

ANNUAL REPORT 2011

IRISH TAKEOVER PANEL

Report for the year ended 30 June 2011

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This annual report of the Irish Takeover Panel is made to
Richard Bruton, T.D., Minister for Jobs, Enterprise and Innovation as required
by section 19 of the Irish Takeover Panel Act, 1997

Irish Takeover Panel (Registration No. 265647), Lower Ground Floor, 76 Merrion Square, Dublin 2

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Members of the Panel

Irish Association of Investment Managers

Irish Clearing House Limited

- Nominated by the Irish Banking Federation

Irish Stock Exchange Limited

Law Society of Ireland

Pat Costello

- Nominated by the Consultative Committee
of Accountancy Bodies - Ireland

Directors of the Panel

Chairperson

Denis McDonald, S.C.

Appointed by the Governor of
the Central Bank of Ireland

Deputy Chairperson

Ann Fitzgerald

Appointed by the Governor of
the Central Bank of Ireland

Thomas Byrne
(Alternate: John Butler)

Appointed by the Irish Banking
Federation

Paul D'Alton

Appointed by the Consultative
Committee of Accountancy
Bodies – Ireland

Daniel Kitchen
(Alternate: Gerardine Jones)

Appointed by
the Irish Stock Exchange

Frank O'Dwyer

Appointed by the Irish Association
of Investment Managers

Alvin Price
(Alternate: Mark Ryan)

Appointed by the Law Society
of Ireland

Director General (and Secretary of the Panel)

Miceal Ryan

Introduction

The Irish Takeover Panel (the “Panel”) is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel was established by the Irish Takeover Panel Act, 1997 (the “Act”) and is incorporated as a company limited by guarantee. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”) for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

The Panel is responsible for making Rules to ensure that takeovers (including takeover bids as defined in the Regulations) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. These General Principles are designed to ensure fair and equal treatment of all shareholders in relation to takeovers. The Rules also serve to provide an orderly framework within which takeovers can be conducted.

The Panel has extensive powers under the Act to make rulings and give directions, to hold hearings, to summon witnesses and to require production of documents and other information, where these are appropriate in the discharge of its statutory functions.

Chairperson's Statement

Although the past year has been relatively quiet in terms of the level of takeover activity, it has been a busy one for the Panel in other areas. The Executive of the Panel has spent a considerable amount of time during the year on reviewing the Takeover Rules and on 7 July the Panel published two consultation papers containing a number of proposed amendments. The consultation period in relation to these papers expires on 7 October, 2011.

The papers propose to amend the Takeover Rules in a number of key areas: to permit the incorporation of information into offer documents by reference to another source; to require offerors and offerees to publish on their websites all documents, announcements and information issued by them relating to an offer; to clarify how the “put up or shut up” mechanism operates and the restrictions and exemptions applicable in specific circumstances; to amend Rule 2.4 to set out the extent to which an offeror will be bound by the information contained in its possible offer announcement; to amend Rule 2.8 to align the restrictions imposed under that rule with those to be imposed under Rule 35.1(a); to amend the rules to provide more detail with regard to the use of pre-conditions and the circumstances in which they can be invoked; to introduce a new Rule 19.6(c) which will set out the circumstances in which joint interviews and debates will be permitted; and to introduce a new rule imposing specific responsibilities on advisers.

The Panel is also considering a number of other amendments to the Takeover Rules and anticipates that a further consultation paper will be published before the end of the current calendar year.

It had been expected that the review by the European Commission of the Takeovers Directive would have taken place in the 2011 calendar year. Although such a review had been flagged in the Directive itself, the Panel understands that it has been delayed due to the heavy workload of the Commission in other areas of financial regulation. However, the Commission has appointed Marccus Partners, a French-based law firm, to undertake a study on the application of the Directive. The aim of the study is to examine the operation of the legal framework of the Takeovers Directive, including its transposition and actual application, and to examine the control structures and barriers to takeovers which are not covered by the Takeovers Directive. The study will also evaluate the perception and experiences of different stakeholders of the legal framework of the Takeovers Directive.

During July and August 2011 Marccus Partners issued detailed questionnaires to, inter alia, the competent authorities responsible for regulating takeover bids. The Panel has made a detailed submission to Marccus Partners in response to this questionnaire.

The European Securities and Markets Authority (“ESMA”) was established in January 2011. As stated in last year’s report the Panel was hopeful that the Takeovers Directive would be removed from the scope of ESMA’s formal powers (Article 1(2)). Ultimately, the ESMA Regulation provides that while ESMA may take appropriate action in the context of takeover bids, the Takeovers Directive does not fall within the scope of ESMA’s formal powers. The Panel therefore believes that it will have no practical impact on the day-to-day regulation of takeovers in Ireland.

The informal network set up by the Committee of European Securities Regulators (“CESR”), ESMA’s predecessor body, continues under the auspices of ESMA. This network aims to foster cooperation between all authorities supervising takeovers, especially in the context of cross-border transactions. The Panel will continue to participate in this network.

The Deputy Chairperson in her statement in the 2010 report has already drawn attention to the untimely death of the late Rory Brady S.C. in July 2010. On a personal note, as Mr. Brady’s successor, I wish to express my own very deep sadness at Mr. Brady’s death.

D. McDonald

Chairperson

29 September 2011

Director General's Report

Takeover activity during the year was significantly down on the previous year. The Panel supervised four takeovers during the year and met on twenty occasions to deal with various regulatory matters. The takeovers supervised during the year are set out in Appendix 2.

Debt syndication during offer periods

During the year the Panel had occasion to consider the application and interpretation of certain of the Takeover Rules in the context of the syndication of debt financing during offer periods.

Issues arise under the Takeover Rules when the debt syndication is undertaken in two stages i.e. firstly, before the announcement of a firm intention to make an offer when the lead bank commits itself to providing the debt facilities required to implement the offer and secondly, following the announcement of a firm intention to make an offer when the lead bank seeks further lenders to participate in the facilities and to take a share of its financing commitment. As part of the process of seeking further lenders to take a share of the financing commitment, the lead bank will want to distribute certain information in relation to the debt facilities required and to the offeror and offeree. This information would generally be more detailed than that normally provided to shareholders in the context of an offer and may, for example, include forecasts and projections as part of a business plan for the offeree or for the enlarged group.

Rule 20.1 (equality of information to shareholders) provides, inter alia, that information about companies involved in an offer shall during the course of an offer be made equally available to all holders of shares in the offeree as nearly as possible at the same time and in the same manner.

The Panel may consider granting a derogation from Rule 20.1 to permit the provision of non public information to members of a syndicate who have an interest in the relevant securities of the offeree subject to:

- (i) each of the syndicatees in the syndicate concerned having established effective information barriers, that comply with the minimum standards set down by the Panel, between the department of that syndicatee that is involved in making the decision in relation to the debt syndication and its department responsible for trading, or making investment decisions in relation to, equity investments; and

- (ii) each syndicatee having provided a written confirmation and undertaking to the lead bank that such syndicatee has established effective information barriers that comply with the minimum standards set down by the Panel and that it will maintain those barriers so as to ensure that confidential information received by it in the course of the transaction is not accessed by or shared with persons or entities within any of its equity departments.

Rule 16 (special arrangements with favourable terms) provides that, except with Panel consent, an offeror or persons acting in concert with it may not make any arrangements with shareholders of the offeree or with any person who, whilst not a shareholder, is interested in relevant securities of the offeree if there would be attached to such arrangement a term favourable to such shareholder or such person which is not being extended under the offer to all offeree shareholders.

If a syndicatee holds shares in the offeree, or acquires such shares during the offer period, then issues may arise under Rule 16. The Panel's concern in this context is based on the possibility that favourable debt terms might be used as a means of providing additional value to a syndicatee in its capacity as an offeree shareholder. This would be the case if, for example, a syndicatee's equity department agreed that it would accept a lower offer for its shares in the offeree than would otherwise have been the case because the syndicatee's debt department was allocated a participation in the syndicate, perhaps on attractive terms. In addition, the Panel is concerned to ensure that the decision of a syndicatee's equity department as to whether or not it should accept the offer should not otherwise be influenced by the participation of the syndicatee's debt department in the syndicate.

The Panel may also consider granting consent under Rule 16.1 to permit a syndicatee which is a shareholder or intending shareholder of the offeree or which is interested in relevant securities of the offeree to participate in a debt syndication undertaken on behalf of the offeror during an offer period subject to the conditions set out in (i) and (ii) above.

The Panel will inform parties of the minimum standards required in relation to effective information barriers on a case by case basis. It is likely that the Panel will impose the primary responsibility for ensuring compliance with the above requirements on the financial adviser to the offeror.

Other transactions involving relevant companies

During the year the National Pensions Reserve Fund Commission (“the Commission”) increased its ordinary shareholding in Allied Irish Banks plc from 18.6% to 93.5%. Pursuant to the National Pensions Reserve Fund Act 2000, as amended, the aforementioned increase in the Commission’s shareholding did not constitute an offer, a takeover, the acquisition of control, a takeover bid or any other takeover transaction for the purposes of the Irish Takeover Panel Act 1997 and the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006. As a consequence, the Takeover Rules did not apply to this transaction.

Financial statements

Operating income in the twelve months ended 30 June, 2011 was €750,809, a decrease of nearly 28% on the previous year. Income from relevant company charges decreased by nearly 18% following a substantial reduction in such charges applied by the Panel during the year. Income from document charges decreased by nearly 60% to €135,273 arising from the reduced level of takeover activity during the year. Expenditure for the year amounted to €947,538, an increase of 3.3% on the previous year. The bulk of this increase was accounted for by an increase in legal and professional fees largely due to costs associated with the ongoing rules review exercise. The Panel’s cash balances as at 30 June, 2011 amounted to €1.85 million.

Miceal Ryan

Director General

29 September 2011

Directors' Report

The directors present their annual report and audited financial statements for the year ended 30 June 2011.

Principal activities, review of operations and future developments

The Irish Takeover Panel (the "Panel") is a public company limited by guarantee formed and registered under the Companies Acts, 1963 to 2009. The company was incorporated on 29 April 1997.

The Panel is the statutory body responsible for monitoring and supervising takeovers and other relevant transactions in Ireland. The Panel is designated as the competent authority under the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 for the purpose of Article 4(1) of the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

The Panel is responsible for making Rules to ensure that takeovers and other relevant transactions comply with the General Principles set out in the Schedule to the Act.

A review of operations and future developments is contained in the Chairperson's Statement and the Director General's Report.

Principal risks and uncertainties

Under Irish Company Law, the Panel is required to give a description of the principal risks and uncertainties which it faces. The principal risks are:

- a significant reduction in the income from relevant company charges and/or contract note levies; and
- a substantial increase in expenditure.

These risks are monitored by the Panel through its financial reporting procedures. The Panel's objective is to maintain adequate resources to meet any unforeseen substantial reduction in income and any substantial increase in expenditure.

Results for the year

The results for the year are set out in the Income and Expenditure Account on page 16. There was no transfer from the Contingency Reserve to the Income and Expenditure Account during the year (2010: Nil).

Accounting records

The directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the company are maintained at 76 Merrion Square, Dublin 2.

Post balance sheet events

No material events effecting the financial statements have occurred since the end of the financial year.

Auditor

In accordance with section 160 (2) of the Companies Act, 1963, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board

D. McDonald
Chairperson

A. Fitzgerald
Deputy Chairperson

29 September 2011

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law, the directors have elected to prepare the company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Company's financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Acts, 1963 to 2009.

On behalf of the Board

D. McDonald
Chairperson

A. Fitzgerald
Deputy Chairperson

29 September 2011

Independent Auditor's Report to the members of the Irish Takeover Panel

(limited by guarantee)

We have audited the financial statements of Irish Takeover Panel for the year ended 30 June 2011 which comprises the Income and Expenditure Account, Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 12.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you our opinion as to: whether proper books of account have been kept by the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Company's affairs as at 30 June 2011 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

Colin O'Brien

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

29 September 2011

1 Stokes Place

St. Stephens's Green

Dublin 2

Financial Statements

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland.

Operating income

This represents primarily the invoiced value of annual and document charges that the Company is entitled to levy and contract note levies on dealings in quoted securities of relevant companies collected through brokers on an accruals basis.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write off the original cost of tangible fixed assets over their expected useful lives. A full year's depreciation is charged in the year of acquisition. Depreciation is applied at the following annual rates:

Fixtures and fittings	20%
Computers	33%
Motor vehicle	25%

Cash flow statement

The company is exempted from the preparation of a cash flow statement as it qualifies as a small company under the Companies (Amendment) Act, 1986.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The annual charge is calculated as a percentage of pensionable payroll and is charged to the Income and Expenditure Account on an accruals basis.

Financial Statements

Income and Expenditure Account

for the year to 30 June 2011

		30 June 2011	30 June 2010
	<i>Notes</i>	€	€
Operating income	<i>1</i>	750,809	1,041,721
Operating expenditure	<i>2</i>	(947,538)	(917,701)
		<hr/>	<hr/>
Operating (deficit)/surplus		(196,729)	124,020
Interest income		45,349	41,408
Profit on sale of asset		7,100	-
		<hr/>	<hr/>
(Deficit)/surplus for the financial year	<i>10</i>	(144,280)	165,428
		<hr/> <hr/>	<hr/> <hr/>

The results derive from continuing operations.

There were no recognised gains or losses in the financial year or preceding financial year other than those included above in the Income and Expenditure Account.

On behalf of the Board

D. McDonald
Chairperson

A. Fitzgerald
Deputy Chairperson

Financial Statements

Balance Sheet

as at 30 June 2011

		30 June 2011	30 June 2010
	Notes	€	€
Fixed assets			
Tangible assets	6	40,132	12,261
		<hr/>	<hr/>
Current assets			
Debtors and prepayments	7	119,399	141,057
Cash at bank		1,849,882	2,001,105
		<hr/>	<hr/>
		1,969,281	2,142,162
		<hr/>	<hr/>
Creditors: amounts falling due within one year	8	(73,810)	(74,540)
		<hr/>	<hr/>
Net current assets		1,895,471	2,067,622
		<hr/>	<hr/>
Total assets less current liabilities		1,935,603	2,079,883
		<hr/> <hr/>	<hr/> <hr/>
Accumulated surplus and reserve			
Contingency reserve	9	1,800,000	1,800,000
Income and Expenditure account	10	135,603	279,883
		<hr/>	<hr/>
		1,935,603	2,079,883
		<hr/> <hr/>	<hr/> <hr/>

On behalf of the Board

D. McDonald
Chairperson

A. Fitzgerald
Deputy Chairperson

Financial Statements

Notes forming part of the financial statements

1	Operating income	30 June 2011	30 June 2010
		€	€
	Relevant company annual charges	421,650	513,885
	Document charges	135,273	336,174
	Contract note levies	193,274	191,208
	Other	612	454
		<hr/>	<hr/>
		750,809	1,041,721
		<hr/> <hr/>	<hr/> <hr/>

2	Operating expenditure	30 June 2011	30 June 2010
		€	€
	Operating expenditure includes:		
	Depreciation	16,569	16,509
	Auditor's remuneration	6,050	6,050
		<hr/>	<hr/>

3 Employees

The average number of persons employed by the company and the employee costs during the year were as follows:

	30 June 2011	30 June 2010
Number:	Number	Number
Administration	5	5
Directors	7	7
	<hr/>	<hr/>
	12	12
	<hr/> <hr/>	<hr/> <hr/>

Financial Statements

Notes (continued)

3 Employees (continued)

Costs:	30 June 2011	30 June 2010
	€	€
Salaries	316,539	310,066
Directors' remuneration	204,031	258,366
PRSI costs	35,547	34,847
Pension costs (note 4)	60,585	57,700
	<hr/>	<hr/>
	616,702	660,979
	<hr/> <hr/>	<hr/> <hr/>

4 Pension costs	30 June 2011	30 June 2010
	€	€
Pension charge	60,585	57,700
	<hr/>	<hr/>

The company makes contributions to a defined contribution scheme for certain employees, the assets of which are vested in independent trustees for the benefit of members and their dependants. The contributions for the year totalling €60,585 (2010: €57,700) are included within operating expenditure. At 30 June 2011 €10,428 (2010: €9,932) was prepaid within debtors in relation to this scheme.

5 Taxation

Under the provisions of the Taxes Consolidation Act, 1997 the company is exempt from Corporation Tax on its income.

Financial Statements

Notes (continued)

8	Creditors: amounts falling due within one year	30 June 2011 €	30 June 2010 €
	Trade creditors	201	-
	Accrued expenses	10,125	9,557
	PAYE and Social Welfare insurance	56,735	64,983
	Public Service Withholding Tax	6,749	-
		73,810	74,540
		73,810	74,540
9	Contingency reserve	30 June 2011 €	30 June 2010 €
	At beginning and end of year	1,800,000	1,800,000
		1,800,000	1,800,000
		1,800,000	1,800,000
10	Income and Expenditure account	30 June 2011 €	30 June 2010 €
	At beginning of year	279,883	114,455
	(Deficit)/surplus for financial year	(144,280)	165,428
		135,603	279,883
	At end of year	135,603	279,883
		135,603	279,883
		135,603	279,883
11	Approval of financial statements		

The Board of Directors approved these financial statements on 29 September 2011.

Appendix 1

Administrative Appendix

Relevant Companies

The Irish Takeover Panel, established pursuant to the Irish Takeover Panel Act, 1997 (the “Act”), is the body responsible for monitoring and supervising takeovers and other relevant transactions in relation to securities in relevant companies in Ireland. For the purposes of the Act a relevant company includes public limited companies or other bodies corporate incorporated in Ireland whose securities are currently being traded, or (if the subject of a takeover or other relevant proposal) were traded within the previous five years, on the Irish Stock Exchange, the London Stock Exchange, the New York Stock Exchange and Nasdaq but excluding those companies whose only securities authorised to be traded on one or more of those markets during the relevant period are debentures or bonds or other securities in the nature of debentures or bonds that do not confer voting rights in the company.

On 20 May 2006 the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 (the “Regulations”), which transposed the Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids into Irish Law, came into effect. Under the Regulations those companies a bid in respect of which the Panel has jurisdiction by virtue of Regulation 6 to supervise, are deemed to be relevant companies under the Act.

The Rules

In addition to its supervisory function, the Panel is also entrusted under the Act with a rulemaking function. The Irish Takeover Panel Act, 1997, Takeover Rules, 2007 and the Irish Takeover Panel Act, 1997, Substantial Acquisition Rules, 2007 came into effect on 19 December 2007. In addition, the Irish Takeover Panel Act, 1997, Takeover (Amendment) Rules, 2008 came into effect on 15 September 2008 and the Irish Takeover Panel Act, 1997, Takeover (Amendment) (No. 2) Rules, 2008 came into effect on 1 February 2009. These Rules have been made principally to ensure that takeovers (including takeover bids) and other relevant transactions comply with the General Principles set out in the Schedule to the Act. The Rules also provide an orderly framework within which takeovers are conducted. They are not concerned with the financial or commercial advantages or disadvantages of a takeover, which are matters for the companies concerned and their shareholders. Neither are the Rules concerned with issues such as competition and merger policies, which are regulated under different legislation.

Members of the Panel and Board of Directors

The Members of the Panel are representative of bodies professionally involved in the securities markets and in the field of takeovers. They comprise the following five bodies, or in certain cases, their corporate or personal nominee:

Consultative Committee of Accountancy Bodies – Ireland

Law Society of Ireland

Irish Association of Investment Managers

Irish Banking Federation

Irish Stock Exchange Limited

If deemed necessary, the Minister may alter this list by introducing appropriate regulations. Each of the aforementioned bodies has appointed a director to the Board of the Panel. In addition, the Governor of the Central Bank of Ireland has appointed the Chairperson and Deputy Chairperson to the Board.

The Act also provides for the Governor of the Central Bank and the five nominating bodies to designate one or more alternates for each director appointed by them, and four of the nominating bodies have done so. This facilitates the functioning of the Panel when directors are unavailable or are faced with a potential conflict of interest in relation to a case under consideration. Finally, there is also a provision for up to three additional directors to be co-opted by the existing directors. The Board is often required to meet at short notice in order to consider issues requiring urgent decisions.

The Executive

The day-to-day work of the Panel is carried out by the Executive through the office of the Director General. The Executive deals with the general administration of the Panel and the Rules, including consideration of queries and submissions which do not require reference to the Board. The Executive is available for consultation and to give guidance before and during takeover transactions. The Executive is also responsible for monitoring dealings in the shares of relevant companies to ensure compliance with the Rules.

Enforcement of the Rules

The Act gives the Panel statutory authority to make rulings as to whether any activity or proposed activity complies with the General Principles and the Rules. The Panel is also empowered to give directions to any party to a takeover to do or refrain from doing anything

specified by the Panel. The Panel may also investigate a person's conduct where it reasonably believes that a contravention of the General Principles or Rules has occurred or may occur. Where appropriate, the Panel may advise, admonish or censure such a person in relation to his or her conduct. In order to carry out its functions, the Panel may conduct a hearing in relation to the matter concerned. For the purposes of such a hearing, the Panel has the same powers, rights and privileges as are vested in the High Court in relation to compelling attendance, examining on oath and compelling the production of documents. The Act also affords witnesses before the Panel the same immunities and privileges as witnesses before the High Court.

Access to Reports

Where it deems it necessary, the Panel (under section 21 of the Act) may require a Court-appointed inspector to furnish it with a copy of a report provided to the Court or the Minister under the Companies Act, 1990. Similarly, the Panel may require a recognised Stock Exchange to furnish it with a copy of any report given to the Director of Public Prosecutions in respect of an insider dealing offence. To date, no such requests have been made.

Charges

In order to defray the expenses incurred in the performance of its functions under the Act, the Panel is authorised to impose charges on relevant companies, on offerors who are not relevant companies, on dealings in the securities of relevant companies and on documentation submitted to the Panel in accordance with the Rules or in relation to Panel proceedings. The consent of the Minister to the current level of charges, which are set out on pages 25 and 26 has been obtained.

Panel Charges

made under section 16 of the Act and effective from 1 July 2011.

1. *Annual charge payable by relevant companies*

Relevant companies pay an annual charge to the Panel based on Market Capitalisation as at 30 June in each year. The scale is as follows:

Market Capitalisation	Annual Charge
€ Million	€
over 1,250	18,750
625 - 1,250	12,500
125 - 625	6,250
62 - 125	5,000
31 - 62	3,750
12 - 31	2,500
Under 12	1,250

2. *Charge on transactions in securities of relevant companies*

Charges are made on contracts in respect of dealings in securities of relevant companies. This charge amounts to €1.25 on each contract note in respect of transactions valued at more than €12,500.

3. *Document charges - takeovers and other relevant transactions*

A document charge is made in respect of documents furnished to the Panel under the rules in connection with takeovers and other relevant transactions. The scale for these charges is:

Value of the Offer € Million	Charge €
Under 5	2,500
5 - 15	10,000
15 - 35	17,500
35 - 65	35,000
65 - 125	50,000
Over 125	62,500

The charge in respect of “whitewash” waiver applications is €2,500.

4. *Charge on offerors which are not relevant companies*

Where an offeror is not a relevant company, or a subsidiary of a relevant company, a charge is made additional to the document charge as set out above. This charge is made for an amount equal to the annual charge payable by a relevant company having a market capitalisation equal to that of the offeree at the offer price.

5. *Document charge - proceedings of the Panel*

The Panel is empowered to charge up to €900 per document in respect of documents furnished to the Panel by a person in relation to proceedings to the Panel.

Appendix 2

Takeovers supervised by Irish Takeover Panel

1 July 2010 to 30 June 2011

- | | |
|---------------------------------|---|
| (i) Oglesby & Butler Group plc | Mandatory cash offer by Mr. Kevin Anderson |
| (ii) Oglesby & Butler Group plc | Recommended acquisition for cash by Grove Ventures plc, a company controlled by Mr. Kevin Anderson and Mr. Thomas Anderson, by means of a scheme of arrangement |
| (iii) Trintech Group plc | Recommended acquisition for cash by Cerasus II Limited, a company controlled by Spectrum Equity Associates V, L.P., by means of a scheme of arrangement |
| (iv) Norkom Group plc | Recommended cash offer by BAE Systems (Holdings) Limited, a wholly-owned subsidiary of BAE Systems plc |

The following companies were in an offer period at 30 June 2011:

Global Indemnity plc

IFG Group plc

Appendix 3

Other transactions involving relevant companies

The National Pensions Reserve Fund Commission (“the Commission”) increased its ordinary shareholding in Allied Irish Banks plc from 18.6% to 93.5%. Pursuant to the National Pensions Reserve Fund Act 2000, as amended, the aforementioned increase in the Commission’s shareholding did not constitute an offer, a takeover, the acquisition of control, a takeover bid or any other takeover transaction for the purposes of the Irish Takeover Panel Act 1997 and the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

Appendix 4

During the course of the year the Panel exercised certain of its powers under the Act as follows:

Rulings

The Panel issued forty-four rulings during the year many of which related to the takeovers of Oglesby & Butler Group plc, Trintech Group plc, Norkom Group plc and to the ongoing takeover of IFG Group plc.

Waivers

Eleven waivers were granted during the year. Four of the waivers were in respect of waivers of Rule 37 (redemption or purchase by a company of its own securities) and two in respect of waivers of Rule 9 (mandatory offer and its terms). Two of the waivers were in respect of waivers of Rule 28.3 (reports required in connection with profit forecasts) while the remaining waivers were in respect of waivers of Rule 4.4 (dealings in offeree securities by certain associates of the offeree); Rule 19.2 (responsibility); and Rule 24.2 (financial and other information on the offeror, the offeree and the offer).

Derogations

The Panel granted eight derogations during the year. Most of these related to the takeovers of Trintech Group plc and Norkom Group plc.

Enquiries (section 9(5))

During the year the Panel initiated one enquiry under section 9(5) of the Act.