

Bermuda Takeover Code
for
Mandarin Oriental International Limited

Pursuant to Section 17(2) of The Mandarin Oriental International Limited Consolidation and Amendment Act 1988 (as amended by The Mandarin Oriental International Limited Amendment Act 1993, The Mandarin Oriental International Limited Amendment Act 1996 and The Mandarin Oriental International Limited Amendment Act 1998), which confers upon the Bermuda Monetary Authority the right to amend the existing regulations and to make further regulations, the Bermuda Monetary Authority had made the following changes to The Mandarin Oriental International Limited Regulations 1993 ("the principal Regulations") which comprise the Bermuda Takeover Code for Mandarin Oriental International Limited with effect from 6th June 2007:

Regulation 1 of the principal Regulations amended

(1) Regulation 1(2) of the principal Regulations is amended-

(a) by inserting the following new definitions in their alphabetical place -

“connected advisers” includes the following:-

(i) in relation to the offeror or the Company:-

(a) an organisation which is advising that party in relation to the offer;
and

(b) a corporate broker to that party;

(ii) in relation to a person who is acting in concert with the offeror or with the directors of the Company, 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; and

(iii) in relation to a person who is an associate of the offeror or of the Company within the meaning of Section 7(1) of the Act, an organisation which is advising that person in relation to the offer.”;

“irrevocable commitments and letters of intent” include irrevocable commitments and letters of intent to accept or not to accept an offer and also irrevocable commitments and letters of intent to vote (or to procure that any other person vote) in favour of or against a resolution of an offeror or the Company in the context of the offer.”;

(b) by deleting the definitions of “connected fund manager” and “connected market-maker” and substituting the following-

“connected fund manager” and “connected principal trader” mean a fund manager or principal trader which is controlled by, controls or is under the same control as:-

(i) an offeror or any person acting in concert with it;

(ii) the Company or any person acting in concert with its directors;

(iii) any connected adviser to any person covered in (i) or (ii).”;

(c) by inserting at the end of the definition of “derivative” the following-

“A derivative which is referenced to a basket or index of securities, including relevant securities, will not be regarded 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 one per cent. of the class in issue and, in addition, less than twenty per cent. of the value of the securities in the basket or index.”

(d) in the definition of “market-maker” by deleting “market-maker” and substituting “principal trader”.

(2) Regulation 1(3) of the principal Regulations is amended -

(a) by deleting subparagraphs (a) and (b) and substituting the following subparagraphs-

“(a) A fund manager when acting in his capacity as such shall be presumed not to be acting in concert with any other person unless the contrary is established to the satisfaction of the Authority or save in relation to any persons who fall within the scope of Section 7(2)(v) of the Act.

(b) A principal trader when acting in his capacity as such shall be presumed not to be acting in concert with any other person (including such entities or persons who fall within the scope of Section 7(2)(vi) of the Act and who are part of the same multi-service financial organisation as the principal trader) unless the contrary is established to the satisfaction of the Authority.”.

(b) by inserting after subparagraph (d) the following subparagraphs-

“(e) The presumption that a company is acting in concert with any of its pension funds will be rebutted if it can be demonstrated to the Authority’s satisfaction that the assets of the pension fund 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 the fund. Where, however, the discretion given is not absolute, the presumption will be capable of being rebutted, provided that the pension fund trustees do not exercise any powers they have retained to intervene in such decisions.

(f) Where a fund manager sub-contracts discretionary management of funds to another independent fund manager, the Authority will 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 the presumption under Section 7(2)(v) of the Act 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.”.

Regulation 3 of the principal Regulations amended

Regulation 3 of the principal Regulations is amended-

(a) in paragraph (4) -

(i) by inserting at the end of subparagraph (a) the following-

“Such an announcement should also include a summary of the provisions of Regulation 9.”

(ii) by deleting the word “and” at the end of subparagraph (b)(i);

- (iii) by changing the full stop at the end of subparagraph (b)(ii) to a semi-colon followed by the word “and”; and
- (iv) by inserting a new subparagraph (b)(iii) as follows-
 - “(iii) if a potential offeror makes it clear, pursuant to Regulation 3(4)(b)(ii), that it may elect not to make an offer it must 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.”;
- (b) in paragraph (5) -
 - (i) by deleting subparagraph (b)(iii)(C) (D) and (E) and substituting the following-
 - “(C) in respect of which the offeror or any of its associates has procured an irrevocable commitment or a letter of intent;
 - (D) in respect of which the offeror holds an option or right to subscribe or which the offeror is contractually entitled (whether or not conditionally) to acquire;
 - (E) in respect of which any person acting in concert with the offeror holds an option or right to subscribe or which such person is contractually entitled (whether or not conditionally) to acquire.”;
 - (ii) by deleting subparagraph (b)(viii) and substituting the following-
 - “a summary of the provisions of Regulation 9.”;
- (c) in paragraph (6) by inserting at the end of the paragraph the following-
 - “Any circular published under this Regulation should also include a summary of the provisions of Regulation 9.”
- (d) in paragraph (7) by deleting subparagraph (a) and substituting the following -
 - “(a) When there has been an announcement of a firm intention to make an offer, the offeror must, subject to Regulation 3(7)(b) proceed with the offer unless, in accordance with the provisions of Regulation 13, the offeror is permitted to invoke a pre-condition to the posting of the offer or would be permitted to invoke a condition to the offer if the offer were made.”.

Regulation 5 of the principal Regulations amended

Regulation 5 of the principal Regulations is amended -

- (a) in paragraph (2) by inserting the following subparagraph after subparagraph (b) -
 - “(c) During an offer period, the offeror and persons acting in concert with it must not deal in any securities in the Company through any anonymous order book system, or through any other means, unless, in either case, it can be

established that the seller is not a connected principal trader connected with the offeror.

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.”.

- (b) in paragraph (6) by deleting “market-maker” and substituting “principal trader”;
- (c) in paragraph (7) by deleting “connected market-maker” and substituting “connected principal trader”;
- (d) by deleting paragraph (8) and substituting the following -

“A person may only contact a private individual or small corporate shareholder in the Company with a view to seeking an irrevocable commitment if arrangements are made to ensure that adequate information is given as to the nature of the commitment sought together with an adequate opportunity to consider whether or not that commitment should be given and to obtain independent advice if required.”;
- (e) in paragraph (9) -
 - (i) by deleting “stockbroker” and substituting “corporate broker”; and
 - (ii) by inserting at the end of subparagraph (9)(c) the following -

“The foregoing provisions of subparagraph (9)(c) do not prevent an adviser to the Company from procuring irrevocable commitments or letters of intent not to accept an offer.”.

Regulation 6 of the principal Regulations amended

Regulation 6 of the principal Regulations is amended-

- (a) in paragraph (1) by deleting “market-maker” where it occurs and in each case substituting “principal trader”;
- (b) in paragraph (6) -
 - (i) by deleting “market-maker” and substituting “principal trader” where it occurs in subparagraph 6(a);
 - (ii) by deleting subparagraph (b) and substituting -

“(b) In Regulations 6(1) and 6(4), “single shareholder” shall not include a principal trader or a fund manager who manages investments on behalf of a number of underlying clients (whether or not on a discretionary basis).”;
- (c) in paragraph (8) by inserting at the end of the paragraph the following -

“Any announcement must comply with the requirements of Regulation 9(7) regarding the disclosure of the identity of the person dealing and, if different, the owner or controller.”.

Regulation 9 of the principal Regulations amended

Regulation 9 of the principal Regulations is amended -

- (a) in paragraph (1) by deleting subparagraph (c) and substituting the following -

“All dealings in relevant securities made during an offer period for the account of discretionary investment clients by an associate which is a connected fund manager (whether with the offeror or the Company, as the case may be), must be privately disclosed in accordance with Regulations 9(5), 9(6) and 9(7). If the connected fund manager is required to disclose publicly under Regulation 9(3), private disclosure will not be required in addition to such public disclosure.”;

- (b) in paragraph (3) by deleting subparagraph (d) and renumbering subparagraph (e) as (d);

- (c) in paragraph (4) by inserting at the end as new paragraphs the following -

“For the purpose of the disclosure of dealings, 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.

Where it has been announced that an offer or possible offer is, or is likely to be, solely in cash, there is no requirement to disclose dealings in relevant securities of the offeror.

Subscribing or agreeing to subscribe for new relevant securities will also be regarded as a dealing.”;

- (d) in paragraph (7) by -

- (i) deleting subparagraph (a) and substituting the following -

“(a) Where a disclosure is made pursuant to Regulation 9(1)(a) or (b), it is not necessary to disclose the same information pursuant to Regulation 9(3). A public disclosure of dealings must include the following information in addition to any requirements referred to in Regulation 9(6)(a):-

- (i) the total of the relevant securities in question of an offeror or of the Company purchased or sold and details of all outstanding options in respect of, and derivatives referenced to, those relevant securities;
- (ii) the prices paid or received (in the case of an average price bargain, each underlying trade should be disclosed);

- (iii) the identity of the associate or other person dealing and, if different, of the beneficial owner of or person who controls such associate or other person;
- (iv) if the dealing is by an associate, an explanation of how that status arises;
- (v) where a person required to make a disclosure has a short position in the relevant security of the company concerned, the number of relevant securities of which that person is short (and the percentage of the class of relevant securities which it represents) should be disclosed;
- (vi) the resultant total amount of relevant securities owned or controlled by the associate or other person in question (including those of any person with whom there is an agreement or understanding) and the percentage which it represents; and
- (vii) if relevant, details of any arrangements required by Regulation 9(8).

For the avoidance of doubt, 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), the disclosure must include the required information in relation to each such dealing so executed.

For the purpose of disclosing identity, the beneficial owner or person who controls the person dealing must be specified, in addition to the person dealing and the names of any nominees or vehicle companies used. In addition, the identity of any other person interested in the securities in question must also be disclosed. In the case of disclosure of dealings by fund managers on behalf of discretionary clients, the clients need not be named.

Where an offeror or any person acting in concert with it purchases Company securities on a specially cum or specially ex dividend basis, details of that fact should also be disclosed.

Percentages should be calculated by reference to the numbers of relevant securities given in a company's latest announcement required by Regulation 3(11).

In the case of option business or dealing in derivatives, full details must be given so that the nature of the dealings can be fully understood. For options this must include 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 must include 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.

In addition, if there exists any agreement, arrangement or understanding, formal or informal, between the person dealing 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.

If, following a public disclosure made under Regulation 9, 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 Regulation 9.

If an associate is an associate for more than one reason all the reasons must be specified.

A disclosure by a connected fund manager must specify the name of the offeror with which it is connected and the nature of the connection, or if it is connected with the Company it must specify this and the nature of the connection.”;

- (ii) inserting as a new paragraph at the end of subparagraph (b) the following -

“A disclosure by a connected fund manager must specify the name of the offeror with which it is connected and the nature of the connection, or if it is connected with the Company it must specify this and the nature of the connection.”;

- (e) in paragraph (8) by inserting as a new subparagraph (d) the following -

“(d) This Regulation 9(8) does not apply to irrevocable commitments or letters of intent, which are subject to Regulation 9(13).”;

- (f) in paragraph (9) -

- (i) by deleting subparagraph (a);
- (ii) by renumbering subparagraph (9)(b) as new paragraph (9); and
- (iii) by deleting from paragraph (9) and following -

“, subject to Regulation 9(9)(a),”;

- (g) in paragraph (10) by deleting the paragraph and substituting the following paragraph (10) -

“If a potential offeror has been the subject of an announcement that talks are taking place (whether or not the potential offeror has been named) or has announced that it is considering making an offer, the potential offeror and persons acting in concert with it must disclose dealings in accordance with Regulation 9(1) and must disclose the procuring of irrevocable commitments or letters of intent in accordance

with Regulation 9(13) and such disclosures must include the identity of the potential offeror.”;

- (h) by inserting after paragraph (11) the following paragraphs -

“(12) Discretionary fund managers

The principle applied by the Authority is that where the investment decision is made by a discretionary fund manager the relevant securities are treated as controlled by him and not by the person on whose behalf the fund is managed. For that reason, Regulation 9(3)(c) requires a discretionary fund manager to aggregate the investment accounts which he manages for the purpose of determining whether he has an obligation to disclose. The beneficial owner would not, therefore, be concerned with disclosure to the extent that his investment is managed on a discretionary basis. However, where any of the funds managed on behalf of a beneficial owner are not managed by the fund manager originally contracted to do so but are managed by a different independent third party who has discretion regarding dealing, voting and offer acceptance decisions, the fund manager to whom the management of the funds has been sub-contracted (and not the originally contracted fund manager) is required to aggregate those funds and to comply with the relevant disclosure obligations accordingly.

This approach assumes that the discretionary fund manager does not take instructions from the beneficial owner (or, in the case of sub-contracted funds, from the originally contracted manager or the beneficial owner) on the dealings in question and that fund management arrangements are not established or used to avoid disclosure.

(13) Irrevocable commitments and letters of intent

- (a) During an offer period, if an offeror or the Company or any of their respective associates procures an irrevocable commitment or a letter of intent, the offeror or the Company (as appropriate) must publicly disclose the details in accordance with Regulations 9(5), 9(6) and 9(13)(c).
- (b) 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 offeror or Company (as appropriate) of the up-to-date position. Upon receipt of such a notification, the offeror or the Company must promptly make an appropriate announcement of the information notified to it together with all relevant details.
- (c) A disclosure of the procuring of an irrevocable commitment or a letter of intent must provide full details of the nature of the commitment or letter including:-

- (i) the number of shares of each class to which the irrevocable commitment or letter of intent relates;
- (ii) the identity of the person from whom the irrevocable commitment or letter of intent has been procured. For this purpose, the information which should be disclosed is that which would be required by Regulation 9(7)(a) if the person concerned were disclosing a dealing in relevant securities;
- (iii) in respect of an irrevocable commitment, the circumstances (if any) in which it will cease to be binding; and
- (iv) in the case of an irrevocable commitment or a letter of intent procured prior to the announcement of a firm intention to make an offer under Regulation 3(5), the value (and any other material terms) of the possible offer in respect of which the commitment or letter has been procured. (See Regulations 3(4)(d) and 3(4)(e).)

No separate disclosure by an offeror is required under Regulation 9(13)(a) where the relevant information is included in an announcement made under Regulation 3(5) which is released no later than 12 noon on the business day following the date on which the irrevocable commitment or letter of intent is procured.”.

Regulation 13 of the principal Regulations amended

Regulation 13 of the principal Regulations is amended –

- (a) in the heading by deleting “SUBJECTIVE CONDITIONS” and substituting “PRE-CONDITIONS IN FIRM OFFER ANNOUNCEMENTS AND OFFER CONDITIONS”;
- (b) in paragraph (1) -
 - (i) by inserting after “subject to conditions” the following -
“or pre-conditions”; and
 - (ii) by inserting after “directors of the offeror” the following -
“or the Company (as the case may be)”;
- (c) in paragraph (2) by inserting after “conditional” the following -
“or pre-conditional”;
- (d) by deleting paragraph (3) and substituting the following -

“(3) Invoking conditions and pre-conditions

- (a) An offeror shall not invoke any condition or pre-condition (but excluding for this purpose the acceptance condition and any condition of the kind permitted by Regulation 13(2)) 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 offeror in the context of the offer.

- (b) Following announcement of a firm intention to make an offer, an offeror should use all reasonable efforts to ensure the satisfaction of any conditions or pre-conditions to which the offer is subject.”;

- (e) by inserting after paragraph (4) the following paragraphs -

“(5) Acceptability of pre-conditions

Subject to Regulation 13(6) an offer must not be announced subject to a pre-condition unless the pre-condition:-

- (a) is included pursuant to Regulation 13(2); or
- (b) involves a material official authorisation or regulatory clearance relating to the offer and:-
 - (i) the offer is publicly recommended by the board of the Company; or
 - (ii) it would prove impossible to obtain the authorisation or clearance within the Regulation timetable.

(6) Financing pre-conditions

An offer may be made subject to a pre-condition relating to financing either in addition to a pre-condition permitted by Regulation 13(5) or otherwise if due to the likely period required to obtain any necessary material official authorisation or regulatory clearance, it is not reasonable for the offeror to maintain committed financing throughout the offer period, in which case:-

- (a) the financing pre-condition must be satisfied (or waived), or the offer must be withdrawn, within twenty-one days after the satisfaction (or waiver) of any other pre-condition or pre-conditions permitted by this Regulation; and
- (b) the offeror and its financial adviser must confirm in writing to the Authority before announcement of the offer that they are not aware of any reason why the offeror would be unable to satisfy the financing pre-condition within that twenty-one day period.

(7) Invoking offeree protection conditions

The Company should not invoke, or cause or permit the offeror 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 Company in the context of the offer.”.

Regulation 17 of the principal Regulations amended

Regulation 17 of the principal Regulations is amended by deleting paragraph (6) and substituting the following –

“An announcement under Regulation 17(1) must make clear the extent to which acceptances have been received from persons acting in concert with the offeror or in respect of shares which were subject to an irrevocable commitment or a letter of intent to accept the offer procured by the offeror or any of its associates. The announcement must also state the number of shares and rights over shares (as nearly as practicable) held before the offer period and acquired or agreed to be acquired during the offer period by persons acting in concert with the offeror.”.

Regulation 19 of the principal Regulations amended

Regulation 19 of the principal Regulations is amended in paragraph (6) by deleting subparagraph (c) and substituting the following –

“(c) An offeror or the Company must not make statements about the level of support from shareholders or other persons unless their up-to-date intentions have been clearly stated to the offeror or the Company (as is appropriate) or to their respective advisers and such statements are verified. Verification will include the shareholder or other person confirming its support in writing to the relevant party to the offer or its adviser. Such confirmation will then be treated as a letter of intent. Separate verification by an offeror will not be required where the information required by Regulation 9(13)(c) is included in an announcement made under Regulation 3(5) which is released no later than 12 noon on the business day following the date on which the letter of intent is procured.”.

Regulation 20 of the principal Regulations amended

Regulation 20 of the principal Regulations is amended in paragraph (1)(c) by deleting “stockbrokers” and substituting with “brokers”.

Regulation 24 of the principal Regulations amended

Regulation 24 of the principal Regulations is amended –

- (a) in paragraph (3) -
 - (i) by replacing the full stop at the end of subparagraph (n) with a semi-colon;
 - (ii) by inserting the following -
 - “(o) a summary of the provisions of Regulation 9;
 - (p) details of any irrevocable commitment or letter of intent which the offeror or any of its associates has procured in relation to shares in the Company (or, if appropriate, the offeror) (see Regulation 9(13)).”;
- (b) in paragraph (8) -
 - (i) by deleting the final paragraph of subparagraph (a) and substituting the following -

“If in any of the categories listed in (i) to (iv) above, there are no shareholdings, this fact must be stated; if, however, the person concerned

has a short position, full details must be given. This shall not apply to (iv) if there are no such arrangements.”;

(ii) by deleting subparagraph (a)(iv) and renumbering subparagraph (a)(v) as (a)(iv);

(iii) by deleting subparagraph (g) and substituting the following -

“(g) For the purpose of this Regulation 24(8), dealings includes any action which is regarded as a dealing for the purposes of Regulation 9(4).”;

(c) in paragraph (11) by deleting the first sentence and substituting the following -

“The offer document must incorporate language which appropriately reflects (by cross-reference or in any other appropriate manner) Regulations 11(4) to 11(9) and those parts of Regulations 13(3)(a), 13(7) (if applicable), 17 and 31 to 34 which impose timing obligations or confer rights or impose restrictions on offerors, the Company or shareholders of the Company.”.

Regulation 25 of the principal Regulations amended

Regulation 25 of the principal Regulations is amended -

(a) in paragraph (3) by deleting subparagraphs (a)(iii) to (g) and substituting the following -

“(iii) the shareholdings in the Company and (in the case of a securities exchange offer only) in the offeror owned or controlled by a company which is an associate of the Company by virtue of paragraph (i) of the definition of “associate” contained in Section 7(1) of the Act;

(iv) the shareholdings in the Company (and in the case of a securities exchange offer only) in the offeror owned or controlled by a pension fund of the Company or by a pension fund of a company which is an associate of the Company by virtue of paragraph (i) of the definition of “associate” in Section 7(1) of the Act;

(v) the shareholdings in the Company and (in the case of a securities exchange offer only) in the offeror owned or controlled by a person who has an arrangement of the kind referred to in Regulation 9(8)(c) with the Company or with any person who is an associate of the Company by virtue of paragraph (i), (ii), (iii) or (iv) of the definition of “associate” contained in Section 7(1) of the Act;

(vi) the shareholdings in the Company and (in the case of a securities exchange offer only) in the offeror owned or controlled by an employee benefit trust of the Company or by an employee benefit trust of a company which is an associate of the Company by virtue of paragraph (i) of the definition of “associate” in Section 7(1) of the Act;

- (vii) the shareholdings in the Company and (in the case of a securities exchange offer only) in the offeror owned or controlled by a connected adviser to the Company, to a company which is an associate of the Company by virtue of paragraph (i) of the definition of “associate” in Section 7(1) of the Act, or to a person acting in concert with the directors of the Company or by persons controlling, controlled by or under the same control as any such adviser (except for a connected principal trader or a connected fund manager);
 - (viii) whether the directors of the Company intend, in respect of their own beneficial shareholdings, to accept or reject the offer.
- (b) If, in any of the categories mentioned in Regulation 25(3)(a), there are no shareholdings, then this fact must be stated; if, however, the person concerned has a short position, full details shall be given. This requirement does not apply to (v) if there are no such arrangements.
 - (c) If any party whose shareholdings are required by Regulation 25(3) to be disclosed (whether there is an existing holding or not) has dealt for value in the shares in question during the offer period and ending with the latest practicable date prior to the posting of the circular, the details, including dates and prices, must be stated.
 - (d) In all cases, if no such dealings have taken place, this fact must be stated.
 - (e) When, as part of the transaction leading to an offer being made, some or all of the directors of the Company resign, this Regulation 25(3) applies to them and their shareholdings and dealings must be disclosed in the circular.
 - (f) The provisions set out in Regulations 24(8)(c) to 24(8)(f) (inclusive) shall apply mutatis mutandis to this Regulation 25(3).
 - (g) The provisions set out in Regulations 24(8)(c) to 24(8)(g) (inclusive) shall apply mutatis mutandis to this Regulation 25(3).
 - (h) Regulation 25(3)(a)(iv) does not apply in respect of any pension funds which are managed under an agreement or arrangement with an independent third party in the terms set out in Regulation 1(3)(e).”;
 - (b) by deleting paragraph (7) and substituting the following -

“(7) Material contracts, irrevocable commitments and letters of intent

The first major circular from the Board advising shareholders on an offer (whether recommending acceptance or rejection of the offer) 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 Company 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 Company or any of its subsidiaries; and

- (b) details of any irrevocable commitment or letter of intent which the Company or any of its associates has procured in relation to shares in the Company (or, if appropriate, the offeror) (see Regulation 9(13)).”.

Regulation 26 of the principal Regulations amended

Regulation 26 of the principal Regulations is amended –

- (a) by deleting paragraph (3) and substituting the following -

“any document evidencing an irrevocable commitment, or a letter of intent which has been procured by the offeror or the Company (as appropriate) or any of their respective associates;”;
- (b) in paragraph (8) by deleting “and”;
- (c) in paragraph (9) by deleting the full stop after “Regulation 24(3)(l)” and substituting “;and”;
- (d) by inserting after paragraph (9) the following paragraph -

“(10) 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 Regulation 9(8).”.

Regulation 27 of the principal Regulations amended

Regulation 27 of the principal Regulations is amended in paragraph (1) by deleting subparagraph (a) and substituting the following -

- “(a) changes or additions to material contracts, irrevocable commitments or letters of intent, in accordance with Regulations 24(2)(a)(x), 24(2)(c)(i), 24(3)(p) and 25(7);”.

Regulation 37 of the principal Regulations amended

Regulation 37 of the principal Regulations is amended in paragraph (5)(b) by deleting “the period commencing twelve months prior to”.

Regulation 38 of the principal Regulations amended

Regulation 38 of the principal Regulations is amended -

- (a) in paragraph (1) by deleting “market-maker” and substituting “principal trader”;
- (b) in paragraph (2) by deleting “market-maker” and substituting “principal trader”; and
- (c) in paragraph (3) by deleting paragraph (3) and substituting the following -

“A connected principal trader who is connected only with the offeror must not assent Company securities to the offer or purchase such securities in assented form until the offer is unconditional as to acceptances.”;
- (d) in paragraph (4) by deleting “market-maker” and substituting “principal trader”;

- (e) in paragraph (5) -
 - (i) by deleting “Dealings in relevant securities (as defined in Regulation 9) by a connected market-maker” and substituting “Dealings in relevant securities (as defined in Regulation 9), during the offer period, by a connected principal trader”;
 - (ii) by deleting “Dealings in securities of the offeror need not be disclosed except in the case of a securities exchange offer.” and substituting “Where it has been announced that an offer or possible offer is, or is likely to be, solely in cash, there is no requirement to disclose dealings in relevant securities of the offeror.”.

Regulation 50 of the principal Regulations amended

Regulation 50 of the principal Regulations is amended by deleting “market-maker” wherever it appears and substituting “principal trader” in each case.

APPENDIX 1 – SHAREHOLDERS’ APPROVAL (Regulations 6(4)(f), 10(1)(f) AND 37(1)(a))

Appendix 1 of the principal Regulations is amended -

- (a) by deleting paragraph (3)(9) and substituting the following -
 - “(9) Regulations 24(8) and 25(3) (disclosure of shareholdings and dealings). Dealings in respect of Regulation 24(8) should be covered for the twelve months prior to the posting of the circular; but dealings in respect of Regulation 25(3) need not be disclosed as there is no offer period;”;
- (b) by deleting paragraph (3)(12) and substituting the following -
 - “Regulation 25(7) (material contracts, irrevocable commitments and letters of intent);”.