the principal trader is presumed to be acting in concert with either the Bidder or potential Bidder or with the directors of the Target (as the case may be) in accordance with Paragraph 7.2(a) and Paragraph 7.2(b) respectively. However, in accordance with Paragraph 7.2(c), where a recognised intermediary is, or forms part of, an exempt principal trader which is connected with either a Bidder or potential Bidder or with the Target for the sole reason that it is controlled# by, controls or is under the same control as a connected adviser to that party, the recognised intermediary will not be presumed to be acting in concert with that party and will therefore continue to benefit from the dispensations afforded under Paragraph 9.1 and Paragraph 7.2.*

#See Note at end of Definitions Section.

Where a recognised intermediary is, or forms part of, a person acting in concert with the Target, it will not benefit from the exception from disclosure afforded by Paragraph 8.3(e) after the commencement of the offer period. Where a recognised intermediary is acting in concert with a Bidder or potential Bidder, it will not benefit from the exception from disclosure afforded by Paragraph 8.3(e) after the identity of the Bidder or potential Bidder with which it is acting in concert is publicly announced. After such time, disclosures should be made under Paragraph 8.4 or, if the recognised intermediary is, or forms part of, an exempt principal trader whose exempt status has not fallen away, Paragraph 8.5.

For the avoidance of doubt, where a recognised intermediary is, or forms part of, an exempt principal trader, its recognised intermediary status will fall away only if its exempt status falls away.

4. *Any dealings by a recognised intermediary which is not acting in a client serving capacity will not benefit from the dispensations afforded under Paragraph 9.1, Paragraph 7.2, Paragraph 8.3(e) and Paragraph 8.8(b) with the result that all such dealings by it will be subject to the provisions of the Takeover Rules as if those dispensations did not apply.*

5. *Any dealings carried out by a recognised intermediary for the purpose of avoiding the usual application of the Takeover Rules to such dealings will constitute a serious breach of the Takeover Rules . If the Panel determines that a recognised intermediary has carried out such dealings, it will be prepared to rule, inter alia, that recognised intermediary status should be withdrawn for such period of time as the Panel may consider appropriate in the circumstances.*

Recognised investment exchange

Recognised investment exchange has the same meaning given to that term in the Financial Services and Markets Regulations 2015.

Relevant securities

Relevant securities include:

- (a) securities of the Target which are being offered for or which carry voting rights;
- (b) equity share capital of the Target and a Bidder;
- (c) securities of a Bidder which carry substantially the same rights as any to be issued as consideration for the offer; and
- (d) securities of the Target and a Bidder carrying conversion or subscription rights into any of the foregoing.

Reverse takeover

A transaction will be a reverse takeover if a Bidder might as a result need to increase its existing issued voting equity share capital by more than 100%.

GUIDANCE NOTE ON REVERSE TAKEOVER

The definition is of relevance only in circumstances where the Bidder is a company that falls within section 3(a)(i) or (ii) of the Introduction.

Scheme of arrangement or scheme

A transaction effected by means of a scheme of arrangement under the Companies Regulations 2015.

Securities exchange offer

Securities exchange offer means an offer in which the consideration includes securities of the Bidder, other than loan stock or loan notes (unless such stock or notes carry substantially the same rights as any other securities of the Bidder in issue or conversion or subscription rights into any such securities or into equity share capital of the Bidder).

Securities exchange Bidder

A Bidder (or potential Bidder) other than a cash Bidder.

Shares or securities

(1) Except as set out below or as the context otherwise requires, references to shares, including when used in other expressions such as shareholders (but excluding equity share capital), include securities, and vice versa.

(2) In paragraph 3(a)(iii) and in the second paragraph of section 3(b) of the Introduction, the securities referred to are only transferable securities carrying voting rights.

(3) In paragraphs 3(a)(i) and (ii) and in the first paragraph of section 3(b) of the Introduction, the shares/securities referred to are only those shares/securities comprised in the company's equity share capital (whether voting or non voting) and other transferable securities carrying voting rights.

Target

Any reference to a Target includes a potential Target.

Treasury shares

All percentages of voting rights, share capital and relevant securities are to be calculated by reference to the relevant percentage held and in issue outside treasury. A transfer or sale of shares by a company from treasury will normally be treated in the same way as an issue of new shares.

Voting rights

Except for the purpose of Paragraph 11, voting rights means all the voting rights attributable to the capital of a company which are currently exercisable at a general meeting.

Website notification

A website notification is a document sent in either hard copy form or electronic form to a person to whom a document, an announcement or any information is required to be sent, giving such person notice of the publication of the document, announcement or information on a website and providing details of the relevant website.

GUIDANCE NOTE ON WEBSITE NOTIFICATION

A website notification must be prepared with the highest standards of care and accuracy in accordance with Paragraph 18.1 and must contain a directors' responsibility statement in accordance with Paragraph 18.2. A website notification must contain a summary of the provisions of Paragraph 8 (see the ADGM website and must also comply with the other relevant requirements of the Takeover Rules in relation to the publication of documents, announcements and information.

The information in a website notification must be confined to non controversial information about an offer and should not be used for argument or invective. A website notification should not include a recommendation to take or not to take any action in relation to, or contain any view on the merits of, an offer except for a factual statement as to whether or not the offer is proceeding with the recommendation of the Target board. A party to an offer should not include anything other than acceptance forms, withdrawal forms, proxy cards and other forms connected with an offer in the same envelope as a website notification without the consent of the Panel.

In addition, a website notification must include the following information in relation to the document, announcement or information to which it relates:

- (a) details of the website on which the document, announcement or information is published;*
- (b) a statement setting out the right of persons to whom the document, announcement or information is sent to receive a copy of the document, announcement or information (and any information incorporated into it by reference to another source) in hard copy form and drawing attention to the fact that such persons will not receive a hard copy unless they so request;*
- (c) details of how a hard copy may be obtained (including an address in the Abu Dhabi Global Market and a telephone number to which requests for hard copies may be made); and*
- (d) a statement that the website notification is not a summary of the document, announcement or other information to which it relates and should not be regarded as a substitute for reading the document, announcement or information in full.*

GUIDANCE NOTE ON DEFINITIONS

The normal test for whether a person is controlled by, controls or is under the same control as another person will be by reference to the definition of control. There may be other circumstances which the Panel will regard as giving rise to such a relationship (eg where a majority of the equity share capital is owned by another person who does not have a majority of the voting rights); in cases of doubt, the Panel should be consulted.

THE APPROACH, ANNOUNCEMENTS AND INDEPENDENT ADVICE

PARAGRAPH 1 THE APPROACH

- (a) A Bidder (or its advisers) must notify a firm intention to make an offer in the first instance to the board of the Target (or its advisers).
- (b) If the offer, or an approach with regard to a possible offer, is not made by the Bidder or potential Bidder, the identity of that person must be disclosed to the board of the Target at the outset.

Guidance Notes to Paragraph 1

On receiving a request from the board of the Target, a Bidder provide information reasonably required to verify that the Bidder is, or will be, in a position to implement the offer in full.

PARAGRAPH 2 SECRECY BEFORE ANNOUNCEMENTS; THE TIMING AND CONTENTS OF ANNOUNCEMENTS

2.1 SECRECY

- (a) Prior to the announcement of an offer or possible offer, all persons privy to confidential information, and particularly price sensitive information, concerning the offer or possible offer must treat that information as secret and may only pass it to another person if it is necessary to do so and if that person is made aware of the need for secrecy. All such persons must conduct themselves so as to minimise the chances of any leak of information.
- (b) Financial advisers must at the very beginning of discussions warn clients of the importance of secrecy and security. Attention should be drawn to the Takeover Rules , in particular to this Paragraph 2.1 and to restrictions on dealings.

2.2 WHEN AN ANNOUNCEMENT IS REQUIRED

An announcement is required:

- (a) when a firm intention to make an offer is notified to the board of the Target by or on behalf of a Bidder, irrespective of the attitude of the board to the offer;
- (b) immediately upon an acquisition of any interest in shares which gives rise to an obligation to make an offer under Paragraph 9.1. The announcement that an obligation has been incurred should not be delayed while full information is being obtained; additional information can be the subject of a later supplementary announcement;

- (c) when, following an approach by or on behalf of a potential Bidder to the board of the Target, the Target is the subject of rumour and speculation or there is an untoward movement in its share price;
- (d) when, after a potential Bidder first actively considers an offer but before an approach has been made to the board of the Target, the Target is the subject of rumour and speculation or there is an untoward movement in its share price and there are reasonable grounds for concluding that it is the potential Bidder's actions (whether through inadequate security or otherwise) which have led to the situation;
- (e) when negotiations or discussions relating to a possible offer are about to be extended to include more than a very restricted number of people (outside those who need to know in the parties concerned and their immediate advisers); or
- (f) when a purchaser is being sought for an interest, or interests, in shares carrying in aggregate 30% or more of the voting rights of a company or when the board of a company is seeking one or more potential Bidders, and:
 - (i) the company is the subject of rumour and speculation or there is an untoward movement in its share price; or
 - (ii) the number of potential purchasers or Bidders approached is about to be increased to include more than a very restricted number of people.

Guidance Notes to Paragraph 2.2

Whether or not a movement in the share price of a potential Target is untoward for the purposes of Paragraph 2.2(c), (d) and (f)(i) is a matter for the Panel to determine. The question will be considered in the light of all relevant facts and not solely by reference to the absolute percentage movement in the price. Facts which may be considered to be relevant in determining whether a price movement is untoward these purposes include general market and sector movements, publicly available information relating to the company, trading activity in the company's securities and the time period over which the price movement has occurred. This list is purely illustrative and the Panel will take account of such other factors as it considers appropriate.

2.3 RESPONSIBILITIES OF BIDDERS AND THE TARGET

- (a) Before a potential Bidder approaches the board of the Target, the potential Bidder is responsible for making any announcement required under Paragraph 2.2.
- (b) When an obligation to make a mandatory offer under Paragraph 9.1 is incurred, the Bidder is responsible for making the announcement required under Paragraph 2.2(b). See also Paragraph 7.1.
- (c) Following an approach to the board of the Target, the Target is responsible for making any announcement required under Paragraph 2.2, except for an announcement required under Paragraph 2.2(b) or, where a purchaser is being sought for an interest in shares

carrying 30% or more of the voting rights of a company without the involvement of the board of the Target, Paragraph 2.2(f) (in which case responsibility will rest with the potential seller of the interest).

- (d) A potential Bidder must not attempt to prevent the board of a Target from making an announcement relating to a possible offer, or publicly identifying the potential Bidder, at any time the board considers appropriate.

2.4 THE ANNOUNCEMENT OF A POSSIBLE OFFER

- (a) An announcement by the Target which commences an offer period must identify any potential Bidder with which the Target is in talks or from which an approach has been received (and not unequivocally rejected).
- (b) Any subsequent announcement by the Target which refers to the existence of a new potential Bidder must identify that potential Bidder, except where the announcement is made after a Bidder has announced a firm intention to make an offer for the Target (see Paragraph 2.6(e)).
- (c) Any announcement which commences an offer period and any subsequent announcement which first identifies a potential Bidder must:
 - (i) specify the date on which any deadline thereby set in accordance with Paragraph 2.6(a) will expire; and
 - (ii) include a summary of the provisions of Paragraph 8.

2.5 TERMS AND PRE CONDITIONS IN POSSIBLE OFFER ANNOUNCEMENTS

- (a) The Panel must be consulted in advance if, prior to the announcement of a firm intention to make an offer, any person proposes to make a statement in relation to the terms on which an offer might be made for the Target. If a potential Bidder (or its directors, officials or advisers) makes such a statement and it is not withdrawn immediately if incorrect, the potential Bidder will be bound by the statement if an offer for the Target is subsequently made, except where it specifically reserved the right not to be so bound in certain circumstances at the time the statement was made and those circumstances subsequently arise or in wholly exceptional circumstances. In particular:
 - (i) where the statement concerned relates to the price of a possible offer (or a particular exchange ratio in the case of a possible securities exchange offer), any offer made by the potential Bidder for the Target will be required to be made on the same or better terms. Where all or part of the consideration is expressed in terms of a monetary value, the offer or that element of the offer must be made at the same or a higher monetary value. Where all or part of the consideration has been expressed in terms of a securities exchange ratio, the offer or that element of the offer must be made on the same (or an improved) securities exchange ratio; and

- (ii) where the statement concerned includes reference to the fact that the terms of the possible offer “will not be increased” or are “final” or uses a similar expression, the potential Bidder will not be allowed subsequently to make an offer on better terms.
- (b) The consequences of a statement to which Paragraph 2.5(a) applies will normally apply also to any person acting in concert with the potential Bidder and to any person who is subsequently acting in concert with the potential Bidder or such person.
- (c) The Panel must be consulted in advance if, prior to announcing a firm intention to make an offer, a potential Bidder proposes to announce any pre conditions to the making of an offer. Any such pre conditional possible offer announcement must:
 - (i) clearly state whether or not the pre conditions must be satisfied before an offer can be made or whether they are waivable; and
 - (ii) include a prominent warning to the effect that the announcement does not amount to a firm intention to make an offer and that, accordingly, there can be no certainty that any offer will be made even if the pre conditions are satisfied or waived.

2.6 TIMING FOLLOWING A POSSIBLE OFFER ANNOUNCEMENT

- (a) Subject to Paragraph 2.6(b), by not later than 5.00 pm on the 28th day following the date of the announcement in which it is first identified, or by not later than any extended deadline, a potential Bidder must either:
 - (i) announce a firm intention to make an offer in accordance with Paragraph 2.7; or
 - (ii) announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Paragraph 2.8 applies,
 unless the Panel has consented to an extension of the deadline.
- (b) Paragraph 2.6(a) will not apply, or will cease to apply, to a potential Bidder if another Bidder has already announced, or subsequently announces (prior to the relevant deadline), a firm intention to make an offer for the Target. In such circumstances, the potential Bidder will be required to clarify its intentions in accordance with Paragraph 2.6(d) below.
- (c) The Panel will normally consent to an extension of a deadline set in accordance with Paragraph 2.6(a), or any previously extended deadline, at the request of the board of the Target and after taking into account all relevant factors, including:
 - (i) the status of negotiations between the Target and the potential Bidder; and
 - (ii) the anticipated timetable for their completion.

Where the Panel consents to an extension of a deadline, the Target must promptly make an announcement setting out the new deadline and commenting on the matters referred to in paragraphs (i) and (ii) above.

- (d) When a Bidder has announced a firm intention to make an offer and it has been announced that a publicly identified potential Bidder might make a competing offer (whether that announcement was made prior to or following the announcement of the first offer), the potential Bidder must, by 5.00 pm on the 53rd day following the publication of the first Bidder's initial offer document, either:
 - (i) announce a firm intention to make an offer in accordance with Paragraph 2.7; or
 - (ii) announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Paragraph 2.8 applies.

(See Paragraph 38.4) where the first Bidder is proceeding by means of a scheme of arrangement.)

- (e) When a Bidder has announced a firm intention to make an offer and the Target subsequently refers to the existence of a potential competing Bidder which has not been identified, the potential competing Bidder so referred to must, by 5.00 pm on the 53rd day following the publication of the first Bidder's initial offer document, either:
 - (i) announce a firm intention to make an offer in accordance with Paragraph 2.7; or
 - (ii) confirm to the Target that it does not intend to make an offer, in which case the Target must promptly announce that fact and the potential competing Bidder will be treated as if it had then made a statement to which Paragraph 2.8 applies.

(See Paragraph 34.8 where the first Bidder is proceeding by means of a scheme of arrangement.)

2.7 THE ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER

- (a) A Bidder should announce a firm intention to make an offer only after the most careful and responsible consideration and when the Bidder has every reason to believe that it can and will continue to be able to implement the offer. Responsibility in this connection also rests on the financial adviser to the Bidder.
- (b) Following an announcement of a firm intention to make an offer, the Bidder must proceed to make the offer unless, in accordance with the provisions of Paragraph 13, it is permitted to invoke a pre condition to the making of the offer or would be permitted to invoke a condition to the offer if the offer were made. However, with the consent of the Panel, a Bidder need not make the offer if a competing Bidder subsequently announces a firm intention to make a higher offer.
- (c) When a firm intention to make an offer is announced, the announcement must state:

- (i) the terms of the offer;
 - (ii) the identity of the Bidder;
 - (iii) all conditions or pre conditions to which the offer or the making of an offer is subject;
 - (iv) details of any agreements or arrangements to which the Bidder is party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre condition or a condition to its offer and the consequences of its doing so, including details of any break fees payable as a result;
 - (v) details of any relevant securities of the Target in which the Bidder or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery, must also be stated;
 - (vi) details of any irrevocable commitment or letter of intent procured by the Bidder or any person acting in concert with it);
 - (vii) details of any relevant securities of the Target which the Bidder or any person acting in concert with it has borrowed or lent, save for any borrowed relevant securities which have been either on lent or sold and details of any financial collateral arrangements which the Bidder or any person acting in concert with it has entered into;
 - (viii) details of any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert to which the Bidder or any person acting in concert with it is a party;
 - (ix) a summary of the provisions of Paragraph 8 (see the ADGM website);
 - (x) a summary of any offer related arrangement or other agreement, arrangement or commitment permitted under, or excluded from, Paragraph 21.2; and
 - (xi) a list of the documents published on a website in accordance with Paragraph 26.2 and the address of the website on which the documents are published.
- (d) Where the offer is for cash, or includes an element of cash, the announcement must include confirmation by the financial adviser or by another appropriate third party that resources are available to the Bidder sufficient to satisfy full acceptance of the offer. (The party confirming that resources are available will not be expected to produce the cash itself if, in giving the confirmation, it acted responsibly and took all reasonable steps to assure itself that the cash was available.)

2.8 STATEMENTS OF INTENTION NOT TO MAKE AN OFFER

A person making a statement that he does not intend to make an offer for a company should make the statement as clear and unambiguous as possible. Except with the consent of the Panel, neither the person making the statement, nor any person who acted in concert with that person, nor any person who is subsequently acting in concert with either of them, may within six months from the date of the statement:

- (a) announce an offer or possible offer for the Target (including a partial offer which would result in the Bidder and persons acting in concert with it being interested in shares carrying 30% or more of the voting rights of the Target);
- (b) acquire any interest in shares of the Target if any such person would thereby become obliged under Paragraph 9 to make an offer;
- (c) acquire any interest in, or procure an irrevocable commitment in respect of, shares of the Target if the shares in which such person, together with any persons acting in concert with him, would be interested and the shares in respect of which he, or they, had acquired irrevocable commitments would in aggregate carry 30% or more of the voting rights of the Target;
- (d) make any statement which raises or confirms the possibility that an offer might be made for the Target; or
- (e) take any steps in connection with a possible offer for the Target where knowledge of the possible offer might be extended outside those who need to know in the potential Bidder and its immediate advisers.

Failure to comply with this Paragraph may lead to the period of six months referred to above being extended.

2.9 ANNOUNCEMENT OF AN OFFER OR POSSIBLE OFFER TO BE PUBLISHED VIA THE ADGM WEBSITE

- (a) When an offer or possible offer is announced, the announcement must be published in typed format and sent to the Panel for publication on the ADGM website by fax or electronic delivery.
- (b) If the announcement is published outside the Panel's normal business hours, it must be submitted as required, for release as soon as possible.
- (c) The requirements under (a) and (b) above are in addition to any other announcement obligation to which the Bidder may be subject.

2.10 ANNOUNCEMENT OF NUMBERS OF RELEVANT SECURITIES IN ISSUE

When an offer period begins, the Target must announce, as soon as possible and in any case by 7.15 am on the next business day, details of all classes of relevant securities issued by the company, together with the numbers of such securities in issue. A Bidder or publicly identified potential Bidder must also announce the same details relating to its relevant securities as soon as possible and in any case by 7.15 am on the business

day following any announcement identifying it as a Bidder or potential Bidder, unless it has stated that its offer is likely to be solely in cash.

Any such announcement should include, where relevant, the International Securities Identification Number (“ISIN”) for each relevant security.

If the information included in an announcement made under this Paragraph changes during the offer period, a revised announcement must be made as soon as possible.

2.11 IRREVOCABLE COMMITMENTS AND LETTERS OF INTENT

- (a) During an offer period, if any party to the offer or any person acting in concert with it procures an irrevocable commitment or a letter of intent, the relevant party to the offer must publicly disclose the details in accordance with Guidance Notes issued under this Paragraph 2.11 by no later than 12 noon on the following business day.
- (b) If any party to an offer or any person acting in concert with it has procured an irrevocable commitment or a letter of intent prior to the commencement of the offer period, it must publicly disclose the details in accordance with Guidance Notes issued under this Paragraph 2.11 by no later than 12 noon on the business day following either the commencement of the offer period or (in the case of a Bidder) the date of the announcement that first identifies the Bidder as such (as appropriate).
- (c) If a person who has given an irrevocable commitment or a letter of intent either becomes aware that he will not be able to comply with the terms of that commitment or letter or no longer intends to do so, that person must:
 - (i) promptly announce an update of the position together with all relevant details; or
 - (ii) promptly notify the relevant party to the offer and the Panel of the up to date position. Upon receipt of such a notification, the relevant party to the offer must promptly make an appropriate announcement of the information notified to it together with all relevant details.
- (d) See also Guidance Note 9 on the definition of acting in concert.

PARAGRAPH 3 INDEPENDENT ADVICE

3.1 BOARD OF THE TARGET

The board of the Target must obtain competent independent advice as to whether the financial terms of any offer (including any alternative offers) are fair and reasonable and the substance of such advice must be made known to its shareholders.

3.2 BOARD OF AN BIDDER COMPANY

The board of a Bidder must obtain competent independent advice on any offer when the offer being made is a reverse takeover or when the directors are faced with a conflict of interest. The substance of such advice must be made known to its shareholders.

Guidance Notes to Paragraph 3

If the independent adviser is unable to advise the board of the Target whether the financial terms of an offer (or any alternative offers) are, or are not, fair and reasonable, this must be made known to Target shareholders and an explanation given in the Target board circular. The Panel should be consulted in advance about the explanation which is to be given.

Directors of a Bidder and the Target must, in advising their shareholders, act only in their capacity as Directors and not have regard to their personal or family shareholdings or to their personal relationships with the Bidder or Target. Directors of the Target must give careful consideration before they enter into any commitment with a Bidder (or anyone else) which would restrict their freedom to advise their shareholders in the future.

In certain circumstances it may not be appropriate for a Person who has had a recent advisory relationship with a Bidder to give advice to a Target. Additionally, the Panel would consider a Person who has a significant interest in or financial connection with either a Bidder or the Target of such a kind as to create a conflict of interest. The requirement for competent independent advice is of particular importance where the offer is a management buyout or similar transaction or is being made by the existing controlling shareholder or group of shareholders. In any such cases, the independence of the adviser must be beyond question.

The Panel should be consulted if there is any potential of a contravention of Paragraph 3. The Panel may waive or modify the application of Paragraph 3 if it is satisfied that it is appropriate to do so in the circumstances.

Where required to do so, a Bidder should obtain independent advice before announcing its offer or any revised offer. Such advice should be as to whether or not the making of the offer is in the interests of the Bidder's shareholders. Shareholders should have sufficient time to consider advice given to them prior to any general meeting held to implement the proposed offer.

In obtaining advice as to how an offer affects all shareholders, consideration should specifically be given by the Target board to the effect on minority shareholders or classes of shareholders, where applicable. It is expected that the substance of any such advice will be summarised in the Target circular.

PARAGRAPH 4 RESTRICTIONS ON DEALINGS

NB Notwithstanding the provisions of Paragraph 4, a person may be precluded from dealing or procuring others to deal by virtue of restrictions contained in the Financial

Services and Markets Regulations 2015 regarding market abuse. Where the Panel becomes aware of instances to which such restrictions may be relevant, it will inform the financial services regulator of Abu Dhabi Global Market.

4.1 PROHIBITED DEALINGS BY PERSONS OTHER THAN THE BIDDER

- (a) No dealings of any kind in securities of the Target by any person, not being the Bidder, who is privy to confidential price sensitive information concerning an offer or contemplated offer may take place between the time when there is reason to suppose that an approach or an offer is contemplated and the announcement of the approach or offer or of the termination of the discussions.
- (b) No person who is privy to such information may make any recommendation to any other person as to dealing in the relevant securities.
- (c) No such dealings may take place in securities of the Bidder except where the proposed offer is not price sensitive in relation to such securities.

4.2 RESTRICTION ON DEALINGS BY THE BIDDER AND CONCERT PARTIES

- (a) During an offer period, the Bidder and persons acting in concert with it must not sell any securities in the Target except with the prior consent of the Panel and following 24 hours public notice that such sales might be made. The Panel will not give consent for sales where a mandatory offer under Paragraph 9 is being made. Sales below the value of the offer will not be permitted. After there has been an announcement that sales may be made, neither the Bidder nor persons acting in concert with it may acquire an interest in any securities of the Target and only in exceptional circumstances will the Panel permit the offer to be revised. The Panel should be consulted whenever the Bidder or a person acting in concert with it proposes to enter into or close out any type of transaction which may result in securities in the Target being sold during the offer period either by that party or by the counterparty to the transaction.
- (b) During an offer period, the Bidder and persons acting in concert with it must not acquire an interest in any securities of the Target through any anonymous order book system, or through any other means, unless, in either case, it can be established that the seller, or other party to the transaction in question, is not an exempt principal trader connected with the Bidder.

In the case of dealings through an inter dealer broker or other similar intermediary, “seller” includes the person who has transferred the securities to the intermediary as well as the intermediary itself. (See also Paragraph 38.2)

4.3 GATHERING OF IRREVOCABLE COMMITMENTS

Any person proposing to contact a private individual or small corporate shareholder with a view to seeking an irrevocable commitment must consult the Panel in advance.

4.4 DEALINGS IN TARGET SECURITIES BY CERTAIN TARGET CONCERT PARTIES

During the offer period, except for exempt principal traders and exempt fund managers, no financial adviser or corporate broker (or any person controlling, controlled by or under the same control# as any such adviser or corporate broker) to a Target (or any of its parents, subsidiaries or fellow subsidiaries, or their associated companies or companies of which such companies are associated companies) shall, except with the consent of the Panel:

- (i) either for its own account or on behalf of discretionary clients acquire any interest in Target shares; or
- (ii) make any loan to a person to assist him in acquiring any such interest save for lending in the ordinary course of business and on normal commercial terms to persons with which they have an established customer relationship; or
- (iii) enter into any indemnity or option arrangement or any arrangement, agreement or understanding, formal or informal, of whatever nature, which may be an inducement for a person to retain, deal or refrain from dealing in relevant securities of the Target.

4.5 RESTRICTION ON THE TARGET ACCEPTING AN OFFER IN RESPECT OF TREASURY SHARES¹

A Target may not accept an offer in respect of treasury shares until after the offer is unconditional as to acceptances.

4.6 SECURITIES BORROWING AND LENDING TRANSACTIONS BY BIDDERS, THE TARGET AND THEIR CONCERT PARTIES

- (a) During an offer period, the following persons must not, except with the consent of the Panel, enter into or take action to unwind a securities borrowing or lending transaction in respect of relevant securities of the Target:
 - (i) a Bidder;
 - (ii) the Target; and
 - (iii) any person acting in concert with a Bidder or with the Target.

During an offer period, where a person subject to Paragraph 4.6(a) enters into or takes action to unwind a securities borrowing or lending transaction in respect of relevant securities of a securities exchange Bidder or, with the consent of the Panel, the Target,

¹ This Paragraph is disapplied in a scheme.

the transaction must be disclosed as if it were a dealing in those relevant securities (see Paragraph 8.8).

PARAGRAPH 5 TIMING RESTRICTIONS ON ACQUISITIONS

5.1 RESTRICTIONS

Except as permitted by Paragraph 5.2:

- (a) when a person (which for the purpose of Paragraph 5 includes any persons acting in concert with him) is interested in shares which in the aggregate carry less than 30% of the voting rights of a company, he may not acquire an interest in any other shares carrying voting rights in that company which, when aggregated with the shares in which he is already interested, would carry 30% or more of the voting rights; and
- (b) when a person is interested in shares which in the aggregate carry 30% or more of the voting rights of a company but does not hold shares which carry more than 50% of the voting rights, he may not acquire an interest in any other shares carrying voting rights in that company.

5.2 EXCEPTIONS TO RESTRICTIONS

The restrictions in Paragraph 5.1 do not apply to an acquisition of an interest in shares carrying voting rights in a company by a person:

- (a) at any time from a single shareholder if it is the only such acquisition within any period of 7 days (see also Paragraphs 5.3 and 5.4). This exception will not apply when the person has announced a firm intention to make an offer and there is no pre condition to which the making of an offer is subject; or
- (b) immediately before the person announces a firm intention to make an offer (whether or not there is any pre condition to which the making of an offer is subject), provided that the offer will be publicly recommended by, or the acquisition is made with the agreement of, the board of the Target and the acquisition is conditional upon the announcement of the offer; or
- (c) after the person has announced a firm intention to make an offer provided that, at the time of the acquisition, there is no pre condition to which the making of an offer is subject and:
 - (i) the acquisition is made with the agreement of the board of the Target; or
 - (ii) that offer or any competing offer has been publicly recommended by the board of the Target, even if such recommendation is subsequently withdrawn; or
 - (iii) the first closing date of that offer or of any competing offer has passed; or
 - (iv) that offer is unconditional in all respects; or

- (d) if the acquisition is by way of acceptance of the offer; or
- (e) if the acquisition is otherwise permitted by Guidance Notes issued under Paragraph 9.

5.3 ACQUISITIONS FROM A SINGLE SHAREHOLDER – CONSEQUENCES

A person who acquires an interest in shares from a single shareholder permitted by Paragraph 5.2(a) may not acquire an interest in any other shares carrying voting rights in a company, except in the circumstances set out in Paragraph 5.2(b), (c), (d) and (e). If that person makes an offer for the company which subsequently lapses, this restriction will cease to apply.

5.4 ACQUISITIONS FROM A SINGLE SHAREHOLDER – DISCLOSURE

A person who acquires an interest in shares carrying voting rights in a company from a single shareholder permitted by Paragraph 5.2(a) must notify the company, the Panel (who will publish the notification on the ADGM website), not later than 12 noon on the business day following the date of the acquisition, of details of:

- (a) that acquisition; and
- (b) any shares of the company in which he has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned (see Paragraph 8.8). Similar details of any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be disclosed.

PARAGRAPH 6 ACQUISITIONS RESULTING IN AN OBLIGATION TO OFFER A MINIMUM LEVEL OF CONSIDERATION

6.1 ACQUISITIONS BEFORE A FIRM OFFER ANNOUNCEMENT

Except with the consent of the Panel in cases falling under (a) or (b), when a Bidder or any person acting in concert with it has acquired an interest in shares in the Target:

- (a) within the three month period prior to the commencement of the offer period; or
- (b) during the period, if any, between the commencement of the offer period and an announcement made by the Bidder in accordance with Paragraph 2.7; or
- (c) prior to the three month period referred to in (a), if in the view of the Panel there are circumstances which render such a course necessary in order to give effect to General Principle 1,

the offer to the holders of shares of the same class shall not be on less favourable terms.

If an acquisition of an interest in shares in the Target has given rise to an obligation under Paragraph 11, compliance with that Paragraph will normally be regarded as satisfying any obligation under this Paragraph in respect of that acquisition.

In the case of paragraph (b), an immediate announcement may be required in accordance with the Guidance Notes issued under Paragraph 7.1.

6.2 ACQUISITIONS AFTER A FIRM OFFER ANNOUNCEMENT

- (a) If, after an announcement made in accordance with Paragraph 2.7 and before the offer closes for acceptance, a Bidder or any person acting in concert with it acquires any interest in shares at above the offer price (being the then current value of the offer), it shall increase its offer to not less than the highest price paid for the interest in shares so acquired.
- (b) Immediately after the acquisition, the Bidder must announce that a revised offer will be made in accordance with this Paragraph (see also Paragraph 32). Whenever practicable, the announcement should also state the nature of the interest, the number of shares concerned and the price paid.
- (c) Acquisitions of interests in shares in the Target may also give rise to an obligation under Paragraph 11. Where an obligation is incurred under Paragraph 11 by reason of any such acquisition, compliance with that Paragraph will normally be regarded as satisfying any obligation under this Paragraph in respect of that acquisition.

PARAGRAPH 7 CONSEQUENCES OF CERTAIN DEALINGS

7.1 IMMEDIATE ANNOUNCEMENT REQUIRED IF THE OFFER HAS TO BE AMENDED

The acquisition of an interest in Target shares by a Bidder or any person acting in concert with it may give rise to an obligation under Paragraph 6 (minimum level of consideration), Paragraph 9 (mandatory offer) or Paragraph 11 (nature of consideration to be offered). Immediately after such an acquisition, an appropriate announcement must be made by the Bidder. Whenever practicable, the announcement should also state the nature of the interest, the number of shares concerned and the price paid.

7.2 DEALINGS BY CONNECTED DISCRETIONARY FUND MANAGERS AND PRINCIPAL TRADERS

- (a) Discretionary fund managers and principal traders who, in either case, are connected with a Bidder or potential Bidder, will not normally be presumed to be acting in concert with that person until its identity as a Bidder or potential Bidder is publicly announced or, if prior to that, the time at which the connected party had actual knowledge of the possibility of an offer being made by a person with whom it is connected. Paragraphs 5, 6, 9, 11 and 36 will then be relevant to acquisitions of interests in Target securities

and Paragraph 4.2 to sales of Target securities by such persons. Paragraph 4.6 will be relevant to securities borrowing and lending transactions.

- (b) Similarly, discretionary fund managers and principal traders who, in either case, are connected with the Target, will not normally be presumed to be acting in concert with the Target until the commencement of the offer period or, if prior to that, the time at which the connected party had actual knowledge of the possibility of an offer being made for the Target and that it was connected with the Target. Paragraphs 4.4, 5 and 9 may then be relevant to acquisitions of interests in Target securities. Paragraph 4.6 will be relevant to securities borrowing and lending transactions.

(See also the definition of connected fund managers and principal traders.)

- (c) An exempt fund manager or exempt principal trader which is connected for the sole reason that it is controlled by, controls or is under the same control as a connected adviser will not be presumed to be in concert even after the commencement of the offer period or the identity of the Bidder being publicly announced (as the case may be). (See Note 2 on the definitions of exempt fund manager and exempt principal trader.)

7.3 PARTIAL OFFERS AND “WHITEWASHES”

The acquisition of an interest in Target shares by a Bidder or any person acting in concert with it may result in the Panel refusing to exercise its discretion to permit a partial offer or to grant a dispensation under the Guidance Notes to Paragraph 9.1.

PARAGRAPH 8 DISCLOSURE OF DEALINGS AND POSITIONS

8.1 DISCLOSURE BY AN BIDDER

- (a) A Bidder must make a public Opening Position Disclosure:
 - (i) after the announcement that first identifies it as a Bidder; and
 - (ii) after the announcement that first identifies a competing securities exchange Bidder.
- (b) A Bidder must also make a public Dealing Disclosure if it deals in any relevant securities of the Target or any securities exchange Bidder during an offer period for its own account or for the account of discretionary investment clients.

8.2 DISCLOSURE BY THE TARGET

- (a) A Target must make a public Opening Position Disclosure:
 - (i) after the commencement of the offer period; and
 - (ii) if later, after the announcement that first identifies any securities exchange Bidder.

- (b) A Target must also make a public Dealing Disclosure if it deals in any relevant securities of the Target or any securities exchange Bidder during an offer period for its own account or for the account of discretionary investment clients.

8.3 DISCLOSURE BY PERSONS WITH INTERESTS IN SECURITIES REPRESENTING 1% OR MORE

- (a) Any person who at the relevant time is interested (directly or indirectly) in 1% or more of any class of relevant securities of the Target or any securities exchange Bidder must make a public Opening Position Disclosure:
 - (i) after the commencement of an offer period; and
 - (ii) if later, after the announcement that first identifies any securities exchange Bidder.
- (b) Any person who is (or as a result of any dealing becomes) interested (directly or indirectly) in 1% or more of any class of relevant securities of the Target or any securities exchange Bidder must make a public Dealing Disclosure if he deals in any relevant securities of the Target or any securities exchange Bidder during an offer period.
- (c) Where two or more persons act pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities, they will normally be deemed to be a single person for the purpose of this Paragraph 8.3.
- (d) If a person manages investment accounts on a discretionary basis, he, and not the person on whose behalf the relevant securities (or interests in relevant securities) are managed, will be treated for the purpose of this Paragraph as interested in the relevant securities concerned. Except with the consent of the Panel, where more than one discretionary investment management operation is conducted in the same group, the interests in relevant securities of all such operations will be treated for the purpose of this Paragraph as those of a single person and must be aggregated.
- (e) Paragraphs 8.3(a) to (d) do not apply to recognised intermediaries acting in a client serving capacity.
- (f) A person making a disclosure in accordance with Paragraphs 8.1, 8.2, 8.4 or 8.5 need not also disclose the same information pursuant to Paragraph 8.3.

8.4 DISCLOSURE BY CONCERT PARTIES

A person acting in concert with any party to an offer must make a public Dealing Disclosure if he deals in any relevant securities of the Target or any securities exchange Bidder during an offer period for his own account or for the account of discretionary investment clients.

8.5 DISCLOSURE BY EXEMPT PRINCIPAL TRADERS

- (a) An exempt principal trader connected with a Bidder which does not have recognised intermediary status or which does have recognised intermediary status but which holds any interest or short position in, or right to subscribe for, any relevant securities of the Target or any securities exchange Bidder in a proprietary capacity must make a public Opening Position Disclosure:
 - (i) after the announcement that first identifies the Bidder with which it is connected as a Bidder; and
 - (ii) after the announcement that first identifies a competing securities exchange Bidder.
- (b) An exempt principal trader connected with the Target which does not have recognised intermediary status or which does have recognised intermediary status but which holds any interest or short position in, or right to subscribe for, any relevant securities of the Target or any securities exchange Bidder in a proprietary capacity must make a public Opening Position Disclosure:
 - (i) after the commencement of the offer period; and
 - (ii) if later, after the announcement that first identifies any securities exchange Bidder.
- (c) An exempt principal trader connected with a party to the offer must make a public Dealing Disclosure if it deals in any relevant securities of the Target or any securities exchange Bidder during an offer period, stating the following details:
 - (i) if the exempt principal trader does not have recognised intermediary status, or if it does but it is dealing in a proprietary capacity, the details required under Paragraph 8.8 below; and
 - (ii) if the exempt principal trader has recognised intermediary status and is dealing in a client-serving capacity, the details required under Paragraph 8.8 below.

8.6 DISCLOSURE BY EXEMPT FUND MANAGERS WITH NO INTERESTS IN SECURITIES OF ANY PARTY TO THE OFFER REPRESENTING 1% OR MORE DEALING FOR DISCRETIONARY CLIENTS

- (a) An exempt fund manager connected with a party to the offer must make a private Dealing Disclosure if it deals in any relevant securities of the Target or any securities exchange Bidder for the benefit of discretionary investment clients during an offer period.
- (b) Paragraph 8.6(a) does not apply if the exempt fund manager is also required to make a disclosure in accordance with Paragraph 8.3.

8.7 DISCLOSURE OF NON-DISCRETIONARY DEALINGS BY PARTIES AND CONCERT PARTIES

A party to the offer and any person acting in concert with it must make a private Dealing Disclosure if it deals in any relevant securities of the Target or any securities exchange Bidder during an offer period for the account of non-discretionary investment clients (other than a non-discretionary client that is a party to the offer or any person acting in concert with it).

8.8 DETAILS TO BE INCLUDED IN THE DISCLOSURE

(a) Public disclosures (other than Dealing Disclosures by exempt principal traders with recognised intermediary status dealing in a client-serving capacity)

Any public disclosure under this Paragraph 8 (other than a Dealing Disclosure by an exempt principal trader with recognised intermediary status dealing in a client-serving capacity) must include:

- (i) the identity of the person disclosing and that person's status (eg Bidder, person acting in concert with the Bidder, etc.);
- (ii) details of any relevant securities of the Target or the Bidder (as the case may be) in which the person making the disclosure has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned and the relevant percentages. Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be disclosed;
- (iii) details of any dealing arrangements of a kind referred to in Guidance Note 11(b) on the definition of acting in concert to which the person making the disclosure is a party;
- (iv) if the disclosure is by an exempt fund manager or an exempt principal trader, the identity of the party to the offer with which the person disclosing is connected;
- (v) confirmation whether the person making the disclosure is on the same day disclosing, or has previously disclosed, details in respect of the relevant securities of any other party or parties to the offer under Paragraph 8; and
- (vi) if the disclosure is by a party to the offer or any person acting in concert with it, details of any securities borrowing and lending positions required by Guidance Note(1) below.

An Opening Position Disclosure by a party to the offer must also include:

- (vii) similar details as in (ii) and (iii) above of any interests, short positions or rights to subscribe of any person acting in concert with that party to the offer, and of any dealing arrangements of a kind referred to in Guidance Note 11(b) on the

definition of acting in concert to which any such person acting in concert with it is a party, together with (in each case) the identity of the persons concerned.

The interests, short positions, rights to subscribe, dealing arrangements, securities borrowing and lending positions and irrevocable commitments and letters of intent to be disclosed under (ii), (iii), (vi) and (vii) above are those determined in accordance with Guidance Note 7(d) below.

Subject to the following paragraph, any Dealing Disclosure must also include:

- (viii) the total of the relevant securities in question in which the dealing took place;
- (ix) the prices paid or received (in the case of an average price bargain, each underlying trade should be disclosed). In the case of dealings in options or derivatives, full details should be given so that the nature of the dealings can be fully understood (see Guidance Note (i) below);
- (x) if the disclosure is by a person acting in concert with a party to the offer, the identity of the party to the offer concerned; and
- (xi) the date of the dealing.

However, a Dealing Disclosure by a connected principal trader where the sole reason for the connection is that the principal trader is controlled by, controls or is under the same control as a connected adviser to a Bidder, the Target or any person acting in concert with a Bidder or the Target must include the information specified in Guidance Note (b) below. The Panel may, where it considers it appropriate, require the person concerned to make more detailed private disclosure to the Panel.

(b) Dealing Disclosures by exempt principal traders with recognised intermediary status dealing in a client-serving capacity

A Dealing Disclosure by an exempt principal trader with recognised intermediary status dealing in a client-serving capacity must include:

- (i) the identity of the person disclosing;
- (ii) the identity of the party to the offer with which the person disclosing is connected;
- (iii) total acquisitions and disposals;
- (iv) the highest and lowest prices paid and received; and
- (v) the date of the dealing.

In the case of dealings in options or derivatives, full details should be given so that the nature of the dealings can be fully understood (see Guidance Note (i) below).

(c) Private disclosures by connected exempt fund managers with no interests in securities of any party to the offer representing 1% or more

A private Dealing Disclosure under Paragraph 8.6 must include the same details as a public Dealing Disclosure (see (a) above).

(d) Private disclosures of non-discretionary dealings by parties and concert parties

A private Dealing Disclosure made under Paragraph 8.7 must include:

- (i) the identity of the person disclosing;
- (ii) if the disclosure is by a person acting in concert with a party to the offer, the identity of the party to the offer concerned;
- (iii) the total of the relevant securities in question in which the dealing took place;
- (iv) the prices paid or received (in the case of an average price bargain, each underlying trade should be disclosed). In the case of dealings in options or derivatives, full details should be given so that the nature of the dealings can be fully understood (see Guidance Note (i) below); and
- (v) the date of the dealing.

(e) Related dealings

When a person transacts two or more separate but related dealings executed at or around the same time (for example, the entering into of a derivative referenced to relevant securities and the acquisition of such securities for the purposes of hedging) or has two or more separate but related positions in relevant securities, any disclosure must include the required information in relation to each such dealing so executed or position held.

(f) Owner or controller details

For the purpose of disclosing identity, the owner or controller of any interest or short position in securities disclosed must be specified, in addition to any other details. The naming of nominees or vehicle companies is insufficient. If the owner or controller of the interest or short position is a trust, details of the trustee(s), the settlor and the beneficiaries of the trust must be disclosed. Where the beneficiaries are a connected group, for example, members of a family, a description of the group will normally be sufficient.

The Panel may require additional information to be disclosed when it appears to be appropriate, for example to identify other persons who have an interest in the securities in question. However, in the case of disclosures by fund managers of dealings on behalf of, or positions held for the account of, discretionary clients, the clients need not be named.

(g) Specially cum or ex dividend acquisitions

Where a Bidder or any person acting in concert with it acquires any interest in Target securities on a specially cum or specially ex dividend basis, details of that fact should also be disclosed.

(h) Percentage calculations and subscription for new securities

Percentages should be calculated by reference to the numbers of relevant securities given in a party's latest announcement required by Paragraph 2.10. In the case of a disclosure relating to a right to subscribe, or subscription, for new securities, the Panel should be consulted regarding the appropriate number of relevant securities to be used in calculating the relevant percentage.

(i) Options, derivatives etc.

In the case of agreements to purchase or sell, rights to subscribe, options or derivatives, full details should be given so that the nature of the interest, position or dealing can be fully understood. For options this should include, at least, a description of the options concerned, the number of securities under option, the exercise period (or in the case of exercise, the exercise date), the exercise price and any option money paid or received. For derivatives this should include, at least, a description of the derivatives concerned, the number of reference securities to which they relate (when relevant), the maturity date (or if applicable the closing out date) and the reference price (and any fee payable on entering into the derivative).

In addition, if there exists any agreement, arrangement or understanding, formal or informal, between the person disclosing and any other person relating to the voting rights of any relevant securities under option or relating to the voting rights or future acquisition or disposal of any relevant securities to which a derivative is referenced (as the case may be), full details of such agreement, arrangement or understanding, identifying the relevant securities in question, must be included in the disclosure. If there are no such agreements, arrangements or understandings, this fact should be stated. Where such an agreement, arrangement or understanding is entered into at a later date than the derivative or option to which it relates, it will be regarded as a dealing in relevant securities.

(j) Futures contracts and covered warrants

For the purpose of any disclosure, a futures contract or covered warrant for which exercise includes the possibility of delivery of the underlying securities is treated as an option. A futures contract or covered warrant which does not include the possibility of delivery of the underlying securities is treated as a derivative.

(k) Transfers in and out

If, following a public disclosure made under Paragraph 8, interests in relevant securities are transferred into or out of a person's management, a reference to the transfer must be included in the next public disclosure made by that person under Paragraph 8.

(l) Securities borrowing and lending

An Opening Position Disclosure by a party to the offer must include details of any relevant securities of the Target and any securities exchange Bidder which the party making the disclosure or any person acting in concert with it has borrowed or lent, save for any borrowed relevant securities which have been either on-lent or sold. In addition, a Dealing Disclosure by a party to the offer or any person acting in concert with a party to the offer must include details of any relevant securities of the Target and any securities exchange Bidder which the person making the disclosure has borrowed or lent, save for any borrowed relevant securities which have been either on-lent or sold.

Where a party to the offer or any person acting in concert with it enters into, or takes action to unwind, a securities borrowing or lending transaction in respect of relevant securities of a Bidder or, with the Panel's consent under Paragraph 4.6(a), the Target, a Dealing Disclosure must be made by that person.

The provisions of this Guidance Note also apply in respect of any financial collateral arrangements of the kind contemplated by Paragraph 4.6 entered into or unwound by a party to the offer or any person acting in concert with it as if such arrangements were securities lending transactions.

In all cases referred to above, all relevant details should be given and the disclosure must be made in a form agreed by the Panel.

**PARAGRAPH 9
THE MANDATORY OFFER AND ITS TERMS RULE 9**

9.1 WHEN A MANDATORY OFFER IS REQUIRED AND WHO IS PRIMARILY RESPONSIBLE FOR MAKING IT

Except with the consent of the Panel, when:

- (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company; or
- (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested,

such person shall extend offers, on the basis set out in Paragraph 9.4, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

An offer will not be required under this Paragraph where control of the Target is acquired as a result of a voluntary offer made in accordance with the Takeover Rules to all the holders of voting equity share capital and other transferable securities carrying voting rights.

Guidance Notes on Paragraph 9.1

Whitewash Procedure

When the issue of new securities as consideration for an acquisition or a cash subscription would otherwise result in an obligation to make a general offer under this Paragraph, the Panel will normally waive the obligation if there is an independent vote at a shareholders' meeting. The requirement for a general offer will also be waived, provided there has been a vote of independent shareholders, in cases involving the underwriting of an issue of shares. If an underwriter incurs an obligation under this Paragraph unexpectedly, for example as a result of an inability to sub-underwrite all or part of his liability, the Panel should be consulted.

The appropriate provisions of the Takeover Rules apply to whitewash proposals. Full details of the potential number and percentage of shares in which the person or group of persons acting in concert might become interested (together with details of the different interests concerned) must be disclosed in the document published in connection with the issue of the new securities, which must also include competent independent advice on the proposals which the shareholders are being asked to approve, together with a statement that the Panel has agreed to waive any consequent obligation under this Paragraph to make a general offer. The resolution must be made the subject of a poll. In addition, unless the person or group of persons acting in concert has entered into an agreement with the company not to make an offer, or has made a statement in the document that it does not intend to make an offer, the document must contain a statement that the person or group will not be restricted from making an offer for the company in the event that the proposals are approved at the shareholders' meeting. The Panel must be consulted and a proof document submitted at an early stage.

When a person or group of persons acting in concert may, as a result of such arrangements, come to hold shares carrying more than 50% of the voting rights of the company, specific and prominent reference to the possibility must be contained in the document and to the fact that the person or group will be able to acquire interests in further shares without incurring any further obligation under Paragraph 9 to make a general offer.

When a waiver has been granted, as described above, in respect of convertible securities, options or rights to subscribe for shares, details, including the fact of the waiver and the maximum number of securities that may be issued as a result, should be included in the company's annual report and accounts until the securities in respect of which the waiver has been granted have been issued or it is confirmed that no such issue will be made.

Notwithstanding the fact that the issue of new securities is made conditional upon the prior approval of a majority of the shareholders independent of the transaction at a general meeting of the company:

(a) the Panel will not normally waive an obligation under this Paragraph if the person to whom the new securities are to be issued or any persons acting in concert with him have acquired any interest in shares in the company in the 12 months prior to the publication of the circular relating to the proposals but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the company in relation to the proposed issue of new securities;

(b) a waiver will be invalidated if any acquisitions of interests in shares are made in the period between the publication of the circular and the shareholders' meeting.

In exceptional circumstances, the Panel may consider waiving the requirement for a general offer where the approval of independent shareholders to the transfer of existing shares from one shareholder to another is obtained.

9.2 OBLIGATIONS OF OTHER PERSONS

In addition to the person specified in Paragraph 9.1, each of the principal members of a group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

9.3 CONDITIONS AND CONSENTS

Except with the consent of the Panel:

(a) offers made under Paragraph 9 must be conditional only upon the Bidder having received acceptances in respect of shares which, together with shares acquired or agreed to be acquired before or during the offer, will result in the Bidder and any person acting in concert with it holding shares carrying more than 50% of the voting rights; and

(b) no acquisition of any interest in shares which would give rise to a requirement for an offer under this Paragraph may be made if the making or implementation of such offer would or might be dependent on the passing of a resolution at any meeting of shareholders of the Bidder or upon any other conditions, consents or arrangements.

9.4 CONSIDERATION TO BE OFFERED

(a) An offer made under Paragraph 9 must, in respect of each class of share capital involved, be in cash or be accompanied by a cash alternative at not less than the highest price paid by the Bidder or any person acting in concert with it for any interest in shares of that class during the 12 months prior to the announcement of that offer. The Panel should be consulted where there is more than one class of share capital involved.

(b) If, after an announcement of an offer made under Paragraph 9 for a class of share capital and before the offer closes for acceptance, the Bidder or any person acting in concert with it acquires any interest in shares of that class at above the offer price, it shall

increase its offer for that class to not less than the highest price paid for the interest in shares so acquired. Immediately after the acquisition, an appropriate announcement must be made in accordance with Paragraph 7.1.

- (c) In certain circumstances, the Panel may determine that the highest price calculated under paragraphs (a) and (b) should be adjusted.
- (d) The cash offer or the cash alternative must remain open after the offer has become unconditional as to acceptances for not less than 14 days after the date on which it would otherwise have expired (see Paragraph 31.4).

9.5 OBLIGATIONS OF DIRECTORS

When directors (and their close relatives and related trusts) sell shares to a person (or enter into options, derivatives or other transactions) as a result of which that person is required to make an offer under this Paragraph, the directors must ensure that as a condition of the sale (or other relevant transaction) the person undertakes to fulfil his obligations under the Paragraph. In addition, except with the consent of the Panel, such directors should not resign from the board until the first closing date of the offer or the date when the offer becomes wholly unconditional, whichever is the later.

9.6 VOTING RESTRICTIONS AND DISPOSAL OF INTERESTS

Where the Panel agrees to the disposal of interests in shares by a person as an alternative to making an offer pursuant to Paragraph 9.1, the Panel must be consulted as to the interests required to be disposed of and the application, pending completion of the disposal, of restrictions on the exercise of the voting rights (or the procurement of the exercise of the voting rights) attaching to the shares in which that person and persons acting in concert with that person are interested. Similarly, where an offer made pursuant to Paragraph 9.1 lapses for a reason other than the acceptance condition not being satisfied, the Panel must be consulted regarding the ability of the Bidder and any persons acting in concert with it to exercise, or procure the exercise of, the voting rights attaching to the shares of the Target in which they are interested.

THE VOLUNTARY OFFER AND ITS TERMS

PARAGRAPH 10 THE ACCEPTANCE CONDITION*

It must be a condition of any offer for voting equity share capital or for other transferable securities carrying voting rights which, if accepted in full, would result in the Bidder holding shares carrying over 50% of the voting rights of the Target that the offer will not become or be declared unconditional as to acceptances unless the Bidder has acquired or agreed to acquire (either pursuant to the offer or otherwise) shares carrying over 50% of the voting rights.

Guidance Notes to Paragraph 10

Information to Bidder during offer period and extension of offer to new shares

Following the announcement of a firm intention to make an offer, the Target must, on request, provide the Bidder as soon as possible with all relevant details of the issued shares (including the extent to which any such shares are held in treasury and details of any agreements to transfer or sell such shares out of treasury) and, to the extent not issued, the allotted shares and details of any conversion or subscription rights or any other rights pursuant to the exercise of which shares may be unconditionally allotted or issued during the offer period. In the case of conditionally allotted shares, the details should include the conditions and the date on which such conditions may be satisfied. In the case of rights, the details should include the number of shares which may be unconditionally allotted or issued during the offer period as a result of the exercise of such rights, identifying separately those attributable to rights which commence or expire on different dates, and the various prices at which these rights could be exercised.

The Target must immediately notify the Bidder of any allotment or issue of shares and of the exercise of any such rights during the offer period and provide the Bidder as soon as possible with all relevant details.

The Bidder must make appropriate arrangements to ensure that any person to whom shares of a type to which the offer relates are unconditionally allotted or issued during the offer period will have an opportunity of accepting the offer in respect of such shares.

In cases of doubt, the Panel must be consulted.

PARAGRAPH 11 NATURE OF CONSIDERATION TO BE OFFERED

11.1 WHEN A CASH OFFER IS REQUIRED

Except with the consent of the Panel in cases falling under (a) or (b), a cash offer is required where:

- (a) the shares of any class under offer in the Target in which interests are acquired for cash by a Bidder and any person acting in concert with it during the offer period and within 12 months prior to its commencement carry 10% or more of the voting rights currently exercisable at a class meeting of that class, in which case the offer for that class shall be in cash or accompanied by a cash alternative at not less than the highest price paid by the Bidder or any person acting in concert with it for any interest in shares of that class acquired during the offer period and within 12 months prior to its commencement; or
- (b) subject to paragraph (a) above, any interest in shares of any class under offer in the Target is acquired for cash by a Bidder or any person acting in concert with it during the offer period, in which case the offer for that class shall be in cash or accompanied by a cash alternative at not less than the highest price paid by the Bidder or any person

acting in concert with it for any interest in shares of that class acquired during the offer period; or

- (c) in the view of the Panel there are circumstances which render such a course necessary in order to give effect to General Principle 1.

11.2 WHEN A SECURITIES OFFER IS REQUIRED

Where interests in shares of any class of the Target carrying 10% or more of the voting rights currently exercisable at a class meeting of that class have been acquired by a Bidder and any person acting in concert with it in exchange for securities in the three months prior to the commencement of and during the offer period, such securities will normally be required to be offered to all other holders of shares of that class.

Unless the vendor or other party to the transaction giving rise to the interest is required to hold the securities received or receivable until either the offer has lapsed or the offer consideration has been sent to accepting shareholders, an obligation to make an offer in cash or to provide a cash alternative will also arise under Paragraph 11.1.

11.3 DISPENSATION FROM HIGHEST PRICE

If the Bidder considers that the highest price (for the purpose of Paragraphs 11.1 and 11.2) should not apply in a particular case, the Bidder should consult the Panel, which has discretion to agree an adjusted price.

Guidance on Paragraph 11

The Panel should be consulted in circumstances where the consideration offered to selling shareholders is calculated by reference to a formula related to the net assets of the Target.

PARAGRAPH 12 PRE-CONDITIONS IN FIRM OFFER ANNOUNCEMENTS AND OFFER CONDITIONS

12.1 SUBJECTIVITY

An offer must not normally be subject to conditions or pre-conditions which depend solely on subjective judgments by the Bidder or the Target (as the case may be) or, in either case, its directors or the fulfillment of which is in their hands. The Panel may be prepared to accept an element of subjectivity in certain circumstances where it is not practicable to specify all the factors on which satisfaction of a particular condition or pre-condition may depend, especially in cases involving official authorisations or regulatory clearances, the granting of which may be subject to additional material obligations for the Bidder or the Target (as the case may be).

12.2 ACCEPTABILITY OF PRE-CONDITIONS

The Panel must be consulted in advance if a person proposes to include in an announcement any pre-condition to which the making of an offer will be subject.

Except with the consent of the Panel, an offer must not be announced subject to a pre-condition unless the pre-condition involves a material official authorisation or regulatory clearance relating to the offer and:

- (i) the offer is publicly recommended by the board of the Target; or
- (ii) the Panel is satisfied that it is likely to prove impossible to obtain the authorisation or clearance within the Takeover Rules timetable.

12.3 FINANCING CONDITIONS AND PRE-CONDITIONS

(a) Subject to Paragraph 12.3(b) and (c), an offer must not be made subject to a condition or pre-condition relating to financing.

(b) Where the offer is for cash, or includes an element of cash, and the Bidder proposes to finance the cash consideration by an issue of new securities, the offer must be made subject to any condition required, as a matter of law or regulatory requirement, in order validly to issue such securities or to have them listed or admitted to trading. Conditions which will normally be considered necessary for such purposes include:

- (i) the passing of any resolution necessary to create or allot the new securities and/or to allot the new securities on a non-pre-emptive basis (if relevant); and
- (ii) where the new securities are to be admitted to listing or to trading on any investment exchange or market, any necessary listing or admission to trading condition (see also Paragraph 23.10).

Such conditions must not be waivable and the Panel must be consulted in advance.

(c) In exceptional cases, the Panel may be prepared to accept a pre-condition relating to financing either in addition to another pre-condition permitted by Paragraph 12.2 or otherwise, for example where, due to the likely period required to obtain any necessary material official authorisation or regulatory clearance, it is not reasonable for the Bidder to maintain committed financing throughout the offer period. In such a case:

- (i) the financing pre-condition must be satisfied (or waived), or the offer must be withdrawn, within 21 days after the satisfaction (or waiver) of any other pre-condition or pre-conditions permitted by Paragraph 12.2; and
- (ii) the Bidder and its financial adviser must confirm in writing to the Panel before announcement of the offer that they are not aware of any reason why the Bidder would be unable to satisfy the financing pre-condition within that 21 day period.

- (d) If, at any time, the Bidder or its financial adviser becomes aware, or considers it likely, that the Bidder would be unable to satisfy a financing pre-condition, it must promptly notify the Panel.

12.4 INVOKING CONDITIONS AND PRE-CONDITIONS

- (a) A Bidder should not invoke any condition or pre-condition so as to cause the offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the condition or pre-condition are of material significance to the Bidder in the context of the offer. The acceptance condition is not subject to this provision.
- (b) Following the announcement of a firm intention to make an offer, a Bidder should use all reasonable efforts to ensure the satisfaction of any conditions or pre-conditions to which the offer is subject.

12.5 INVOKING TARGET PROTECTION CONDITIONS

A Target should not invoke, or cause or permit the Bidder to invoke, any condition to an offer unless the circumstances which give rise to the right to invoke the condition are of material significance to the shareholders in the Target in the context of the offer.

PROVISIONS APPLICABLE TO ALL OFFERS

PARAGRAPH 13

WHERE THERE IS MORE THAN ONE CLASS OF SHARE CAPITAL

13.1 COMPARABLE OFFERS

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

13.2 SEPARATE OFFERS FOR EACH CLASS

Where an offer is made for more than one class of share, separate offers must be made for each class.

Guidance Notes to Paragraph 13

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.

PARAGRAPH 14
APPROPRIATE OFFER FOR CONVERTIBLES ETC.

- (a) When an offer is made for voting equity share capital or for other transferable securities carrying voting rights and the Target has convertible securities outstanding, the Bidder must make an appropriate offer or proposal to the stockholders to ensure that their interests are safeguarded. Equality of treatment is required.
- (b) The board of the Target must obtain competent independent advice on the offer or proposal to the stockholders and the substance of such advice must be made known to its stockholders, together with the board's views on the offer or proposal.
- (c) Whenever practicable, the offer or proposal should be sent to stockholders at the same time as the offer document is published but, if this is not practicable, the Panel should be consulted and the offer or proposal should be sent as soon as possible thereafter. A copy of the offer or proposal should be sent to the Panel at the time of publication.
- (d) The offer or proposal to stockholders required by this Paragraph should not normally be made conditional on any particular level of acceptances. It may, however, be put by way of a scheme to be considered at a stockholders' meeting provided that, if the scheme is not approved at that meeting, or is not sanctioned by the court, the Bidder shall immediately make an offer or proposal to stockholders which is not conditional on any particular level of acceptances or approval.
- (e) If a Target has options or subscription rights outstanding, the provisions of this Paragraph apply mutatis mutandis.

PARAGRAPH 15
SPECIAL DEALS AND MANAGEMENT INCENTIVISATION

15.1 SPECIAL DEALS WITH FAVOURABLE CONDITIONS

Except with the consent of the Panel, a Bidder or persons acting in concert with it may not make any arrangements with shareholders and may not deal or enter into arrangements to deal in shares of the Target, or enter into arrangements which involve acceptance of an offer, either during an offer or when one is reasonably in contemplation, if there are favourable conditions attached which are not being extended to all shareholders.

An arrangement made with a person who, while not a shareholder, is interested in shares carrying voting rights in the Target will also be prohibited by this Paragraph if favourable conditions are attached which are not being extended to the shareholders. For the avoidance of doubt, there is no requirement to extend an offer or any arrangement which would otherwise be prohibited by this Paragraph to any person who is interested in shares, but is not a shareholder.

(See also Paragraph Paragraph 34.3)

15.2 MANAGEMENT INCENTIVISATION

(a) Except with the consent of the Panel, where a Bidder has:

(i) entered into; or

(ii) reached an advanced stage of discussions on proposals to enter into

any form of incentivisation arrangements with members of the Target's management who are interested in shares in the Target, relevant details of the arrangements or proposals must be disclosed and the independent adviser to the Target must state publicly that in its opinion the arrangements are fair and reasonable. If it is intended to put incentivisation arrangements in place following completion of the offer, but either no discussions or only limited discussions have taken place, this fact must be stated publicly and relevant details of the discussions disclosed. Where no incentivisation arrangements are proposed, this must be stated publicly.

(b) Where the value of arrangements entered into or proposed to be entered into is significant and/or the nature of the arrangements is unusual either in the context of the relevant industry or good practice, the Panel must be consulted and its consent to the arrangements obtained. The Panel may also require, as a condition of its consent, that the arrangements be approved at a general meeting of the Target's shareholders.

(c) Where the members of the management are shareholders in the Target and, as a result of the incentivisation arrangements, they will become shareholders in the Bidder on a basis that is not being made available to all other Target shareholders, such arrangements must be approved at a general meeting of the Target's shareholders.

(d) Any approval as required by paragraph (b) or (c) above must be by a separate vote of independent shareholders, taken on a poll.

PARAGRAPH 16 ANNOUNCEMENT OF ACCEPTANCE LEVELS*

16.1 TIMING AND CONTENTS

By 8.00 am at the latest on the business day following the day on which an offer is due to expire, or becomes or is declared unconditional as to acceptances, or is revised or extended, a Bidder must make an appropriate announcement. The announcement must state:

(a) the number of shares for which acceptances of the offer have been received, specifying the extent to which acceptances have been received from persons acting in concert with the Bidder or in respect of shares which were subject to an irrevocable commitment or a letter of intent procured by the Bidder or any person acting in concert with the Bidder;

(b) details of any relevant securities of the Target in which the Bidder or any person acting in concert with it has an interest or in respect of which he has a right to subscribe, in each case specifying the nature of the interests or rights concerned (see Paragraph 8.8).

Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be stated;

- (c) details of any relevant securities of the Target in respect of which the Bidder or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
- (d) details of any relevant securities of the Target which the Bidder or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and must specify the percentages of each class of relevant securities represented by these figures. (See also Paragraph 30.2)

Any announcement made pursuant to this Paragraph must include a prominent statement of the total numbers of shares which the Bidder may count towards the satisfaction of its acceptance condition and must specify the percentages of each class of relevant securities represented by these figures. The Panel should be consulted if the Bidder wishes to make any other statement about acceptance levels in any announcement made pursuant to this Paragraph.

16.2 CONSEQUENCES OF FAILURE TO ANNOUNCE

- (a) If a Bidder, having announced the offer to be unconditional as to acceptances, fails by 3.30 pm on the relevant day to comply with any of the requirements of Paragraph 16.1, immediately thereafter any acceptor will be entitled to withdraw his acceptance. Subject to Paragraph 30.6, this right of withdrawal may be terminated not less than 8 days after the relevant day by the Bidder confirming, if such is the case, that the offer is still unconditional as to acceptances and complying with Paragraph 16.1.
- (b) For the purpose of Paragraph 30.4, the offer must remain open for acceptance for not less than 14 days after the date of such confirmation and compliance.

PARAGRAPH 17 THE USE OF PROXIES AND OTHER AUTHORITIES IN RELATION TO ACCEPTANCES*

A Bidder may not require a shareholder as a term of his acceptance of an offer to appoint a proxy to vote in respect of his shares in the Target or to exercise any other rights or take any other action in relation to those shares unless the appointment is on the following terms, which must be set out in the offer document:

- (a) the proxy may not vote, the rights may not be exercised and no other action may be taken unless the offer is wholly unconditional or, in the case of voting by the proxy, the resolution in question concerns the last remaining condition of the offer (other than any condition covered by Paragraph 23.10) and the offer will become wholly unconditional

(save, where relevant, for the satisfaction of any condition covered by Paragraph 23.10) or lapse depending upon the outcome of that resolution;

- (b) where relevant, the votes are to be cast as far as possible to satisfy any outstanding condition of the offer;
- (c) the appointment ceases to be valid if the acceptance is withdrawn; and
- (d) the appointment applies only to shares assented to the offer.

**This Paragraph is disapplied in a scheme.*

CONDUCT DURING THE OFFER

PARAGRAPH 18 INFORMATION

18.1 STANDARDS OF CARE

Each document, announcement or other information published, or statement made, during the course of an offer must be prepared with the highest standards of care and accuracy. The language used must clearly and concisely reflect the position being described and the information given must be adequately and fairly presented. These requirements apply whether the document, announcement or other information is published, or the statement is made, by the party concerned or by an adviser on its behalf.

18.2 RESPONSIBILITY

- (a) Each document or advertisement published in connection with an offer by, or on behalf of, the Bidder or the Target, must state that the directors of the Bidder and/or, where appropriate, the Target accept responsibility for the information contained in the document or advertisement and that, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the document or advertisement is in accordance with the facts and, where appropriate, that it does not omit anything likely to affect the import of such information. This Paragraph does not apply to:
 - (i) advertisements falling within paragraphs (i), (ii) or (viii) of Paragraph 18.4;
 - (ii) advertisements which only contain information already published in a circular which included the statement required by this Paragraph; and
 - (iii) any separate opinion of the employee representatives of the Target Paragraph 31.6.
- (b) If it is proposed that any director should be excluded from such a statement, the Panel's consent is required. Such consent is given only in exceptional circumstances and in

such cases the omission and the reasons for it must be stated in the document or advertisement.

Guidance Notes on Paragraph 18.2

While a board of directors may delegate the day-to-day conduct of an offer to individual directors or a committee of directors, the board as a whole must ensure that proper arrangements are in place to enable it to monitor that conduct in order that each director may fulfil his responsibilities under the Takeover Rules . These arrangements should ensure that:

(a) the board is provided promptly with copies of all documents and announcements published by or on behalf of their company which bear on the offer; the board receives promptly details of all dealings in relevant securities made by their company or any persons acting in concert with it and details of any agreements, understandings, guarantees, expenditure (including fees) or other obligations entered into or incurred by or on behalf of their company in the context of the offer which do not relate to routine administrative matters;

(b) those directors with day-to-day responsibility for the offer are in a position to justify to the board all their actions and proposed courses of action; and

(c) the opinions of advisers are available to the board where appropriate. The above procedures should be followed, and board meetings held,

as and when necessary throughout the offer in order to ensure that all directors are kept up-to-date with events and with actions taken.

Any director who has a question concerning the propriety of any action as far as the Takeover Rules is concerned should ensure that the Panel is consulted.

The Panel expects directors to co-operate with it in connection with its enquiries; this will include the provision, promptly on request, of copies of minutes of board meetings and other information in their possession, or in the possession of a Target or the Bidder as appropriate, which may be relevant to the enquiry.

If detailed supervision of any document or advertisement has been delegated to a committee of the board, each of the remaining directors of the company must reasonably believe that the persons to whom supervision has been delegated are competent to carry it out and must have disclosed to the committee all relevant facts directly relating to himself (including his close relatives and related trusts) and all other relevant facts known to him and relevant opinions held by him which, to the best of his knowledge and belief, either are not known to any member of the committee or, in the absence of his specifically drawing attention thereto, are unlikely to be considered by the committee during the preparation of the document or advertisement. This does not, however, override any other legal requirements relating to the acceptance of responsibility for a prospectus or equivalent document where applicable.

18.3 UNACCEPTABLE STATEMENTS

Parties to an offer and their advisers must take care not to make statements which, while not factually inaccurate, may be misleading or may create uncertainty. In particular, a Bidder must not make a statement to the effect that it may improve its offer, or that it may make a change to the structure, conditionality or the non-financial terms of its offer, without committing itself to doing so and specifying the improvement or change. In the case of any doubt as to the application of this Paragraph to a proposed statement, parties to an offer and their advisers should consult the Panel.

18.4 ADVERTISEMENTS

The publication of advertisements connected with an offer or potential offer is prohibited unless the advertisement falls within one of the categories listed below. In addition, except where the advertisement falls within categories (i) or (viii), it must be cleared with the Panel in advance.

The categories are as follows:

- (i) product advertisements not bearing on an offer or potential offer (where there could be any doubt, the Panel must be consulted);
- (ii) corporate image advertisements not bearing on an offer or potential offer;
- (iii) advertisements confined to non-controversial information about an offer (eg reminders as to closing times or the value of an offer). Such advertisements must avoid argument or invective;
- (iv) advertisements comprising preliminary or interim results and their accompanying statement, provided the latter is not used for argument or invective concerning an offer;
- (v) advertisements giving information, the publication of which by advertisement is required or specifically permitted by the Abu Dhabi Global Market;
- (vi) advertisements communicating information relevant to holders of bearer securities;
- (vii) advertisements comprising a tender offer;
- (viii) advertisements which are notices relating to a scheme of arrangement; or
- (ix) advertisements published with the specific prior consent of the Panel. (As examples, this might be given if it were necessary to publish a document, announcement or information during a postal strike or in the circumstances referred to in Guidance Notes issued under Paragraph 19))

18.5 TELEPHONE CAMPAIGNS

Except with the consent of the Panel, campaigns in which shareholders or other persons interested in shares are contacted by telephone may be conducted only by staff of the financial adviser who are fully conversant with the requirements of, and their responsibilities under, the Takeover Rules . Only previously published information which remains accurate, and is not misleading at the time it is quoted, may be used in telephone campaigns. Shareholders and other persons interested in shares must not be put under pressure and must be encouraged to consult their professional advisers.

18.6 INTERVIEWS AND DEBATES

Parties to an offer should, if interviewed on radio, television or any other media, seek to ensure that the sequence of the interview is not broken by the insertion of comments or observations by others not made in the course of the interview. Further, joint interviews or public confrontation between representatives of the Bidder and the Target, or between competing Bidders, should be avoided

PARAGRAPH 19 EQUALITY OF INFORMATION

19.1 EQUALITY OF INFORMATION TO SHAREHOLDERS AND PERSONS WITH INFORMATION RIGHTS

Information about parties to an offer must be made equally available to all Target shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

19.2 EQUALITY OF INFORMATION TO COMPETING BIDDERS

Any information given to one Bidder or potential Bidder, whether publicly identified or not, must, on request, be given equally and promptly to another Bidder or bona fide potential Bidder even if that other Bidder is less welcome. This requirement will usually only apply when there has been a public announcement of the existence of the Bidder or potential Bidder to which information has been given or, if there has been no public announcement, when the Bidder or bona fide potential Bidder requesting information under this Paragraph has been informed authoritatively of the existence of another potential Bidder.

19.3 INFORMATION TO INDEPENDENT DIRECTORS IN MANAGEMENT BUY OUTS

If the offer or potential offer is a management buy-out or similar transaction, the Bidder or potential Bidder must, on request, promptly furnish the independent directors of the Target or its advisers with all information which has been furnished by the Bidder or potential Bidder to external providers or potential providers of finance (whether equity or debt) for the buy-out.

PARAGRAPH 20
RESTRICTIONS ON FRUSTRATING ACTION

20.1 WHEN SHAREHOLDERS' CONSENT IS REQUIRED

During the course of an offer, or even before the date of the offer if the board of the Target has reason to believe that a bona fide offer might be imminent, the board must not, without the approval of the shareholders in general meeting:

- (a) take any action which may result in any offer or bona fide possible offer being frustrated or in shareholders being denied the opportunity to decide on its merits; or
 - (i) issue any shares or transfer or sell, or agree to transfer or sell, any shares out of treasury or effect any redemption or purchase by the company of its own shares;
 - (ii) issue or grant options in respect of any unissued shares;
 - (iii) create or issue, or permit the creation or issue of, any securities carrying rights of conversion into or subscription for shares;
 - (iv) sell, dispose of or acquire, or agree to sell, dispose of or acquire, assets of a material amount; or
 - (v) enter into contracts otherwise than in the ordinary course of business.

The Panel must be consulted in advance if there is any doubt as to whether any proposed action may fall within this Paragraph.

The notice convening any relevant meeting of shareholders must include information about the offer or anticipated offer.

Where it is felt that:

- (a) the proposed action is in pursuance of a contract entered into earlier or another pre existing obligation; or
- (b) a decision to take the proposed action had been taken before the beginning of the period referred to above which:
 - (i) has been partly or fully implemented before the beginning of that period; or
 - (ii) has not been partly or fully implemented before the beginning of that period but is in the ordinary course of business,

the Panel must be consulted and its consent to proceed without a shareholders' meeting obtained.

20.2 INDUCEMENT FEES AND OTHER OFFER RELATED ARRANGEMENTS

- (a) Except with the consent of the Panel, neither the Target nor any person acting in concert with it may enter into any offer related arrangement with either the Bidder or any person acting in concert with it during an offer period or when an offer is reasonably in contemplation.
- (b) An offer related arrangement means any agreement, arrangement or commitment in connection with an offer, including any inducement fee arrangement or other arrangement having a similar or comparable financial or economic effect, but excluding:
 - (i) a commitment to maintain the confidentiality of information provided that it does not include any other provisions prohibited by Paragraphs 20.2(a) or 2.3(d) or otherwise under the Takeover Rules ;
 - (ii) a commitment not to solicit employees, customers or suppliers;
 - (iii) a commitment to provide information or assistance for the purposes of obtaining any official authorisation or regulatory clearance;
 - (iv) irrevocable commitments and letters of intent;
 - (v) any agreement, arrangement or commitment which imposes obligations only on a Bidder or any person acting in concert with it, other than in the context of a reverse takeover;
 - (vi) any agreement relating to any existing employee incentive arrangement; and
 - (vii) an agreement between a Bidder and the managers of any of the Target's pension schemes in relation to the future funding of the pension scheme.
- (c) If there is any doubt as to whether any proposed agreement, arrangement or commitment is subject to this Paragraph, the Panel should be consulted at the earliest opportunity.

PARAGRAPH 21
RESPONSIBILITIES OF THE TARGET AND AN BIDDER REGARDING
REGISTRATION PROCEDURES AND PERSONS WITH INTERESTS IN
SECURITIES REPRESENTING 1% OR MORE

- (a) The board of the Target should ensure that its registrar complies fully with the procedures set out in this Paragraph and the Guidance Notes below. The board should also ensure prompt registration of transfers during an offer.
- (b) The board of the Target should assist the Panel in identifying persons who are interested in 1% or more of any class of relevant securities of the Target and, promptly after the commencement of an offer period, should provide the Panel with details of all persons who are reasonably considered to be so interested. Such persons should also be sent an explanation of their disclosure obligations under Paragraph 8 at the same time as their details are provided to the Panel.

- (c) Except in cases where it has been announced that any offer is, or is likely to be, in cash, the board of the Bidder should assist the Panel in identifying persons who are interested in 1% or more of any class of relevant securities of the Bidder and, promptly after the announcement that first identifies the Bidder as such, should provide the Panel with details of all persons who are reasonably considered to be so interested. Such persons should be sent an explanation of their disclosure obligations under Paragraph 8 at the same time as their details are provided to the Panel.

Guidance Notes on Paragraph 21

It is essential when determining the result of an offer under the Takeover Rules that appropriate measures are adopted such that all parties to the offer may be confident that the result of the offer is arrived at by an objective procedure which, as far as possible, eliminates areas of doubt. This Guidance is designed to ensure that those acceptances and purchases which may be counted towards fulfilling the acceptance condition and thus included in the certificate are properly identified. Receiving agents are also required to establish appropriate procedures such that acceptances and purchases can be checked against each other and between different categories so that no shareholding will be counted twice.

The principles and procedures outlined in this Guidance are, except with the prior consent of the Panel, to be followed in all cases. It must be understood that the Panel expects co-operation between the Target's registrar and the Bidder's receiving agent to ensure that the procedures can be undertaken in a timely manner. Co-operation is interpreted to include the provision of data in a form convenient for the receiving agent. For example, if the receiving agent so requests, following the announcement of an offer, the registrar should, if practicable, provide the register in electronic form. Whenever possible, if requested to do so, the registrar should provide, in similar form, details of changes to the register rather than a complete new register.

Receiving agents will have direct access to the Panel should they believe that there is insufficient co-operation or that they are being given instructions contrary to this Guidance.

Qualifications for acting as a receiving agent

A receiving agent to an offer must either have performed the duties of a receiving agent on more than 25 occasions or be an organisation which has satisfied the Panel that it has the experience and resources necessary to act as receiving agent in connection with the relevant offer.

The provision of the Target's register

(a) When a firm intention to make an offer is announced, the Target should instruct its registrar to respond within two business days to a request from the Bidder for the provision of the register which should be updated to reflect the position as at the close of business on the date of the request.

(b) The Target's registrar should also be instructed to keep the register as up-to-date as the register maintenance system will allow. The updating procedures should include, in addition to the registration of transfers, the registration of all changes affecting the register (eg grants of representation, marriage certificates, changes of address, court orders etc.).

As far as certificated holdings are concerned, the registrar must provide updates, on a daily basis, to the register within two business days after notification of the transfer and, in addition, copies of all documents, which would lead to a change in the last copy register provided to the Bidder must be provided as rapidly. On the final register day any such information received by the Target's registrar but not yet provided to the Bidder's receiving agent must be made available electronically, where possible, or for collection by the Bidder's receiving agent, at the latest, by noon on the day preceding the final closing date† of the offer.*

From the final register day until the time that the offer becomes or is declared unconditional as to acceptances or lapses, the Target's registrar should continue to update the register on a daily basis so that all transfers and other documents which have been received by the Target's registrar by 1.00 pm on the final closing date† of the offer are processed by 5.00 pm that day at the latest. In addition, copies of these documents should be sent immediately and electronically, where possible, to the Bidder's receiving agent insofar as not previously notified.*

(d) Arrangements should be made to ensure that the Bidder's receiving agent has access to the Target's registrar at all times, which includes weekends and Bank Holidays, during the period between the final register day and the time the offer becomes or is declared unconditional as to acceptances or lapses, in order that any queries arising from acceptances and purchases can be investigated and accurate decisions taken.*

**† See definitions at end of Guidance*

The provision of addresses, electronic addresses, elections and other details

(a) When a firm intention to make an offer is announced, the Target should respond, or instruct its registrar to respond, within two business days to a request from the Bidder for details in respect of:

(i) electronic addresses provided to the Target by shareholders in the Target for the receipt of documents, announcements and other information in electronic form;

(ii) addresses, electronic addresses and other information provided to the Target by, or on behalf of, persons with information rights for the receipt of documents, announcements and other information in hard copy form or electronic form;

(iii) addresses, electronic addresses and other information provided to the Target by any other persons entitled to receive copies of documents, announcements or information for the receipt of such communications in hard copy form or electronic

form (including a copy of any register(s) of persons entitled to receive documents under Paragraph 15); and

(iv) elections made in accordance with applicable legal or regulatory provisions by, or on behalf of, shareholders in the Target, persons with information rights or any other relevant persons to receive communications from the Target in hard copy form,

provided, in each case, that the relevant address, electronic address, election or other information has been provided to the Target for the receipt of information generally and not only for certain specific types of information.

(b) The information provided to a Bidder in compliance with (a) above should be updated to reflect the position as at the close of business on the day of the request. The Target shall ensure, or shall instruct its registrar to ensure, that the information described in (a) above is kept as up-to-date as the relevant maintenance system will allow and updates shall be provided to the Bidder, or its receiving agent, in respect of any changes in that information at the same time as updates to the company's register are provided as required above to the Bidder's receiving agent.

(c) When the information referred to in (a) above is provided to a Bidder by the Target or its registrar, the use of that information by the Bidder for purposes that are not related to the offer may be subject to legal restrictions, including in relation to the protection of data.

Counting of acceptances

The Bidder's receiving agent must ensure that all acceptances counted as valid meet the requirements set out Paragraph 10 and any guidance issued thereunder.

Counting of purchases

The Bidder's receiving agent must ensure that all purchases counted as valid meet the requirements set out Paragraph 10 and any guidance issued thereunder.

Offers becoming or being declared unconditional as to acceptances before the final closing date†

Prior to an offer becoming or being declared unconditional as to acceptances before the final closing date†, the Bidder's receiving agent must ensure that the requirements set out in Paragraph 10 and any guidance issued thereunder have been satisfied.

Disclaimers in receiving agents' certificates

Where guidance issued under Paragraph 10 requires a certificate to be issued by a receiving agent, such certificate should be unqualified, save for a disclaimer (if necessary) as to limitations on the responsibility of the receiving agent for the errors of third parties which are not evident from the documents available to the receiving agent. A disclaimer in the following form would normally be acceptable; any variation should be specifically agreed by the Panel in advance:

“In issuing this certificate we have, where necessary, relied on the following matters:

(i) certifications of acceptance forms by the Target’s registrar; and

(ii) certifications by the Target’s registrar that a transfer of shares has been executed by or on behalf of the registered holder in favour of the Bidder or its nominees.

As the Bidder’s receiving agent and escrow agent, we have examined with due care and attention the information provided to us, and, as appropriate, made due and careful enquiry of relevant persons, in order that we may issue this certificate and have no reason to believe that the information contained in it cannot be relied upon but, subject thereto, we accept no responsibility or liability whatsoever in respect of any error of the Target’s registrar or the Bidder’s buying broker for the matters set out above to the extent that we have relied upon them in issuing this certificate.”

**final register day — the day two days prior to the final closing date† of an offer.*

†final closing date — the 60th day or other date beyond which the Bidder has stated that its offer will not be extended.

DOCUMENTS FROM THE BIDDER AND THE TARGET BOARD

PARAGRAPH 22 GENERAL OBLIGATIONS AS TO INFORMATION

22.1 SUFFICIENT INFORMATION

Shareholders must be given sufficient information and advice to enable them to reach a properly informed decision as to the merits or demerits of an offer. Such information must be available to shareholders early enough to enable them to make a decision in good time. No relevant information should be withheld from them. The obligation of the Bidder in these respects towards the shareholders of the Target is no less than a Bidder’s obligation towards its own shareholders.

22.2 MAKING DOCUMENTS, ANNOUNCEMENTS AND INFORMATION AVAILABLE TO SHAREHOLDERS, PERSONS WITH INFORMATION RIGHTS

If a document, an announcement or any information is required to be sent, published or made available to:

- (a) shareholders in the Target; or
- (b) persons with information rights.

22.3 CONSENT TO INCLUSION OF ADVICE, OPINIONS AND REPORTS

If any document or announcement published in connection with an offer includes:

- (a) the substance of the advice given to the board of the Target or to a Bidder by the independent financial adviser appointed under Paragraph 3.1 or Paragraph 3.2;
- (b) reports on a profit forecast or a quantified financial benefits statement given by reporting accountants and any financial adviser in accordance with Paragraph 27; or
- (c) an opinion on value given by an independent valuer in accordance with Paragraph 28,

the document or announcement must include a statement that each of the financial adviser(s), the reporting accountants and/or the independent valuer (as appropriate) has given and not withdrawn its consent to the inclusion of its advice, report or opinion (as the case may be) in the relevant document in the form and context in which it is included.

PARAGRAPH 23 BIDDER DOCUMENTS

23.1 THE OFFER DOCUMENT

- (a) The Bidder must, normally within 28 days of the announcement of a firm intention to make an offer, send an offer document to shareholders in the Target and persons with information rights, in accordance with Paragraph 29.1 and must make the document readily available to the employees themselves. At the same time, both the Bidder and the Target must make the offer document readily available to their employee representatives (or, where there are no employee representatives, to the employees themselves). The Panel must be consulted if the offer document is not to be published within this period.
- (b) On the day of publication, the Bidder must:
 - (i) publish the offer document on a website in accordance with Paragraph 25.1; and
 - (ii) inform the Panel that the offer document has been so published, following which the Panel will publish notice of this fact on the ADGM website.

23.2 INTENTIONS OF THE BIDDER WITH REGARD TO THE BUSINESS, EMPLOYEES AND PENSION SCHEME(S)

- (a) If the Target has a pension scheme, in the offer document, the Bidder must explain the long term commercial justification for the offer and must state:
 - (i) its intentions with regard to the future business of the Target;
 - (ii) its intentions with regard to the continued employment of the employees and management of the Target and of its subsidiaries, including any material change in the conditions of employment;
 - (iii) its strategic plans for the Target, and their likely repercussions on employment and the locations of the Target's places of business;

- (iv) its intentions with regard to employer contributions into the Target's pension scheme(s) (including with regard to current arrangements for the funding of any scheme deficit), the accrual of benefits for existing members, and the admission of new members;
 - (v) its intentions with regard to any redeployment of the fixed assets of the Target; and
 - (vi) its intentions with regard to the maintenance of any existing trading facilities for the relevant securities of the Target.
- (b) If the Bidder has no intention to make any changes in relation to the matters described under (a)(ii) to (v) above, or if it considers that its strategic plans for the Target will have no repercussions on employment or the location of the Target's places of business, it must make a statement to that effect.
- (c) Where the Bidder is a company, and insofar as it is affected by the offer, the Bidder must also state its intentions with regard to its future business and comply with (a)(ii) and (iii) with regard to itself.

23.3 FINANCIAL AND OTHER INFORMATION ON THE BIDDER, THE TARGET AND THE OFFER

Except with the consent of the Panel:

- (a) where the Bidder is a company incorporated under the Companies Regulations 2015 and its shares are admitted to trading on a *Abu Dhabi Global Market's securities exchange*, the offer document must contain:
- (i) the names of its directors;
 - (ii) the nature of its business and its financial and trading prospects;
 - (iii) details of the website address where its audited consolidated accounts for the last two financial years have been published and a statement that the accounts have been incorporated into the offer document by reference to that website in accordance with Paragraph 23.15;
 - (iv) details of the website address where any preliminary statement of annual results, half yearly financial report or interim financial information published since the date of its last published audited accounts have been published and a statement that any such statement, report or information has been incorporated into the offer document by reference to that website in accordance with Paragraph 23.15; in the case of a securities exchange offer, a description of any known significant change in its financial or trading position which has occurred since the end of the last financial period for which audited accounts, a preliminary statement of annual results, a half yearly financial report or interim financial information has been published, or provide an appropriate negative statement;

- (v) a statement of the effect of full acceptance of the offer upon its earnings and assets and liabilities; and
 - (vi) a summary of the principal contents of each material contract (not being a contract entered into in the ordinary course of business) entered into by the Bidder or any of its subsidiaries during the period beginning two years before the commencement of the offer period, including particulars of dates, parties, terms and conditions and any consideration passing to or from the Bidder or any of its subsidiaries;
- (b) if the Bidder is other than a company referred to in (a) above, the offer document must contain:
- (i) in respect of the Bidder, the information described in (a) above (so far as appropriate) and such further information as the Panel may require in the particular circumstances of the case;
 - (ii) in respect of any person who has made (or proposes to make or increase) an investment in the Bidder for the purposes of the offer such that he has or will have a potential direct or indirect interest in any part of the capital of the Target which the Panel regards as equity capital, details of his identity and of his interest in the Bidder and such further information as the Panel may require in the particular circumstances of the case; and
 - (iii) in respect of any person not included in (ii) above whose pre existing interest in the Bidder is such that he has a potential direct or indirect interest of 5% or more in any part of the capital of the Target which the Panel regards as equity capital, details of his identity and of his interest in the Bidder and such further information as the Panel may require in the particular circumstances of the case;
- (c) the offer document must contain summary details of any current ratings and outlooks publicly accorded to the Bidder and the Target by ratings agencies prior to the commencement of the offer period, any changes made to previous ratings or outlooks during the offer period, and a summary of the reasons given, if any, for any such changes;
- (d) the offer document (including, where relevant, any revised offer document) must include:
- (i) a heading stating “If you are in doubt about this offer you should consult an independent financial adviser authorised under the *Financial Services and Markets Regulations 2015*”;
 - (ii) the date when the document is published, the name and address of the Bidder (including, where the Bidder is a company, the type of company and the address of its registered office);

- (iii) the identity of any person acting in concert with the Bidder and, to the extent that it is known, the Target, including, in the case of a company, its type, registered office and relationship with the Bidder and, where possible, with the Target;
- (iv) details of each class of security for which the offer is made, including whether those securities will be transferred “cum” or “ex” any dividend and the maximum and minimum percentages of those securities which the Bidder undertakes to acquire;
- (v) the terms of the offer, including the consideration offered for each class of security, the total consideration offered and particulars of the way in which the consideration is to be paid in accordance with Paragraph 30.8 or, in the case of a scheme of arrangement, see Paragraph 38.10;
- (vi) all conditions to which the offer is subject;
- (vii) particulars of all documents required, and procedures to be followed, for acceptance of the offer or, in the case of a scheme of arrangement, for voting;
- (viii) the middle market quotations for the securities to be acquired, and (in the case of a securities exchange offer) securities offered, for the first business day in each of the six months immediately before the date of the offer document, for the last business day before the commencement of the offer period and for the latest available date before the publication of the offer document, together with the source (or, if any of the securities are not admitted to trading, any information available as to the number and price of transactions which have taken place during the preceding six months, together with the source, or an appropriate negative statement);
- (ix) details of any agreements or arrangements to which the Bidder is party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to its offer and the consequences of its doing so, including details of any break fees payable as a result;
- (x) details of any irrevocable commitment or letter of intent which the Bidder or any person acting in concert with it has procured in relation to relevant securities of the Target (or, if appropriate, the Bidder);
- (xi) in the case of a securities exchange offer, full particulars of the securities being offered, including the rights attaching to them, the first dividend or interest payment in which the securities will participate and how the securities will rank for dividends or interest, capital and redemption; a statement indicating the effect of acceptance on the capital and income position of the Target’s shareholders; and details of any applications for admission to listing or admission to trading that have been or will be made in any jurisdiction in respect of the securities;

- (xii) a summary of the provisions of Paragraph 8 (see the ADGM website);
 - (xiii) the national law which will govern contracts concluded between the Bidder and holders of the Target's securities as a result of the offer and the competent courts;
 - (xiv) any post offer undertaking made by the Bidder (see Paragraph 18.7);
 - (xv) a summary of any offer related arrangement or other agreement, arrangement or commitment permitted under, or excluded from, Paragraph 20.2;
 - (xvi) a list of the documents which the Bidder has published on a website in accordance with Paragraphs 25.2 and 25.3 and the address of the website on which the documents are published; and
 - (xvii) any profit forecast or quantified financial benefits statement, and any related reports or confirmations, required by Paragraph 28;
- (e) the offer document must contain information on the Target on the same basis as set out in (a)(i) to (v) above;
- (f) the offer document must contain a description of how the offer is to be financed and the source(s) of the finance. Details must be provided of the debt facilities or other instruments entered into in order to finance the offer and to refinance the existing debt or working capital facilities of the Target and, in particular:
- (i) the amount of each facility or instrument;
 - (ii) the repayment terms;
 - (iii) interest rates, including any "step up" or other variation provided for;
 - (iv) any security provided;
 - (v) a summary of the key covenants;
 - (vi) the names of the principal financing banks; and
 - (vii) if applicable, details of the time by which the Bidder will be required to refinance the acquisition facilities and of the consequences of its not doing so by that time; and
- (g) if any document published by the Bidder contains a comparison of the value of the offer with previous prices of the Target's shares, a comparison between the current value of the offer and the price of the Target's shares on the last business day prior to the commencement of the offer period must be prominently included, no matter what other comparisons are made.

Guidance Notes on Paragraph 23.3

Where the Bidder is a subsidiary company

The Panel will normally look through subsidiaries whose securities are not admitted to trading in interpreting this Paragraph unless, with the agreement of the Panel, the subsidiary in question is regarded as being of sufficient substance in relation to the group and the offer. Accordingly if the Bidder is part of a group, information will normally be required on the ultimate holding company in the form of group accounts.

Further information requirements

(a) For the purposes of paragraphs (ii) and (iii) of Paragraph 24.3(b), the expression “person” will normally include the ultimate owner(s), and persons having control (as defined), of the Bidder if not already included under paragraphs (ii) or (iii). Whilst the precise nature of the further information which may be required to be disclosed under paragraphs (i), (ii) or (iii) of Paragraph 24.3(b) in any particular case will depend on the circumstances of that case, the Panel would normally expect it to include a general description of the business interests of the Bidder and/or other person(s) concerned and details of those assets which the Panel considers may be relevant to the business of the Target.

(b) The Panel must be consulted in advance in any case to which Paragraph 24.3(b) applies, or may apply regarding the application of its provisions to that particular case. Where information is incorporated into the offer document by reference to another source, the Panel will normally require that information to be available in the English language.

Persons acting in concert

For the purposes of Paragraph 24.3(d)(iii), the identity of a person acting in concert with the Bidder or the Target must be disclosed if the Target shareholders need details of that person in order to reach a properly informed decision on the offer. Disclosure will normally include: a person who is interested in shares in the Target and (in the case of a securities exchange offer only) the Bidder; any person with whom the Bidder or the Target and any person acting in concert with either of them has any arrangement of the kind referred to in Note 11 on the definition of acting in concert; any financial adviser which is advising the Bidder or the Target in relation to the offer; and any corporate broker to either of them. In cases of doubt, the Panel should be consulted.

Offers made under Paragraph 9

When an offer is made under Paragraph 9, the information required under Paragraph 24.3(d)(v) must include the method employed under Paragraph 9.4 in calculating the consideration offered.

23.4 INTERESTS AND DEALINGS

- (a) The offer document must state:

- (i) details of any relevant securities of the Target in which the Bidder has an interest or in respect of which he has a right to subscribe, specifying the nature of the interests or rights concerned (see Paragraph 8.8). Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be stated;
 - (ii) the same details as in (i) above in relation to each of:
 - (A) the directors of the Bidder;
 - (B) any other person acting in concert with the Bidder; and
 - (C) any person with whom the Bidder or any person acting in concert with the Bidder has any arrangement of the kind referred to in Note 11 on the definition of acting in concert;
 - (iii) in the case of a securities exchange offer, the same details as in (i) above in respect of any relevant securities of the Bidder in relation to each of the persons listed in (ii) above; and
 - (iv) details of any relevant securities of the Target and (in the case of a securities exchange offer only) the Bidder which the Bidder or any person acting in concert with it has borrowed or lent (including for these purposes any financial collateral arrangements of the kind referred to in Paragraph 4.6 and any guidance issued thereunder), save for any borrowed shares which have been either on lent or sold.
- (b) If, in the case of any of the persons referred to in Paragraph 23.4(a), there are no interests or short positions to be disclosed, this fact should be stated. This will not apply to category (a)(ii)(c) if there are no such arrangements.
 - (c) If any person referred to in Paragraph 23.4(a) has dealt in any relevant securities of the Target (or, in the case of a securities exchange offer only, of the Bidder) during the period beginning 12 months prior to the offer period and ending with the latest practicable date prior to the publication of the offer document, the details, including dates, must be stated (see Paragraph 8.8). If no such dealings have taken place, this fact should be stated.

Guidance Notes to Paragraph 24.4

In the case of directors, the disclosure should include details of all interests, short positions and borrowings of any other person whose interests in shares the director is taken to be interested in pursuant to Part 21 of the Companies Regulations 2015.

23.5 DIRECTORS' EMOLUMENTS

The offer document must state (in the case of a securities exchange offer only) whether and in what manner the emoluments of the Bidder directors will be affected by the acquisition of the Target or by any other associated transaction. If there will be no effect, this must be stated.

23.6 SPECIAL ARRANGEMENTS

Unless otherwise agreed with the Panel, the offer document must contain a statement as to whether or not any agreement, arrangement or understanding (including any compensation arrangement) exists between the Bidder or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of the Target, or any person interested or recently interested in shares of the Target, having any connection with or dependence upon the offer, and full particulars of any such agreement, arrangement or understanding.

See also Paragraph 15.2.

23.7 INCORPORATION OF OBLIGATIONS AND RIGHTS²

The offer document must state the time allowed for acceptance of the offer and any alternative offer and must incorporate language which appropriately reflects Notes 4–8 on Paragraph 10 and those parts of Paragraphs 12.5(a), 12.6 (if applicable), 16 and 30–33 which impose timing obligations or confer rights or impose restrictions on Bidders, Target companies or shareholders of Target companies.

23.8 CASH CONFIRMATION

When the offer is for cash or includes an element of cash, the offer document must include confirmation by an appropriate third party (eg the Bidder's bank or financial adviser) that resources are available to the Bidder sufficient to satisfy full acceptance of the offer. (The party confirming that resources are available will not be expected to produce the cash itself if, in giving the confirmation, it acted responsibly and took all reasonable steps to assure itself that the cash was available.)

23.9 ULTIMATE OWNER OF SECURITIES ACQUIRED

Unless otherwise agreed with the Panel, the offer document must contain a statement as to whether or not any securities acquired in pursuance of the offer will be transferred to any other persons, together with the names of the parties to any such agreement, arrangement or understanding and particulars of all interests in the securities of the Target held by such persons, or a statement that no such interests are held.

23.10 ADMISSION TO LISTING AND ADMISSION TO TRADING CONDITIONS*

Where securities are offered as consideration and it is intended that they should be admitted to listing on the Official List and/or to trading on a recognised investment

² *This Paragraph is disapplied in a scheme.*

exchange in Abu Dhabi Global Market, the relevant admission to listing and/or trading condition should, except with the consent of the Panel, be in terms which ensure that it is capable of being satisfied only when the decision to admit the securities to listing or trading has been announced by the Financial Services Regulator and/or the relevant investment exchange, as applicable. Where securities are offered as consideration and it is intended that they should be admitted to listing or to trading on any investment exchange or market outside Abu Dhabi Global Market, the Panel should be consulted.

23.11 ESTIMATED VALUE OF UNQUOTED PAPER CONSIDERATION

When the offer involves the issue of securities of a class which is not admitted to trading, the offer document and any subsequent circular from the Bidder must contain an estimate of the value of such securities by an appropriate adviser.

23.12 NO SET OFF OF CONSIDERATION

The offer document must contain a statement to the effect that, except with the consent of the Panel, settlement of the consideration to which any shareholder is entitled under the offer will be implemented in full in accordance with the terms of the offer without regard to any lien, right of set off, counterclaim or other analogous right to which the Bidder may otherwise be, or claim to be, entitled against such shareholder.

The Panel would only grant consent in exceptional circumstances and where all shareholders were to be treated similarly.

23.13 ARRANGEMENTS IN RELATION TO DEALINGS

The offer document must disclose any arrangements of the kind referred to in Guidance Note 11 on the definition of acting in concert which exist between the Bidder, or any person acting in concert with the Bidder, and any other person; if there are no such arrangements, this should be stated.

23.14 CASH UNDERWRITTEN ALTERNATIVES WHICH MAY BE SHUT OFF*

The procedure for acceptance of a cash underwritten alternative which is capable of being shut off must be prominently stated in relevant documents and acceptance forms. In particular, it must be made clear (in the offer document, the acceptance form and any subsequent documents) whether shareholders must lodge their certificates by the closing date of the cash underwritten alternative, in addition to their completed acceptance forms, in order to receive cash.

23.15 INCORPORATION OF INFORMATION BY REFERENCE

- (a) In addition to the requirements under Paragraphs 23.3(a)(iii) and (iv) (and, insofar as they refer to Paragraphs 23.3(a)(iii) and (iv), Paragraphs 24.3(b) and (e)) for certain information to be incorporated into an offer document by reference to a website, information that is required to be included in a document under other Paragraphs may be incorporated by reference to another source with the Panel's consent.

- (b) Information that is incorporated into a document by reference to another source must be published on a website by no later than the date on which the document is published. The information published on a website must be published:
 - (i) in a form that may be printed, read and retained by the person to whom the document must be sent; and
 - (ii) in a “read only” format so that it may not be amended or altered in any way.
- (c) If a person is sent a document which incorporates information by reference to another source, that person may request a copy of the information so incorporated in hard copy form. If such a request is made, the party which published the document must ensure that a copy of the requested information is sent to the relevant person in hard copy form as soon as possible and in any event within two business days of the request being received by the relevant party.
- (d) Any document which incorporates information by reference to another source (and any related website notification) must contain a statement that a shareholder, person with information rights or other person to whom it is sent may request a copy of any such information in hard copy form. Attention should be drawn to the fact that a hard copy of the information will not be sent to that person unless requested and details must be provided of how a hard copy may be obtained (including an address in the Abu Dhabi Global Market and a telephone number to which requests may be submitted).

23.16 FEES AND EXPENSES

- (a) The offer document must contain an estimate of the aggregate fees and expenses expected to be incurred by the Bidder in connection with the offer and, in addition, separate estimates of the fees and expenses expected to be incurred in relation to:
 - (i) financing arrangements;
 - (ii) financial and corporate broking advice;
 - (iii) legal advice;
 - (iv) accounting advice;
 - (v) public relations advice;
 - (vi) other professional services (including, for example, management consultants, actuaries and specialist valuers); and
 - (vii) other costs and expenses.
- (b) Where any fee is variable between defined limits, a range must be given in respect of the aggregate fees and expenses and of the fees and expenses of each relevant category, setting out the expected maximum and minimum amounts payable.

- (c) Where the fees and expenses payable within a particular category are likely to exceed the estimated maximum previously disclosed by 10% or more, the Bidder must promptly disclose to the Panel revised estimates of the aggregate fees and expenses expected to be incurred in relation to the offer and of the fees and expenses expected to be incurred within that category. The Panel may require the public disclosure of such revised estimates where it considers this to be appropriate.
- (d) Where the final fees and expenses actually paid within a particular category exceed the amount publicly disclosed as the estimated maximum payable by 10% or more, the Bidder must promptly disclose to the Panel the final amount paid in respect of that category. The Panel may require the public disclosure of such final amount where it considers this to be appropriate.

PARAGRAPH 24 TARGET BOARD CIRCULARS

24.1 THE TARGET BOARD CIRCULAR

- (a) The board of the Target must, normally within 14 days of the publication of the offer document, send a circular to shareholders in the Target and persons with information rights, in accordance with Paragraph 29.1. At the same time, the Target must make the circular readily available to its employee representatives (or, where there are no employee representatives, to the employees themselves).
- (b) On the day of publication, the Target must:
 - (i) publish the Target board circular on a website in accordance with Paragraph 25.1; and
 - (ii) send to the Panel for publication on the ADGM website an announcement that the Target board circular has been so published.

Guidance on Paragraph 24.1

Where there is no separate Target board circular

Where the Target board circular is combined with the offer document, Paragraph 24.1 will not apply. However, Paragraphs 24.2 to 24.9 will apply to the combined document.

24.2 VIEWS OF THE TARGET BOARD ON THE OFFER, INCLUDING THE BIDDER'S PLANS FOR THE COMPANY AND ITS EMPLOYEES

- (a) The Target board circular must set out the opinion of the board on the offer (including any alternative offers) and the board's reasons for forming its opinion and must include its views on:
 - (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and

- (ii) the Bidder's strategic plans for the Target and their likely repercussions on employment and the locations of the Target's places of business, as set out in the offer document pursuant to Paragraph 23.2.
- (b) In addition, the circular must include the substance of the advice given to the board of the Target by the independent adviser appointed under Paragraph 3.1.

24.3 FINANCIAL AND OTHER INFORMATION

The Target board circular must contain a description of any known significant change in the financial or trading position of the Target which has occurred since the end of the last financial period for which audited accounts, a preliminary statement of annual results, a half yearly financial report or interim financial information has been published, or provide an appropriate negative statement.

24.4 INTERESTS AND DEALINGS

- (a) The Target board circular must state:
 - (i) details of any relevant securities of the Bidder in which the Target or any of the directors of the Target has an interest or in respect of which it or he has a right to subscribe, in each case specifying the nature of the interests or rights concerned (see Paragraph 8.8). Similar details of any short positions (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, must also be stated;
 - (ii) the same details as in (i) above in respect of any relevant securities of the Target in relation to each of:
 - (a) the directors of the Target;
 - (b) any other person acting in concert with the Target; and
 - (c) any person with whom the Target or any person acting in concert with the Target has an arrangement of the kind referred to in Note 11 on the definition of acting in concert;
 - (iii) in the case of a securities exchange offer, the same details as in (i) above in respect of any relevant securities of the Bidder in relation to each of the persons listed in (ii)(b) and (c) above;
 - (iv) details of any relevant securities of the Target and (in the case of a securities exchange offer only) the Bidder which the Target or any person acting in concert with the Target has borrowed or lent (including for these purposes any financial collateral arrangements of the kind contemplated by Paragraph 4.6), save for any borrowed shares which have been either on lent or sold; and

- (v) whether the directors of the Target intend, in respect of their own beneficial shareholdings, to accept the offer (and, if there are alternative offers, and if so required by the Panel, which alternative they intend to elect for) or to reject the offer.
- (b) If, in the case of any of the persons referred to in Paragraph 24.4(a), there are no interests or short positions to be disclosed, this fact should be stated. This will not apply to category (a)(ii)(c) if there are no such arrangements.
- (c) If any person referred to in Paragraph 24.4(a)(i) has dealt in any relevant securities of the Target or the Bidder between the start of the offer period and the latest practicable date prior to the publication of the circular, the details, including dates, must be stated (see Paragraph 8.8). If any person referred to in Paragraph 25.4(a)(ii)(b) to (c) has dealt in relevant securities of the Target (or, in the case of a securities exchange offer only, the Bidder) during the same period, similar details must be stated. In all cases, if no such dealings have taken place this fact should be stated.

24.5 DIRECTORS' SERVICE CONTRACTS

- (a) The Target board circular must contain particulars of all service contracts of any director or proposed director of the Target with the company or any of its subsidiaries. If there are none, this should be stated.
- (b) If any such contracts have been entered into or amended within 6 months of the date of the document, particulars must be given in respect of the earlier contracts (if any) which have been replaced or amended as well as in respect of the current contracts. If there have been none, this should be stated.

24.6 ARRANGEMENTS IN RELATION TO DEALINGS

The Target board circular must disclose any arrangements of the kind referred to in Note 11 on the definition of acting in concert which exist between the Target, or any person acting in concert with the Target, and any other person; if there are no such arrangements, this should be stated.

24.7 OTHER INFORMATION

The Target board circular must contain:

- (a) a summary of the principal contents of each material contract (not being a contract entered into in the ordinary course of business) entered into by the Target or any of its subsidiaries during the period beginning two years before the commencement of the offer period, including particulars of dates, parties, terms and conditions and any consideration passing to or from the Target or any of its subsidiaries;
- (b) details of any irrevocable commitment or letter of intent which the Target or any person acting in concert with it has procured in relation to relevant securities of the Target (or, if appropriate, the Bidder);

- (c) a list of the documents which the Target has published on a website in accordance with Paragraphs 25.2 and 25.3 and the address of the website on which the documents are published; and
- (d) any profit forecast or quantified financial benefits statement and any related reports or confirmations required by Paragraph 27.

24.8 FEES AND EXPENSES

The Target board circular must contain an estimate of the aggregate fees and expenses expected to be incurred by the Target in connection with the offer and, in addition, separate estimates of the fees and expenses expected to be incurred in relation to the matters specified in paragraphs (ii) to (vii) of Paragraph 23.16(a). The other provisions of Paragraph 23.16 and also apply as if references to the Bidder were references to the Target.

PARAGRAPH 25

DOCUMENTS TO BE PUBLISHED ON A WEBSITE

25.1 DOCUMENTS, ANNOUNCEMENTS AND INFORMATION TO BE PUBLISHED ON A WEBSITE DURING AN OFFER

- (a) The following documents, announcements and information must be published on a website by the Bidder or Target, as relevant, by no later than 12 noon on the business day following the date of the relevant document, announcement or information:
 - (i) any document or information in relation to an offer sent to shareholders, persons with information rights or other relevant persons in accordance with Paragraph 29.1; or
 - (ii) any announcement published on the ADGM website in connection with the offer (whether related to the offer or not).
- (b) Any such document, announcement or information must include the address of the website on which it will be published. This address must be for either the webpage on which the relevant document, announcement or information may be found or a webpage which includes a clear link to the relevant webpage.

25.2 DOCUMENTS TO BE PUBLISHED ON A WEBSITE FOLLOWING THE ANNOUNCEMENT OF A FIRM OFFER

The following documents must be published on a website by no later than 12 noon on the business day following the announcement of a firm intention to make an offer (or, if later, the date of the relevant document):

- (a) any irrevocable commitment or letter of intent procured by the Bidder or Target (as appropriate) or any person acting in concert with it;

- (b) any documents relating to the financing of the offer (Paragraph 23.3(f));
- (c) any agreements or arrangements, or, if not reduced to writing, a memorandum of the terms of such agreements or arrangements, of the kind referred to in Note 11 on the definition of acting in concert;
- (d) any offer related arrangement or other agreement, arrangement or commitment permitted under, or excluded from, Paragraph 20.2; and
- (e) any agreements or arrangements, or, if not reduced to writing, a memorandum of all the terms of such agreements or arrangements, which relate to the circumstances in which the Bidder may or may not invoke or seek to invoke a pre condition or a condition to its offer (Paragraph 2.7(c)(iv)).

25.3 DOCUMENTS TO BE PUBLISHED ON A WEBSITE FOLLOWING THE MAKING OF AN OFFER

The following documents must be published on a website from the time the offer document or Target board circular, as appropriate, is published (or, if later, the date of the relevant document):

- (a) memorandum and articles of association of the Bidder or the Target or equivalent documents;
- (b) any report, letter, valuation or other document any part of which is exhibited or referred to in any document published by or on behalf of the Bidder or the Target (other than the service contracts of Target directors and any material contracts that are not entered into in connection with the offer);
- (c) any written consents of an independent financial adviser to the inclusion of its advice in the relevant document in the form and context in which it is included (Paragraph 23.3(a));
- (d) any material contract entered into by a Bidder or the Target, or any of their respective subsidiaries, in connection with the offer that is:
 - (i) described in the offer document or Target board circular (as appropriate) in compliance with Paragraph 23.3(a), Paragraph 23.3(b) or Paragraph 24.7(a); or
 - (ii) entered into after the publication of the offer document or Target board circular (as appropriate);
- (e) where a profit forecast or quantified financial benefits statement has been published:
 - (i) the reports of the reporting accountants and of the financial advisers (Paragraphs 27.1(a) and (b)); and
 - (ii) the written consents of the reporting accountants and of the financial advisers to the inclusion of their reports in the relevant document in the form and context

in which they are included (Paragraph 22.3(b)) and, if appropriate, the confirmations that their reports continue to apply (Paragraph 27.2(d));

- (f) where an asset valuation has been published:
 - (i) the valuation certificate and associated report or schedule containing details of the aggregate valuation (Paragraph 28.5(c)); and
 - (ii) the written consent of the independent valuer to the inclusion of its opinion on value in the relevant document in the form and context in which it is included (Paragraph 22.3(c)) and, if appropriate, the confirmation that its report continues to apply (Paragraph 26.2(d));
- (g) where the Panel has given consent to aggregation of dealings, a full list of all dealings; and
- (h) all derivative contracts which in whole or in part have been disclosed under Paragraphs 23.4(a) and (c) and 24.4(a) and (c) or in accordance with Paragraphs 8.1, 8.2 or 8.4. Documents in respect of the last mentioned must be published from the time the offer document or the Target board circular is published or from the time of disclosure, whichever is the later.

PARAGRAPH 26

MATERIAL CHANGES AND SUBSEQUENT DOCUMENTS

26.1 MATERIAL CHANGES

- (a) Except with the consent of the Panel, following the publication of the initial offer document or Target board circular (as appropriate) and until the end of the offer period, the Bidder or the Target (as appropriate) must promptly announce:
 - (i) any changes in information disclosed in any document or announcement published by it in connection with the offer which are material in the context of that document or announcement; and
 - (ii) any material new information which would have been required to have been disclosed in any previous document or announcement published during the offer period, had it been known at the time.
- (b) Where an announcement is required to be made under Paragraph 26.1(a), the Panel may, in addition, require a document setting out the relevant information to be:
 - (i) sent to shareholders in the Target and persons with information rights; and
 - (ii) made readily available to the Target's employees.

26.2 SUBSEQUENT DOCUMENTS

- (a) If, following the publication of the initial offer document or Target board circular (as appropriate) and before the end of the offer period, a Bidder or the Target publishes any subsequent document in connection with the offer, that document must include:
- (i) any changes in information disclosed in any previous document published by it in connection with the offer which are material in the context of that document (or a statement that there have been no such material changes); and
 - (ii) details of any material changes to the matters listed in Paragraph 26.2(b) (in the case of a Bidder) or in Paragraph 26.2(c) (in the case of the Target) which have occurred since the publication of any previous document published by it in connection with the offer (or a statement that there have been no such material changes).
- (b) In the case of a Bidder, the matters referred to in Paragraph 26.2(a)(ii) are as follows:
- (i) its intentions with regard to the matters referred to in Paragraph 23.2;
 - (ii) any known significant change in its or the Target's financial or trading position (to the extent required under Paragraph 23.3(a)(v));
 - (iii) material contracts (Paragraph 23.3(a)(vii));
 - (iv) ratings and outlooks (Paragraph 23.3(c));
 - (v) the terms of the offer (Paragraph 23.3(d)(v));
 - (vi) any agreements or arrangements which relate to the invocation of the conditions to its offer (Paragraph 23.3(d)(ix));
 - (vii) irrevocable commitments and letters of intent (Paragraph 23.3(d)(x));
 - (viii) post offer undertakings (Paragraph 23.3(d)(xv));
 - (ix) any offer related arrangements etc. permitted under, or excluded from, Paragraph 20.2 (Paragraph 23.3(d)(xvi));
 - (x) profit forecasts and quantified financial benefits statements (Paragraph 23.3(d)(xviii));
 - (xi) financing arrangements (Paragraph 23.3(f));
 - (xii) interests and dealings in relevant securities (Paragraph 23.4);
 - (xiii) the effect of the offer on the emoluments of the Bidder's directors (Paragraph 23.5);
 - (xiv) any special arrangements, including management incentivisation arrangements (Paragraph 15.2 and Paragraph 23.6);

- (xv) the ultimate owner of any securities acquired (Paragraph 23.9);
 - (xvi) any arrangements of the kind referred to in Note 11 on the definition of acting in concert (Paragraph 23.13); and
 - (xvii) fees and expenses (to the extent required under Paragraph 23.16).
- (c) In the case of the Target, the matters referred to in Paragraph 26.2(a)(ii) are as follows:
- (i) its opinion on the offer and the other matters referred to in Paragraph 24.2(a);
 - (ii) the substance of the independent financial adviser's advice (Paragraph 24.2(b));
 - (iii) any known significant changes in its financial or trading position (Paragraph 24.3);
 - (iv) interests and dealings in relevant securities (Paragraph 24.4);
 - (v) the service contracts of the Target's directors (Paragraph 24.5);
 - (vi) any arrangements of the kind referred to in Note 11 on the definition of acting in concert (Paragraph 24.6);
 - (vii) material contracts (Paragraph 24.7(a));
 - (viii) irrevocable commitments and letters of intent (Paragraph 24.7(b));
 - (ix) post offer undertakings and post offer intention statements (Paragraph 24.7(c));
 - (x) profit forecasts and quantified financial benefits statements (Paragraph 25.7(e)); and
 - (xi) fees and expenses (to the extent required under Paragraph 24.8).
- (d) If any document or announcement published by the Bidder or the Target included a profit forecast, a quantified financial benefits statement or an asset valuation, any document subsequently published by that party in connection with the offer must, unless superseded by information included in the new document, include a statement by the directors of that party confirming:
- (i) that the profit forecast, quantified financial benefits statement or asset valuation (as appropriate) remains valid;
 - (ii) where reports were obtained on a profit forecast or quantified financial benefits statement, that the reporting accountants and financial adviser(s) have confirmed that their reports continue to apply; and
 - (iii) where an opinion on value was obtained on an asset valuation, that the independent valuer has confirmed that its opinion continues to apply.

PROFIT FORECASTS AND QUANTIFIED FINANCIAL BENEFITS STATEMENTS

PARAGRAPH 27

NB The requirements of Paragraph 27 do not apply to a profit forecast or a quantified financial benefits statement published by a cash Bidder.

27.1 REQUIREMENTS FOR PROFIT FORECASTS AND QUANTIFIED FINANCIAL BENEFITS STATEMENTS

- (a) Except with the consent of the Panel, if, during an offer period (or in an announcement which commences an offer period), the Target or a securities exchange Bidder publishes a profit forecast or a quantified financial benefits statement, the document or announcement in which the forecast or statement is first published must include:
 - (i) a report from its reporting accountants stating that, in their opinion, the forecast or statement has been properly compiled on the basis stated and (in the case of a profit forecast only) that the basis of accounting used is consistent with the company's accounting policies; and
 - (ii) a report from its financial adviser(s) stating that, in its (or their) opinion, the forecast or statement has been prepared with due care and consideration.
- (b) Except with the consent of the Panel, if the Target or a securities exchange Bidder published a profit forecast before the offer period commenced but after it received or made an approach with regard to a possible offer, the offer document or Target board circular (as appropriate), or any earlier document or announcement published during the offer period in which the profit forecast is referred to, must repeat the profit forecast and include the reports from its reporting accountants and financial adviser(s) specified in Paragraph 27.1(a)(i) and (ii).
- (c) Except with the consent of the Panel, if the Target or a securities exchange Bidder published a profit forecast before it received or made an approach with regard to a possible offer, the offer document or Target board circular (as appropriate), or any earlier document or announcement published during the offer period in which the profit forecast is referred to, must:
 - (i) repeat the profit forecast and include a statement by the directors that it remains valid and confirmations by the directors that the profit forecast has been properly compiled on the basis of the assumptions stated and that the basis of accounting used is consistent with the company's accounting policies (the "directors' confirmations"); or
 - (ii) include a statement by the directors that the profit forecast is no longer valid and an explanation of why that is the case; or

- (iii) include a new profit forecast for the relevant period and the reports from its reporting accountants and financial adviser(s) specified in Paragraph 27.1(a)(i) and (ii).
- (d) See also Paragraph 27.2(b).

27.2 PROFIT FORECASTS FOR FUTURE FINANCIAL PERIODS

- (a) The Panel will normally grant a dispensation from the requirement to include reports from reporting accountants and the financial adviser(s) in the case of a profit forecast for a financial period ending more than 15 months from the date on which it is, or was, first published. Where such a dispensation is granted, the offer document or Target board circular (as appropriate), or any earlier document or announcement published during the offer period in which the profit forecast is referred to or first published, must include the directors' confirmations referred to in Paragraph 27.1(c)(i). Alternatively, in the case of a profit forecast which was published before the offer period commenced, the document or announcement may include a statement by the directors that the profit forecast is no longer valid and an explanation of why that is the case.
- (b) Except with the consent of the Panel, if, during the offer period (or in an announcement which commences an offer period), the Target or a securities exchange Bidder either publishes for the first time or repeats a profit forecast for a future financial year, the document or announcement must include a corresponding profit forecast for the current financial year and for each intervening financial year. The requirements of Paragraph 27.1(a), (b) or (c)(i) (as appropriate) will apply to each such forecast for a financial year ending 15 months or less from the date on which it is, or was, first published and the requirements of Paragraph 27.2(a) will normally apply to each such forecast for a financial year ending more than 15 months from the date on which it is, or was, first published.

27.3 COMPILATION OF PROFIT FORECASTS AND QUANTIFIED FINANCIAL BENEFITS STATEMENTS

- (a) Any profit forecast or quantified financial benefits statement must be properly compiled and must be prepared with due care and consideration. The profit forecast or quantified financial benefits statement, and the assumptions on which it is based, are the responsibility of the relevant party to the offer and its directors.
- (b) A profit forecast (and the assumptions stated) or a quantified financial benefits statement (and the details included in accordance with Paragraph 27.6) must be:
 - (i) understandable: it must not be so complex or include such extensive disclosure that it cannot be readily understood;
 - (ii) reliable: it must be supported by a thorough analysis of the Target's and/or the Bidder's business and must represent factual and not hypothetical strategies, plans and risk analysis; and

- (iii) comparable (in the case of a profit forecast only): it should be capable of justification by comparison with outcomes in the form of historical financial information.
- (c) A forecast of profit before tax should disclose separately any non recurrent items and tax charges if they are expected to be abnormally high or low.

27.4 ASSUMPTIONS AND BASES OF BELIEF

- (a) When a profit forecast is included in any document or announcement published during an offer period (or in an announcement which commences an offer period), the document or announcement must include the principal assumptions on which the profit forecast is based.
- (b) The assumptions included for a profit forecast or bases of belief included for a quantified financial benefits statement should provide useful information as to its reasonableness and reliability. They must:
 - (i) be readily understandable;
 - (ii) be specific and precise; and
 - (iii) not relate to the general accuracy of the estimates underlying the profit forecast or the quantified financial benefits statement.
- (c) There must be a clear distinction between assumptions or bases of belief about factors which the directors (or other members of the company's management) can influence and those which they cannot influence.

27.5 PROFIT ESTIMATES

Paragraph 27.1 does not apply to a profit estimate included in:

- (a) a preliminary statement of annual results which complies with the relevant provisions of the Listing Regulations;
- (b) a half yearly financial report which complies with the relevant provisions of the rules of ADGM's securities exchange; or
- (c) an interim management statement, or other interim financial information, which is published by virtue of a regulatory requirement and which has been prepared in accordance with the reporting framework set out in International Accounting Standard 34.

27.6 DISCLOSURE REQUIREMENTS FOR QUANTIFIED FINANCIAL BENEFITS STATEMENTS

When a quantified financial benefits statement is included in any document or announcement published during an offer period (or in an announcement which commences an offer period), the document or announcement must include:

- (a) the bases of belief supporting the statement (identifying the principal assumptions and sources of information);
- (b) an analysis, explanation and quantification of the constituent elements sufficient to enable the context and relative importance of those elements to be understood;
- (c) a base figure where any comparison is made with historical financial performance or with existing cost bases and structures;
- (d) details of any disbenefits expected to arise;
- (e) in the case of a statement falling under paragraph (a) of the definition of a “quantified financial benefits statement”, a statement that the expected financial benefits will accrue as a direct result of the success of the offer and could not be achieved independently of the offer;
- (f) an indication of when the financial benefits are expected to be realised;
- (g) an indication of whether the expected financial benefits will be recurring, clearly identifying any non recurring benefit(s); and
- (h) the recurring and non recurring costs of realising the expected financial benefits.

27.7 PUBLICATION OF INVESTMENT ANALYSTS’ FORECASTS ON WEBSITES

- (a) Where, during the offer period, the Target or a securities exchange Bidder publishes on its website profit forecasts relating to it that are derived from investment analysts’ forecasts, the forecasts on the website must be based on all forecasts provided by investment analysts who have published such forecasts, excluding:
 - (i) any forecasts which pre date the publication of the company’s latest preliminary statement of annual results or half yearly financial report (as appropriate); and
 - (ii) any forecasts by investment analysts whose employer is controlled by, controls or is under the same control as any party to the offer or a connected adviser to any party to the offer.
- (b) In addition to the exclusions in paragraph (a), an investment analyst’s forecast may exceptionally be excluded from the forecasts on the company’s website if it is wholly anomalous or has been prepared on a wholly different basis from that of the other investment analysts.

- (c) Except with the consent of the Panel, the following requirements must be complied with (failing which, all investment analysts' forecasts must be removed from the website upon the commencement of the offer period):
- (i) for each line in respect of which forecasts are published on the website, the highest and lowest figures forecast by any investment analyst must be stated, together with the arithmetic mean of all investment analysts' forecasts (a "*consensus forecast*");
 - (ii) the name of each organisation whose forecasts have been included in the calculation of the consensus forecast, and the dates of the forecasts, must be stated;
 - (iii) if any analyst's forecast has been excluded from the calculation of the consensus forecast, the name of the organisation, the date of the forecast and the reason for its exclusion, must be stated;
 - (iv) during the offer period, the relevant section of the website must be kept up to date by including any new forecasts promptly after their publication and promptly excluding any forecasts which pre date the publication of the latest preliminary statement of annual results or half yearly financial report; and
 - (v) it must be prominently stated that the investment analysts' forecasts are not endorsed by the company and that they have not been reviewed or reported on in accordance with the requirements of Paragraph 27.1(a).
- (d) Subject to Paragraph 27.8, any reference to or quotation from a consensus or other third party forecast, other than publishing investment analysts' forecasts on a website in accordance with the requirements of this Paragraph 27.7, will be treated as having been endorsed by the Target or Bidder that published that profit forecast.

27.8 REFERENCES TO CONSENSUS FORECASTS RELATING TO ANOTHER PARTY TO THE OFFER

- (a) Except with the consent of the Panel, if, during the offer period (or in an announcement which commences an offer period), a party to the offer ("party A") wishes to refer to investment analysts' forecasts relating to any other party to the offer ("party B"), party A must refer to either:
- (i) a consensus forecast (see Paragraph 27.7(c)) published on party B's website in accordance with the requirements of Paragraph 27.7; or
 - (ii) if no such consensus forecast has been published on party B's website, a consensus forecast compiled by party A in accordance with the requirements of Paragraph 27.7.

- (b) Where party A has referred to a consensus forecast relating to party B, any subsequent reference to that consensus forecast by party B will not be subject to Paragraph 27.1(a), provided that party B does not endorse the consensus forecast.
- (c) Any document or announcement which includes a reference by party A to a consensus forecast relating to party B must make clear whether or not the reference is being made with the agreement or approval of party B. Where the consensus forecast is referred to in any document or announcement which is published by party A with the agreement or approval of party B, or at a time when the offer is a recommended offer, the consensus forecast will be treated as having been endorsed and published by party B and Paragraph 27.1(a) will therefore apply.

ASSET VALUATIONS

PARAGRAPH 28

28.1 VALUATIONS IN CONNECTION WITH A BID

When valuation of assets is provided in connection with an offer, the person providing the valuation must ensure that the valuation is supported by the opinion of an appropriate external and independent valuer.

28.2 INFORMATION TO BE INCLUDED

The person must ensure that such a valuation states:

- (a) the effective date as at which the assets were valued;
- (b) the name, professional qualifications and address of the valuer; and
- (c) if the valuation is not current, that a current valuation would not be materially different.

28.3 WHERE AN UPDATED VALUATION IS REQUIRED

If a statement according with Paragraph 28.2 cannot be made, the Person must ensure that the valuation is updated.

28.4 OPINION AND CONSENT LETTERS

Where a valuation of assets is given in any document addressed to shareholders:

- (a) the document must include:
 - (i) the opinion of the valuer; and
 - (ii) a statement that the valuer has given and not withdrawn his consent to the publication of his valuation certificate; and

- (b) the valuation certificate must be made available for inspection in the manner described in together with an associated report or schedule containing details of the aggregate valuation.

Guidance Notes to Paragraph 28

This Paragraph applies not only to land, buildings and process plant and machinery but also to other assets, for example, inventory, ships, aircraft and individual parts of a business. This Paragraph does not apply to an assessment of value carried out merely for the purpose of preparation of financial accounts.

In certain cases, offer documents and Target circulars issued by the Bidder or the Target will include statements of assets reproducing Directors' estimates of asset values published with the entity's accounts. The Panel will not regard such estimates as "given in connection with an offer" except where asset values are a particularly significant factor in assessing the offer and the estimates are, accordingly, given considerably more prominence in the relevant documents than merely being referred to in a note or appendix to a statement of assets.

In exceptional cases, certain companies, in particular property companies, which are the subject of an unexpected offer may find difficulty in obtaining, within the time available, the opinion of an appropriate external valuer to support an asset valuation, as required by this Paragraph, before the Target circular has to be sent out. In such cases, the Panel may waive strict compliance with this requirement. The Panel will only do this where the interests of shareholders appear on balance to be best served by permitting informal valuations to appear coupled with such substantiation as is available. Targets or their advisers who wish to make use of this procedure should consult the Panel at the earliest opportunity.

Where the Panel is satisfied that disclosure under Paragraph 10.2.1(b) may be commercially disadvantageous to the entity concerned, it may modify these requirements so as to allow the report or schedule to appear in a summarised form. In certain cases, the Panel may require any of these documents to be reproduced in full in a document sent to shareholders.

DISTRIBUTION OF DOCUMENTATION DURING AN OFFER

PARAGRAPH 29

29.1 PUBLICATION OF DOCUMENTS, ANNOUNCEMENTS AND INFORMATION

If a document, an announcement or any information is required to be sent to any person, it will be treated as having been sent if it is:

- (a) sent to the relevant person in hard copy form;
- (b) sent to the relevant person in electronic form; or

- (c) published on a website provided that the relevant person is sent a website notification no later than the date on which it is published on the website.

29.2 RIGHT TO RECEIVE COPIES OF DOCUMENTS, ANNOUNCEMENTS AND INFORMATION IN HARD COPY FORM

- (a) If a document, an announcement or any information is required to be sent to any person and it is:
 - (i) sent to a person in electronic form; or
 - (ii) published on a website and the person entitled to receive it is sent a website notification,

that person may request a copy in hard copy form from the party which publishes it. Any such request must be made in accordance with the procedure specified in the document, announcement or information for the making of such requests and must provide an address to which the hard copy document, announcement or other information may be sent.

- (b) A person entitled to receive a document, an announcement or any information may request that all future documents, announcements and information sent to that person in relation to an offer should be sent by the party which publishes it in hard copy form.
- (c) If a Bidder receives a request for copies of future documents, announcements and information sent to a person in connection with the offer to be sent in hard copy form, it must notify the Target as soon as possible and provide details of the address to which hard copy documents, announcements and information should be sent. If the Target receives a request for copies of future documents, announcements and information sent to a person in connection with the offer to be sent in hard copy form (either from the person concerned or from a Bidder), it must provide the other parties to the offer with details of such requests at the same time as it provides them with updates to the company's register.
- (d) If a request is made under (a) above for a hard copy of a document, an announcement or any information, the party which published it must ensure that it is sent to the relevant person as soon as possible and in any event within two business days of the request being received by that party.
- (e) Any document, announcement or information that is sent to a person in electronic form or by means of being published on a website, and any related website notification, must contain a statement that the person to whom it is sent may request a copy of the document, announcement or information (and any information incorporated into it by reference to another source) in hard copy form and may also request that all future documents, announcements and information sent to that person in relation to the offer should be in hard copy form. Attention should be drawn to the fact that a hard copy of the document, announcement or information will not be sent to that person unless so requested and details must be provided of how a hard copy may be obtained (including

an address in Abu Dhabi Global Market and a telephone number to which requests may be submitted).

- (f) If a shareholder, person with information rights or other person is entitled to be sent a document, an announcement or any information and has elected in accordance with any applicable legal or regulatory provisions to receive communications from the Target in hard copy form (and such election has been made in respect of information generally and not only in respect of certain specific types of information), that election must be treated by each party to an offer as also applying to the form in which any document, announcement or information must be sent to that person in relation to the offer. If a request is made under (b) above for copies of future documents, announcements and information to be sent in hard copy form, that request must be treated by each party to an offer as an election made in accordance with applicable legal or regulatory provisions to receive communications from the Target in hard copy form.

29.3 DISTRIBUTION OF DOCUMENTS, ANNOUNCEMENTS AND INFORMATION TO THE PANEL AND OTHER PARTIES TO AN OFFER

- (a) Before an offer document is published, a copy of the document in hard copy form and electronic form must be sent to the Panel. At the time of publication, a copy must also be sent in hard copy form and electronic form to the advisers to all other parties to the offer.
- (b) Copies of all other documents, announcements and information published in connection with an offer by, or on behalf of, a Bidder or the Target, including advertisements and any material released to the media (including any notes to editors), must at the time of publication or release be sent in electronic form to:
 - (i) the Panel; and
 - (ii) the advisers to all other parties to the offer.

Documents must also be sent in hard copy form to the Panel and the advisers to all other parties to the offer at the time of publication. Such documents, announcements or information must not be released to the media under an embargo.

- (c) If a party to an offer publishes a document, an announcement or any information outside normal business hours, that party must inform the advisers to all other parties to the offer of its publication immediately (if necessary by telephone). In such circumstances, special arrangements may need to be made to ensure that a copy of the document, announcement or information is sent directly to the relevant advisers and to the Panel. No party to an offer should be put at a disadvantage through a delay in the release of new information to it.

OFFER TIMETABLE AND REVISION

PARAGRAPH 30

TIMING OF THE OFFER³

30.1 FIRST CLOSING DATE

An offer must initially be open for at least 21 days following the date on which the offer document is published.

30.2 FURTHER CLOSING DATES TO BE SPECIFIED

In any announcement of an extension of an offer, either the next closing date must be stated or, if the offer is unconditional as to acceptances, a statement may be made that the offer will remain open until further notice. In the latter case, or if the offer will remain open for acceptances beyond the 70th day following the publication of the offer document, at least 14 days' notice must be given, before the offer is closed, to those shareholders who have not accepted by sending a notification to Target shareholders and persons with information rights.

30.3 NO OBLIGATION TO EXTEND

There is no obligation to extend an offer if the acceptance condition has not been satisfied by the first or any subsequent closing date.

30.4 OFFER TO REMAIN OPEN FOR 14 DAYS AFTER UNCONDITIONAL AS TO ACCEPTANCES

After an offer has become or is declared unconditional as to acceptances, the offer must remain open for acceptance for not less than 14 days after the date on which it would otherwise have expired (see Paragraphs 32.1 and 32.2). When, however, an offer is unconditional as to acceptances from the outset, a 14 day extension is not required but the position should be set out clearly and prominently in the offer document.

30.5 NO EXTENSION STATEMENTS

- (a) A "no extension statement" is a statement that an offer will not be extended beyond a specified date unless it is unconditional as to acceptances.
- (b) If a Bidder (or its directors, officials or advisers) makes a no extension statement, and that statement is not withdrawn immediately if incorrect, the Bidder will not be allowed subsequently to extend its offer beyond the stated date, except:
 - (i) where the right to do so in certain circumstances is specifically reserved at the time the no extension statement is made and those circumstances subsequently arise; or

³ This Paragraph is disapplied in a scheme. See Paragraph 38.

- (ii) in wholly exceptional circumstances.
- (c) If a Bidder wishes to include a reservation to a no extension statement, the Panel must be consulted.
- (d) The provisions of Paragraph 30.4 will apply in any event.

30.6 FINAL DAY RULE (FULFILMENT OF ACCEPTANCE CONDITION, TIMING AND ANNOUNCEMENT)

- (a) Except with the consent of the Panel, an offer (whether revised or not) may not become or be declared unconditional as to acceptances after midnight on the 60th day after the day the initial offer document was published. The Panel's consent will normally only be given:
 - (i) if a competing firm offer has been announced; or
 - (ii) if the board of the Target consents to an extension; or
 - (iii) as provided for in Paragraph 30.9; or
 - (iv) if the Bidder's receiving agent requests an extension for the purpose of complying with; or
 - (v) when withdrawal rights are introduced under Paragraph 12.6.
- (b) Any extension to which the Panel consents must be announced by the Bidder in accordance with Paragraph 2.9. The Panel should be consulted as to whether a notification in respect of the extension should also be sent to Target shareholders and persons with information rights.
- (c) For the purpose of the acceptance condition, the Bidder may only take into account acceptances or purchases of shares in respect of which all relevant electronic instructions or documents are received by its receiving agent before the last time for acceptance set out in the Bidder's relevant document or announcement. This time must be no later than 1.00 pm on the 60th day (or any other date beyond which the Bidder has stated that its offer will not be extended). In the event of an extension with the consent of the Panel in circumstances other than those set out in paragraphs (a)(i) to (iv) above, acceptances or purchases in respect of which relevant electronic instructions or documents are received after 1.00 pm on the relevant date may only be taken into account with the agreement of the Panel, which will only be given in exceptional circumstances.
- (d) Except with the consent of the Panel, on the 60th day (or any other date beyond which the Bidder has stated that its offer will not be extended) an announcement should be made by 5.00 pm as to whether the offer is unconditional as to acceptances or has lapsed. Such announcement should include, if possible, the details required by Paragraph 16.1 but in any event must include a statement as to the current position in the count. The requirement to make an announcement by 5.00 pm should not be

reflected in the terms of the offer pursuant to Paragraph 23.7, but, if there is any question of a delay in the announcement, the Panel should be consulted as soon as practicable. Only in exceptional circumstances will the Panel agree to a Bidder's request that this announcement may be made after 5.00 pm.

30.7 TIME FOR FULFILMENT OF ALL OTHER CONDITIONS

Except with the consent of the Panel, all conditions must be fulfilled or the offer must lapse within 21 days of the first closing date or of the date the offer becomes or is declared unconditional as to acceptances, whichever is the later. The Panel's consent will normally only be granted if the outstanding condition involves a material official authorisation or regulatory clearance relating to the offer and it had not been possible to obtain an extension under Paragraph 31.6.

30.8 SETTLEMENT OF CONSIDERATION

Except with the consent of the Panel, the consideration must be sent to accepting shareholders within 14 days of the later of: the first closing date of the offer, the date the offer becomes or is declared wholly unconditional or the date of receipt of an acceptance complete in all respects.

30.9 TARGET ANNOUNCEMENTS AFTER DAY 39

The board of the Target should not, except with the consent of the Panel (which should be consulted in good time), announce any material new information, including trading results, profit forecasts (including ordinary course profit forecasts), dividend forecasts, asset valuations, quantified financial benefits statements and proposals for dividend payments or for any material acquisition or disposal, after the 39th day following the publication of the initial offer document. Where a matter which might give rise to such an announcement being made after the 39th day is known to the Target, every effort should be made to bring forward the date of the announcement, but, where this is not practicable or where the matter arises after that date, the Panel will normally give its consent to a later announcement. If an announcement of the kind referred to in this Paragraph is made after the 39th day, the Panel will normally be prepared to consent to an extension to "Day 46" (see Paragraph 31.1(c)), "Day 53" (see Paragraphs 2.6(d) and (e)) and/or "Day 60" (see Paragraph 30.6(a)) as appropriate.

30.10 RETURN OF DOCUMENTS OF TITLE

If an offer lapses, all documents of title and other documents lodged with forms of acceptance must be returned as soon as practicable (and in any event within 14 days of the lapsing of the offer) and the receiving agent should immediately give instructions for the release of securities held in escrow.

PARAGRAPH 31

REVISION

31.1 PUBLICATION OF REVISED OFFER DOCUMENT

- (a) If an offer is revised, a revised offer document, drawn up in accordance with Paragraphs 23 and 26, must be sent to shareholders of the Target and persons with information rights. On the same day, the Bidder must:
 - (i) publish the revised offer document on a website in accordance with Paragraph 24.1; and
 - (ii) confirm to the Panel that the revised offer document has been so published so that the Panel may publish confirmation of the same on the ADGM website.
- (b) The offer must be kept open for at least 14 days following the date on which the revised offer document is published. Therefore, no revised offer document may be published in the 14 days ending on the last day the offer is able to become unconditional as to acceptances.* (See also Paragraph 30.6 and any Guidance issued thereunder.)

31.2 NO INCREASE STATEMENTS

- (a) A “no increase statement” is a statement as to the finality of an offer, including a statement that the offer will not be “increased”, “raised”, “amended”, “revised”, “improved” or “changed” and any similar expression.
- (b) If a Bidder (or its directors, officials or advisers) makes a no increase statement, and that statement is not withdrawn immediately if incorrect, the Bidder will not be allowed subsequently to amend the terms of its offer in any way, even if the amendment would not result in an increase of the value of the offer (eg the introduction of a lower securities exchange alternative), except:
 - (i) where it specifically reserved the right to do so in certain circumstances at the time the no increase statement was made and those circumstances subsequently arise; or
 - (ii) in wholly exceptional circumstances.
- (c) If a Bidder wishes to include a reservation to a no increase statement, the Panel must be consulted.

31.3 ENTITLEMENT TO REVISED CONSIDERATION

If an offer is revised, all shareholders who accepted the original offer must be entitled to the revised consideration.

31.4 NEW CONDITIONS FOR INCREASED OR IMPROVED OFFERS OR FOLLOWING A SWITCH

Subject to the prior consent of the Panel, and only to the extent necessary to implement an increased or improved offer, or a switch to or from a scheme of arrangement, the Bidder may introduce new conditions (eg obtaining shareholders' approval or the admission to listing or admission to trading of new securities).

31.5 COMPETITIVE SITUATIONS

If a competitive situation continues to exist in the later stages of the offer period, the Panel will normally require revised offers to be announced in accordance with an auction procedure, the terms of which will be determined and announced by the Panel. Under any auction procedure, the Panel may set a deadline by which any revised offer document must be sent to Target shareholders and persons with information rights.

Guidance Notes on Paragraph 31.5

The Panel should be consulted competitive situations of the type contemplated by this Paragraph.

31.6 THE TARGET BOARD'S OPINION AND THE OPINIONS OF THE EMPLOYEE REPRESENTATIVES AND THE PENSION SCHEME MANAGERS

- (a) The board of the Target must send to the company's shareholders and persons with information rights a circular containing its opinion on the revised offer as required by Paragraph 24.1, drawn up in accordance with Paragraphs 24 and 26 and, at the same time:
 - (i) publish the circular on a website in accordance with Paragraph 25.1; and
 - (ii) confirm to the Panel that the circular has been published so that the Panel may publish confirmation of the same on the ADGM website.
- (b) Where the board of the Target receives in good time before publication of its circular on the revised offer, an opinion from
 - (i) employee representatives (if there are any) on the effects of the revised offer on employment, or
 - (ii) an opinion from the managers of its pension scheme on the effects of the revised offer on the pensions scheme(s),

any such opinion must be appended to the circular. Where any such opinion is received but not in good time before publication of the Target board circular, the Target must promptly publish the opinion on a website and confirm to the Panel that the opinion has been published so that the Panel may publish confirmation on the ADGM website that it has been so published, provided that it is received no later than 14 days after the date on which the offer becomes or is declared wholly unconditional.

PARAGRAPH 32

ALTERNATIVE OFFERS⁴

32.1 TIMING AND REVISION

In general, the provisions of Paragraphs 30 and 31 apply equally to alternative offers, including cash alternatives.

32.2 SHUTTING OFF CASH UNDERWRITTEN ALTERNATIVES

Where the value of a cash underwritten alternative provided by third parties is, at the time of announcement, more than half the maximum value of the offer, a Bidder will not be obliged to keep that alternative open in accordance with Paragraphs 30.4 or 32.1 if it has sent a notification to Target shareholders and persons with information rights that it reserves the right to close it on a stated date, being not less than 14 days after the date on which the notification is published, or to extend it on that stated date. Notice under this Paragraph may not be given between the time when a competing offer has been announced and the end of the resulting competitive situation. (See also Paragraph 23.14.)

32.3 REINTRODUCTION OF ALTERNATIVE OFFERS

Where a firm statement has been made that an alternative offer will not be extended or reintroduced and that alternative has ceased to be open for acceptance, neither that alternative, nor any substantially similar alternative, may be reintroduced. Where, however, such a statement has not been made and an alternative offer has closed for acceptance, a Bidder will not be precluded from reintroducing that alternative at a later date. Reintroduction would constitute a revision of the offer and would, therefore, be subject to the requirements of, and only be permitted as provided in, Paragraph 31.

PARAGRAPH 33 RIGHT OF WITHDRAWAL⁵

33.1 WHEN THE RIGHT OF WITHDRAWAL MAY BE EXERCISED

An accepting shareholder must be entitled to withdraw his acceptance from the date which is 21 days after the first closing date of the initial offer, if the offer has not by such date become or been declared unconditional as to acceptances. This entitlement to withdraw must be exercisable until the earlier of:

- (a) the time that the offer becomes or is declared unconditional as to acceptances; and

⁴ *This Paragraph is disapplied in a scheme. See Paragraph 38.*

⁵ *This Paragraph is disapplied in a scheme.*

- (b) the final time for lodgement of acceptances which can be taken into account in accordance with Paragraph 30.6.

33.2 TARGET PROTECTION CONDITIONS

An accepting shareholder must be entitled to withdraw his acceptance if so determined by the Panel in accordance with Paragraph 12.6.

33.3 RETURN OF DOCUMENTS OF TITLE

If a shareholder withdraws his acceptance, all documents of title and other documents lodged with the form of acceptance must be returned as soon as practicable following the receipt of the withdrawal (and in any event within 14 days) and the receiving agent should immediately give instructions for the release of securities held in escrow.

RESTRICTIONS FOLLOWING OFFERS

PARAGRAPH 34

34.1 DELAY OF 12 MONTHS

Except with the consent of the Panel, where an offer has been announced or made but has not become or been declared wholly unconditional and has been withdrawn or has lapsed, neither the Bidder, nor any person who acted in concert with the Bidder in the course of the original offer, nor any person who is subsequently acting in concert with any of them, may within 12 months from the date on which such offer is withdrawn or lapses either:

- (a) announce an offer or possible offer for the Target (including a partial offer which could result in the Bidder and persons acting in concert with it being interested in shares carrying 30% or more of the voting rights of the Target);
- (b) acquire any interest in shares of the Target if the Bidder or any such person would thereby become obliged under Paragraph 9 to make an offer;
- (c) acquire any interest in, or procure an irrevocable commitment in respect of, shares of the Target if the shares in which such person, together with any persons acting in concert with him, would be interested and the shares in respect of which he, or they, had acquired irrevocable commitments would in aggregate carry 30% or more of the voting rights of the Target;
- (d) make any statement which raises or confirms the possibility that an offer might be made for the Target; or
- (e) take any steps in connection with a possible offer for the Target where knowledge of the possible offer might be extended outside those who need to know in the Bidder and its immediate advisers.

34.2 PARTIAL OFFERS

The restrictions in Paragraph 34.1 will also apply following a partial offer:

- (a) which could result in the Bidder and persons acting in concert with it being interested in shares carrying not less than 30% but not holding shares carrying more than 50% of the voting rights of the Target whether or not the offer has become or been declared wholly unconditional. When such an offer has become or been declared wholly unconditional, the period of 12 months runs from that date; and
- (b) for more than 50% of the voting rights of the Target which has not become or been declared wholly unconditional.

The restrictions in Paragraph 34.1 will not normally apply following a partial offer which could only result in the Bidder and persons acting in concert with it being interested in shares carrying less than 30% of the voting rights of the Target.

34.3 DELAY OF 6 MONTHS BEFORE ACQUISITIONS ABOVE THE OFFER VALUE

Except with the consent of the Panel, if a person, together with any person acting in concert with him, holds shares carrying more than 50% of the voting rights of a company, neither that person nor any person acting in concert with him may, within 6 months of the closure of any previous offer made by him to the shareholders of that company which became or was declared wholly unconditional, make a second offer to any shareholder in that company, or acquire any interest in shares in that company, on more favourable terms than those made available under the previous offer (see also Paragraph 6.2(a)). For this purpose the value of a securities exchange offer shall be calculated as at the date the offer closed. In addition, special deals with favourable conditions attached may not be entered into during this 6 months period (see also Paragraph 15.1).

34.4 RESTRICTIONS ON DEALINGS BY A COMPETING BIDDER WHOSE OFFER HAS LAPSED

Except with the consent of the Panel, where an offer has been one of two or more competing offers and has lapsed, neither that Bidder, nor any person acting in concert with that Bidder, may acquire any interest in shares in the Target on more favourable terms than those made available under its lapsed offer until each of the competing offers has either been declared unconditional in all respects or has itself lapsed. For these purposes, the value of the lapsed offer shall be calculated as at the day the offer lapsed.

PARTIAL OFFERS

PARAGRAPH 35

35.1 PANEL'S CONSENT REQUIRED

The Panel's consent is required for any partial offer. In the case of an offer which could not result in the Bidder and persons acting in concert with it being interested in shares

carrying 30% or more of the voting rights of a company, consent will normally be granted.

35.2 ACQUISITIONS BEFORE THE OFFER

In the case of an offer which could result in the Bidder and persons acting in concert with it being interested in shares carrying 30% or more but holding less than 100% of the voting rights of a company, such consent will not normally be granted if the Bidder or persons acting in concert with it have acquired, selectively or in significant numbers, interests in shares in the Target during the 12 months preceding the application for consent or if interests in shares have been acquired at any time after the partial offer was reasonably in contemplation.

35.3 ACQUISITIONS DURING AND AFTER THE OFFER

The Bidder and persons acting in concert with it may not acquire any interest in shares in the Target during the offer period. In addition, in the case of a successful partial offer, neither the Bidder, nor any person who acted in concert with the Bidder in the course of the partial offer, nor any person who is subsequently acting in concert with any of them, may, except with the consent of the Panel, acquire any interest in such shares during a period of 12 months after the end of the offer period.

35.4 OFFER FOR BETWEEN 30% AND 50%

When an offer is made which could result in the Bidder and persons acting in concert with it being interested in shares carrying not less than 30% but not holding shares carrying more than 50% of the voting rights of a company, the precise number of shares offered for must be stated and the offer may not be declared unconditional as to acceptances unless acceptances are received for not less than that number.

35.5 OFFER FOR 30% OR MORE REQUIRES 50% APPROVAL

Any offer which could result in the Bidder and persons acting in concert with it being interested in shares carrying 30% or more of the voting rights of a company must be conditional, not only on the specified number of acceptances being received, but also on approval of the offer, normally signified by means of a separate box on the form of acceptance, being given in respect of over 50% of the voting rights held by shareholders who are independent of the Bidder and persons acting in concert with it. This requirement may on occasion be waived if over 50% of the voting rights of the Target are held by one shareholder.

35.6 WARNING ABOUT CONTROL POSITION

In the case of a partial offer which could result in the Bidder, either alone or with persons acting in concert with it, holding shares carrying over 50% of the voting rights of the Target, the offer document must contain specific and prominent reference to this and to the fact that, if the offer succeeds, the Bidder or, where appropriate, the Bidder and persons acting in concert with it, will be free, subject to Paragraph 35.3, to acquire

further interests in shares without incurring any obligation under Paragraph 9 to make a general offer.

35.7 SCALING DOWN

Partial offers must be made to all shareholders of the class and arrangements must be made for those shareholders who wish to do so to accept in full for the relevant percentage of their holdings. Shares tendered in excess of this percentage must be accepted by the Bidder from each shareholder in the same proportion to the number tendered to the extent necessary to enable it to obtain the total number of shares for which it has offered.

35.8 COMPARABLE OFFER

When an offer is made for a company with more than one class of equity share capital which could result in the Bidder and persons acting in concert with it being interested in shares carrying 30% or more of the voting rights, a comparable offer must be made for each class.

REDEMPTION OR PURCHASE BY A COMPANY OF ITS OWN SECURITIES

PARAGRAPH 36

36.1 POSSIBLE REQUIREMENT TO MAKE A MANDATORY OFFER

When a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Paragraph 9. Subject to prior consultation, the Panel will normally waive any resulting obligation to make a general offer if there is a vote of independent shareholders and a procedure on the lines of that set out in the Guidance Notes to Paragraph 9.1 is followed.

36.2 LIMITATION ON SUBSEQUENT ACQUISITIONS

Subsequent to the redemption or purchase by a company of its own voting shares, all persons will be subject, in acquiring further interests in shares in the company, to the provisions of Paragraph 9.1.

DEALINGS BY CONNECTED EXEMPT PRINCIPAL TRADERS

PARAGRAPH 37

37.1 PROHIBITED DEALINGS

An exempt principal trader connected with a Bidder or the Target must not carry out any dealings with the purpose of assisting the Bidder or the Target, as the case may be.

37.2 DEALINGS BETWEEN BIDDERS AND CONNECTED EXEMPT PRINCIPAL TRADERS

A Bidder and any person acting in concert with it must not deal as principal with an exempt principal trader connected with the Bidder in relevant securities of the Target during the offer period. It will generally be for the advisers to the Bidder (including a corporate broker) to ensure compliance with this Paragraph rather than the principal trader. (See also Paragraph 4.2(b).)

37.3 ASSENTING SECURITIES AND DEALINGS IN ASSENTED SECURITIES

An exempt principal trader connected with the Bidder must not assent Target securities to the offer or purchase such securities in assented form until the offer is unconditional as to acceptances.

37.4 VOTING

Securities owned by an exempt principal trader connected with a Bidder or the Target must not be voted in the context of an offer.

SCHEMES OF ARRANGEMENT

PARAGRAPH 38

Definitions and interpretation for this Paragraph

Court sanction hearing

The hearing of the court to sanction a scheme of arrangement.

Effective date

Effective date means:

- (a) the date on which the order of the court sanctioning the scheme is delivered to the registrar of companies for registration; or
- (b) if later, the date on which the order of the court confirming any associated reduction of capital and statement of capital are delivered to the registrar of companies for registration or, if the court so orders, the date on which they are registered.

Long-stop date

The date stated in the scheme circular to be the latest date by which the scheme must become effective and included as such in the terms of the scheme.

Offer documents and Target board circulars

In the case of a scheme of arrangement, references in the Takeover Rules to an offer document or to the Target board circular (and related expressions) shall be construed as references to the scheme circular and references to a revised offer document or to a

subsequent Target board circular (and related expressions) shall be construed as references to any supplementary scheme circular.

Shareholder meetings

The meeting of shareholders of the Target (or meetings of relevant classes of shareholders) convened by the court to consider a resolution to approve a scheme of arrangement and any general meeting of the Target (and related class meetings) convened to consider any resolution to approve or give effect to a scheme.

38.1 APPLICATION OF THE CODE TO SCHEMES OF ARRANGEMENT

The provisions of the Takeover Rules apply to an offer effected by means of a scheme of arrangement in the same way as they apply to an offer effected by means of a contractual offer, except as set out in this Paragraph.

38.2 MANDATORY OFFERS

An obligation to make a mandatory offer under Paragraph 9 may not be satisfied by way of a scheme of arrangement except with the prior consent of the Panel.

38.3 EXPECTED SCHEME TIMETABLE

- (a) Where a Bidder announces a firm intention to make an offer which is to be implemented by means of a scheme of arrangement and the board of the Target agrees to the inclusion of a statement of its intention to recommend the scheme in that announcement, then the Target company must, except with the consent of the Panel, ensure that the scheme circular is sent to shareholders and persons with information rights within 28 days of that announcement. If the Target board subsequently withdraws its recommendation, this obligation will cease.
- (b) The parties to the offer are permitted to include within the conditions to the scheme:
 - (i) a long-stop date by which the scheme must become effective (unless extended with the agreement of the parties to the offer);

App 7.3

- (ii) a specific date by which the shareholder meetings must be held (unless extended with the agreement of the parties to the offer), provided that the date specified must be more than 21 days after the expected date of the shareholder meetings to be set out in the scheme circular; and
 - (iii) a specific date by which the court sanction hearing must be held (unless extended with the agreement of the parties to the offer) provided that the date specified must be more than 21 days after the expected date of the court sanction hearing to be set out in the scheme circular.
- (c) Any condition referred to in paragraph (b) above:

- (i) must be given prominent reference in the Bidder's announcement of a firm intention to make an offer;
 - (ii) must not be capable of being invoked or waived after the date specified unless extended with the agreement of the parties to the offer; and
 - (iii) will not be subject to Paragraph 12.5(a).
- (d) The Target must ensure that the scheme circular sets out the expected timetable for the scheme, including the expected dates and times for the following:
- (i) the record date for any shareholder meeting;
 - (ii) the latest date and time for the lodging of forms of proxy or elections for any alternative form of consideration;
 - (iii) the date and time of any shareholder meetings, which must normally be convened for a date which is at least 21 days after the date of the scheme circular;
 - (iv) the date and time of any meetings of the shareholders of the Bidder to be convened in connection with the offer;
 - (v) the date of the court sanction hearing;
 - (vi) the record date for the purposes of the scheme and/or any reduction of capital provided for by the scheme;
 - (vii) the date and time of any proposed suspension in trading of shares or other securities of the Target;
 - (viii) the date of any court hearing to confirm any reduction of capital provided for by the scheme;
 - (ix) the effective date;
 - (x) the date and time of the admission to trading of any Bidder securities to be issued in connection with the scheme; and
 - (xi) the long-stop date.
- (e) Upon publication of the scheme circular, the Target must announce in accordance with Paragraph 2.9 that the scheme circular has been published and include in that announcement the expected timetable, including the expected dates and times referred to in paragraph (d) above.
- (f) The Target company must implement the scheme in accordance with the expected timetable, as published (subject to any change to the expected timetable announced in accordance with Section 6 below), unless:

- (i) the board of the Target withdraws its recommendation of the scheme;
- (ii) the board of the Target announces its decision to propose an adjournment of a shareholder meeting or the court sanction hearing;
- (iii) a shareholder meeting or the court sanction hearing is adjourned; or
- (iv) any condition to the scheme is invoked by the Bidder in accordance with the Takeover Rules.

38.4 HOLDING STATEMENTS

- (a) When a Bidder has announced a firm intention to make an offer to be implemented by means of a scheme of arrangement and it has been announced that a potential competing Bidder might make an offer (see Paragraphs 2.6(d) and (e)), the Panel will normally require the potential Bidder to clarify its position by no later than 5.00 pm on the seventh day prior to the date of the shareholder meetings.
- (b) Where appropriate, however, taking into account all relevant factors, including:
 - (i) the interests of Target shareholders and the desirability of clarification prior to the shareholder meetings; and
 - (ii) the time which the potential Bidder has had to consider its position,
 the Panel may permit the potential Bidder to clarify its position after the date of the shareholder meetings but before the date of the court sanction hearing.
- (c) The Panel will announce the deadline by which clarification is required under paragraph (a) or (b) above.

38.5 ANNOUNCEMENTS FOLLOWING KEY EVENTS IN A SCHEME

- (a) If the parties to the offer include any condition to the scheme in accordance with Paragraph 38.3(b) above and any such condition is not capable of being satisfied by the date specified in that condition, the Bidder must make an announcement as soon as practicable and, in any event, by no later than 8.00 am on the business day following the date so specified, stating whether the Bidder has invoked that condition, waived that condition or, with the agreement of the Target, specified a new date by which that condition must be satisfied.
- (b) As soon as practicable after the votes on the relevant resolutions at the shareholder meetings and, in any event, by no later than 8.00 am on the business day following the shareholder meetings, the Target must make an announcement stating whether or not the resolutions were passed by the requisite majorities (and, if not, whether or not the scheme has lapsed) and giving details of the voting results in relation to the meetings, including:

- (i) in the case of any general meeting of the Target company convened to consider any resolution to approve or give effect to the scheme, if a poll was taken, the number of shares of each class which were voted for and against the resolutions and the percentage of the shares voted which those numbers represent; and
- (ii) in the case of each court-convened meeting:
 - (A) the number of shareholders of the class who voted for and against the resolution to approve the scheme and the percentage of those voting shareholders which those numbers represent;
 - (B) the number of shares of the class which were voted for and against the resolution to approve the scheme and the percentage of the total shares voted which those numbers represent; and
 - (C) the percentage of the issued shares of the class which the shares voted for and against the resolutions represent.
- (c) As soon as practicable following the court sanction hearing, the Target must make an announcement stating the decision of the court and including details of whether the scheme will proceed or has lapsed.
- (d) As soon as practicable on the effective date, the Target or the Bidder must make an announcement stating that the scheme has become effective.

38.6 CHANGES TO THE EXPECTED SCHEME TIMETABLE

- (a) Any adjournment of a shareholder meeting or court sanction hearing, or a decision by the Target board to propose such an adjournment, must be announced promptly by the Target in accordance with the requirements of Paragraph 2.9. If the meeting or hearing is adjourned to a specified date, the announcement should set out the relevant details. If the meeting or hearing is adjourned without at the same time specifying a date for the adjourned meeting, a further announcement should be made in accordance with the requirements of Paragraph 2.9 once the new date has been set.
- (b) Similarly, except with the consent of the Panel, any other change to the expected timetable of events set out in the scheme circular must be announced promptly by the Bidder or Target (as appropriate) in accordance with the requirements of Paragraph 2.9.
- (c) In all cases, the Panel should be consulted as to whether notice of an adjournment of any meeting or hearing or any other delay in, or change to, the expected timetable should, in addition, be sent to Target shareholders and persons with information rights.

38.7 REVISION

- (a) Any revision to a scheme of arrangement should normally be made by no later than the date which is 14 days prior to the date of the shareholder meetings (or any later date to which such meetings are adjourned). The consent of the Panel must be obtained if it is proposed to make any revision to a scheme either:

- (i) (a) less than 14 days prior to the date of the shareholder meetings (or any later date to which such meetings are adjourned); or
- (ii) (b) following the shareholder meetings.

38.8 SWITCHING

- (a) With the consent of the Panel, the Bidder may switch from a scheme of arrangement to a contractual offer or from a contractual offer to a scheme of arrangement, whether or not the Bidder has reserved the right to change the structure of the offer.
- (b) The Panel will determine the offer timetable that will apply following any switch to which it consents.
- (c) The Bidder must announce a switch in accordance with the requirements of Paragraph 2.9. The announcement must include:
 - (i) details of all changes to the terms and conditions of the offer as a result of the switch;
 - (ii) details of any material changes to the other details originally announced pursuant to Paragraph 2.7(c);
 - (iii) an explanation of the offer timetable applicable following the switch (as determined by the Panel); and
 - (iv) an explanation of whether or not any irrevocable commitments or letters of intent procured by the Bidder or any person acting in concert with it will remain valid following the switch.

38.9 ALTERNATIVE CONSIDERATION

- (a) If a scheme of arrangement permits shareholders to elect to receive any alternative form of consideration, or to elect, subject to the election of others, to vary the proportions in which they receive different forms of consideration, the ability of shareholders to make such elections must not be closed off or withdrawn before the shareholder meetings.
- (b) A shareholder who has elected to receive a particular form of consideration in respect of any of his shares must be entitled to withdraw his election. However, this right may be shut off not earlier than one week prior to the date on which the court sanction hearing is originally proposed to be held or, if for any reason the court sanction hearing is rearranged for a later date, not earlier than one week prior to that later date.

38.10 SETTLEMENT OF CONSIDERATION

Except with the consent of the Panel, the consideration must be sent to Target shareholders within 14 days of the effective date. The terms of the scheme must reflect this requirement.

38.11 RETURN OF DOCUMENTS OF TITLE

If an offer being implemented by way of a scheme lapses or is withdrawn, or if a shareholder withdraws his election for a particular form of consideration, all documents of title and other documents lodged with any form of election must be returned as soon as practicable (and in any event within 14 days of such lapsing or withdrawal) and the receiving agent should immediately give instructions for the release of securities held in escrow.

38.12 VOTING BY CONNECTED EXEMPT PRINCIPAL TRADERS

Except with the consent of the Panel, securities owned by an exempt principal trader connected with a Bidder or the Target must not be voted on a resolution put to shareholders in the Target to approve or to give effect to a scheme of arrangement. The Panel will normally grant its consent in the following circumstances:

- (a) an exempt principal trader connected with a Bidder whose offer is being implemented by way of a scheme will normally be permitted to vote against the scheme but will not normally be permitted to vote in favour of it;
- (b) an exempt principal trader connected with a competing Bidder (or potential Bidder) will normally be permitted to vote in favour of such a scheme but will not normally be permitted to vote against it; and
- (c) an exempt principal trader connected with the Target will normally be permitted to vote in favour of or against the scheme.

38.13 SCHEMES WHICH DO NOT HAVE THE SUPPORT OF THE TARGET BOARD

The Panel should be consulted if a Bidder is considering announcing an offer or possible offer which it is proposed will be implemented by means of a scheme of arrangement without, prior to such announcement, obtaining the support of the Target board.

38.14 INCORPORATION OF OBLIGATIONS AND RIGHTS

In addition to the relevant requirements of Paragraphs 23 and 24, the scheme circular must incorporate language which appropriately reflects those parts of Paragraph 12.5(a) and 12.6 (if applicable) and of this Paragraph 38 which impose timing obligations or confer rights or impose restrictions on Bidders, Target companies or shareholders of Target companies.

38.15 ADMISSION TO LISTING AND ADMISSION TO TRADING CONDITIONS

Where securities are offered as consideration and it is intended that they should be admitted to listing on the Official List and/ or to trading on a recognised investment exchange, the relevant admission to listing and/ or trading condition should, except with the consent of the Panel, be in terms which ensure that it is capable of being satisfied only when all steps required for the admission to listing or trading have been

completed other than the Financial Services Regulator and/or the relevant recognised investment exchange, as applicable, having announced their respective decisions to admit the securities to listing or trading. Where securities are offered as consideration and it is intended that they should be admitted to listing or to trading on any other investment exchange or market, the Panel should be consulted.

38.16 PROVISIONS DISAPPLIED IN A SCHEME

The following provisions of the Takeover Rules do not apply to a scheme of arrangement:

- (a) Paragraph 4.5 (restriction on the Target accepting an offer in respect of treasury shares);
- (b) Paragraph 10 (the acceptance condition);
- (c) Paragraphs 16.1 and 16.2 (announcement of acceptance levels);
- (d) Paragraph 17 (the use of proxies and other authorities in relation to acceptances);
- (e) Paragraph 22.7 (incorporation of obligations and rights) and Paragraph 23.14 (cash underwritten alternatives which may be shut off);
- (f) Paragraph 23.10 (admission to listing and admission to trading conditions);
- (g) Paragraphs 30.1 to 30.10 (timing of the offer);
- (h) Paragraph 31.1(c);
- (i) Paragraphs 33.1 to 33.3 (alternative offers); and
- (j) Paragraph 34 (right of withdrawal).