

GUAYNA

No. 5 of 2003

REGULATIONS

Made under

The Securities Industry Act 1998
(No. 21 of 1998)

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IN EXERCISE OF THE POWERS CONFERRED ON HIM BY SECTION 117(1) AND (2) AND BY SECTION 126(1) AND (2) OF THE SECURITIES INDUSTRY ACT 1998, THE MINISTER OF FINANCE HEREBY MAKES THE FOLLOWING REGULATIONS:-

Citation
and
commencement.

1. These Regulations may be cited as the Securities Industry (Take-Overs) Regulations 2003 and shall be deemed to have come into operation on 28th October, 2002.

Interpretation.

2. (1) In these Regulations, unless the context otherwise requires-

(a) "acquisition of voting rights" includes the exercise of control or direction over voting rights, otherwise than by means of a revocable proxy, given without any consideration for the purpose of only one meeting of shareholders ;

(b) "acting in concert" means persons who actively co-operate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company;

(c) "board" means the board of directors;

(d) "control" has the same meaning as in the Act and control shall be deemed to exist in relation to a reporting issuer where a person, or persons acting in concert, holds or acquires thirty five per cent or more of the voting rights of the reporting issuer;

(e) "director" includes any person who occupies the position of a director by whatever name called;

(f) "document" includes any announcement, advertisement or offer issued or published by any party to an offer or likely offer in

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35%

connection with such offer;

(g) "offer" includes a take-over bid and offers by a parent company for shares in its subsidiary;

(h) "offeree" means the reporting issuer in respect of whose shares the offer relates;

(i) "offeror" means the person by or on whose behalf the offer is made or to be made;

(j) "offer period" means the period from the date when an announcement is made of a proposed or possible offer (with or without terms) until the first closing date or (if this is later) the date when such offer becomes or is declared unconditional in all respects or is declared to have lapsed;

(k) "rights over shares" include any rights acquired by a person by virtue of an agreement to purchase shares or an option to acquire shares or an irrevocable commitment to accept an offer to be made by that person;

(l) "securities exchange" means any securities exchange registered by the Council on which the offeror or offeree is listed or admitted to dealing;

(m) "securities exchange offer" means an offer in which the consideration includes securities of the offeror or any other corporate body;

(n) "take-over" includes merger;

(o) "take-over bid" has the meaning assigned to it in section 113(4) of the Act, and includes a request or invitation for tender;

(p) "voting rights" means all the voting rights attached to the shares of the company currently exercisable at a general meeting of a company.

(2) For the purposes of these Regulations, persons falling within each of the following classes shall be presumed to be acting in concert with others in the same class, unless the contrary is established -

(a) a company, its parent, its subsidiaries, associated companies of any of the foregoing, and companies of which such companies are associated companies;

(b) a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds, provident funds and employee share schemes;

(d) a fund manager with any collective investment scheme, or other body, whose investments such fund manager manages on a discretionary basis, in respect of the relevant investment accounts;

(e) a financial or other professional adviser, including a dealer, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or

under the same control as the adviser;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual with his close relatives, related trusts and companies controlled by him, his close relatives or related trusts.

(3) For the purposes of these Regulations, a company shall be deemed to be an associated company of another company if one of them owns or controls twenty per cent or more of the voting rights of the other or if both are associated companies of the same company.

20%
associated

Application.

3. (1) These Regulations shall apply to any take-over bid for, or request or invitation for the tender of, any equity security of a reporting issuer.

(2) All persons engaged in such take-over bids or tenders shall comply with the requirements set out in these Regulations.

(3) For the purposes of these Regulations reference to a take-over bid shall be construed as including a reference to a request or invitation to tender.

Object.

4. (1) The object of these Regulations is to ensure fair treatment for shareholders who are affected by take-over bids.

(2) These Regulations seek to achieve fair treatment by requiring equality of treatment of shareholders,

requiring the disclosure of timely and adequate information to enable shareholders to make an informed decision concerning the merits of an offer and ensuring that there is a fair and informed market in the shares of companies affected by such take-over bids.

Offences. 5. A person who contravenes or fails to comply with any requirement of these Regulations commits an offence and is liable on summary conviction to a fine not exceeding two hundred and fifty thousand dollars and imprisonment for two years.

GENERAL

Take-over bids

Offer. 6. An offer shall be submitted in the first instance, before the offer is announced to the public, to the board of the offeree or to its advisers.

Identity of offeror. 7. If an offer or an approach with a view to an offer being made is not made by the ultimate offeror or potential offeror, the identity of that person or the ultimate controlling shareholder shall be disclosed at the outset to the board of the offeree.

Implementation of offer. 8. A board which is approached is entitled to be satisfied by the offeror that the offeror will be in a position to implement the offer in full.

Confidentiality. 9. (1) Absolute secrecy shall be maintained before an announcement of an offer or proposed offer.

(2) All persons who have confidential information, particularly if it is price sensitive, shall take the greatest care to prevent any disclosure thereof.

(3) The requirements of this regulation are in

addition to, and not in derogation of, the law against insider dealing.

Independent advice

Board of offeree.

10. A board which receives an offer, or is approached with a view to an offer being made, shall, in the interests of shareholders, retain an independent financial adviser to advise the board whether the offer is, or is not, fair and reasonable. Such advice, including reasons, shall be obtained in writing and shall be disclosed to shareholders by including it in the offeror's offer document together with the recommendation of the offeree's board regarding acceptance of the offer. If any of the directors of an offeree is faced with a conflict of interest, the offeree board shall, if possible, establish an independent committee of the board to discharge the board's responsibilities in relation to the offer.

Persons not suited to give independent advice.

11. A person who has, or had, a connection, financial or otherwise, with the offeror or offeree of a kind likely to create a conflict of interest will not be regarded as a suitable person to give independent advice.

Announcements

Offers or possible offers.

12. An announcement is required -

(a) by the offeree, when a firm intention to make an offer is notified to the board of the offeree from a serious source, irrespective of the attitude of the board to the offer;

(b) by the offeror, immediately upon an acquisition which gives rise to an obligation to make an offer under regulation 49;

(c) by the offeree when, following an approach to the offeree company, the offeree

but see 8 and 9(1)

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is the subject of rumor and speculation or there is undue movement in its share price, or a significant increase in the volume of share turnover, whether or not there is a firm intention to make an offer;

(d) by the offeror when, before an approach has been made, the offeree is the subject of rumor and speculation or there is undue movement in its share price, and there are reasonable grounds for concluding that it is the potential offeror's actions (whether through inadequate security, purchasing of offeree shares or otherwise) which have led to the situation; or

(e) by the offeree, when negotiations or discussions are about to be extended to include more than a very restricted number of people (other than those who need to know in the companies concerned and their immediate advisers).

Announcement of firm intention to make an offer.

13. (1) When a firm intention to make an offer is announced, the announcement shall contain the information required to be disclosed by section 116(1) of the Act and, in addition, the following information-

- (a) the terms of the offer;
- (b) the identity of the ultimate offeror or the ultimate controlling shareholder;
- (c) details of any existing holding of voting rights in the offeree-
- (i) which the offeror owns or over which it has control or

direction;

(ii) which is owned or controlled or directed by any person acting in concert with the offeror;

(iii) in respect of which the offeror or any person acting in concert with the offeror has received an irrevocable commitment to accept the offer; and

(iv) in respect of which the offeror or any person acting in concert with the offeror holds an option to purchase or warrants or other convertible securities;

(d) all conditions (including normal conditions relating to acceptance, listing and increase of capital) to which the offer or the posting of it is subject; and

(e) details of any arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the offeror or the offeree and which might be material to the offer.

(2) The announcement of an offer shall include confirmation by the financial adviser or by another appropriate third party that resources are available to the offeror sufficient to satisfy full acceptance of the offer.

Announcement of certain purchases.

14. Acquisitions of voting rights of an offeree by an offeror or by any person acting in concert with the offeror

may give rise to an obligation to increase an offer under regulation 46 or to make a mandatory offer under regulation 49. Immediately after any acquisition giving rise to any such obligation, a daily announcement shall be made by the offeror stating the number of voting rights acquired and the price paid during the course of that day.

Prohibitions

No frustrating action.

15. (1) Immediately after a *bona fide* offer has been communicated to the board of an offeree or the board of an offeree has reason to believe that a *bona fide* offer may be imminent, no action which could effectively result in an offer being frustrated, or in the shareholders of the offeree being denied an opportunity to decide on the merits of an offer, shall be taken by the board of the offeree in relation to the affairs of the company without the approval of the shareholders of the offeree in general meeting. In particular the board shall not, without such approval

- (a) issue any shares;
- (b) issue or grant options in respect of any unissued shares;
- (c) create or issue or permit the creation or issue of any securities carrying rights of conversion into, or subscription for, shares of the company;
- (d) sell, dispose of or acquire or agree to sell, dispose of or acquire assets of a material amount;
- (e) enter into contracts, including service contracts, otherwise than in the ordinary course of business; or

(f) cause the company or any subsidiary or associated company to purchase or redeem any shares in the company or provide financial assistance for any such purchase.

(2) Where the company is under a prior contractual obligation to take any such action, or where there are other special circumstances, the Council shall be consulted at the earliest opportunity. In appropriate circumstances the Council may grant a waiver of the general requirement to obtain the approval of shareholders.

No withdrawal of an offer.

16. When there has been an announcement of a firm intention to make an offer, except with the consent of the Council, the offeror shall proceed with the offer unless the posting of the offer is subject to the prior fulfillment of a specific condition and that condition has not been satisfied.

Obligation of directors

Resignation of directors of offeree company.

17. Except with the consent of the Council, the directors of an offeree shall not resign until the first closing date of the offer, or the date when the offer becomes or is declared unconditional, whichever is the later.

Timing and content of documents

Availability of information.

18. Information concerning companies involved in an offer shall be made equally available to all shareholders as nearly as possible at the same time and in the same manner.

Offer document time limit.

19. The offer document, which shall not be dated more than three days prior to dispatch, shall normally be posted by or on behalf of the offeror within twenty-one days (or, in the case of a securities exchange offer, thirty-five days) after the announcement of the terms of the offer. The

consent of the Council is required if the offer document is not posted within that period.

Information to be contained in offer document.

Schedule 1

20. The offer document submitted by the offeror to the offeree shareholders shall contain the information as required by Schedule 1 together with any other relevant information to enable offeree shareholders to reach a properly informed decision.

Information to be contained in offeree's reply document.

Schedule 2

21. The offeree shall send to its shareholders within fourteen days after the posting of the offer document a document containing the information set out in Schedule 2 together with any other information it considers to be relevant to enable its shareholders to reach a properly informed decision on the offer.

Views of offeree's board and financial adviser.

22. Having due regard to regulation 10, the offeree company's document shall include the views of its board on the offer and the written advice of its financial adviser (if any) as to whether the offer is, or is not, fair and reasonable and the reasons therefor. If the offeree company's financial adviser is unable to advise whether the offer is, or is not, fair and reasonable the Council shall be consulted.

Subsequent documents.

23. Documents subsequently sent to shareholders of the offeree by either party shall contain details of any material changes in information previously published by or on behalf of the relevant party during the offer period and, if there have been no such changes, that fact shall be so stated.

Standard of care and responsibility

Prospectus standard.

24. A document shall be prepared with the same standard of care as if it were a prospectus. This applies whether the document is issued by the company, or by an adviser on its behalf, or by any other person in relation to an offer.

Those persons who issue any such document shall ensure that it remains accurate and up to date throughout the offer period, and shall notify shareholders of any material change relating thereto as soon as possible.

- Sufficient information.

25. Shareholders shall be given sufficient information and advice on an offer to enable them to reach a properly informed decision on the merits or otherwise of the offer. Such information shall be available to shareholders sufficiently early to enable them to make a decision in sufficient time. The obligation of an offeror in these respects towards the shareholders of the offeree shall not be less than the offeror's obligation towards its own shareholders.

Directors' joint and several responsibility.

26. All documents shall state that all directors of the offeror, or, as appropriate, the offeree, jointly and severally accept full responsibility for the accuracy of information contained in the document and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the document have been arrived at after due and careful consideration and that there are no other facts not contained in the document, the omission of which would make any statement in the document misleading.

Council's consent required for exclusion of directors.

27. If it is proposed that any director shall be excluded from a statement referred to in regulation 26, the Council's consent shall be required therefor. In such cases, the exclusion and reasons for it shall be stated in the document.

Profit Forecasts

Assumptions.

29. When a profit forecast appears in any document, the assumptions, including the commercial assumptions, upon which the forecast is based shall be stated in the document. Such assumptions shall be specific. All-embracing assumptions and those relating to the general

estimates made in the profit forecast shall be avoided. Furthermore it will not normally be acceptable for assumptions to relate to matters which the directors, by virtue of their particular knowledge and experience in the business, are best able to take a view on, or over which they are able to exercise control, since such matters shall be reflected directly in the profit forecast.

Asset valuations

Disclosure of revaluations.

30. When revaluations of assets of either the offeror or offeree are made in connection with an offer, details of the revaluations, or an appropriate summary thereof shall be included in the offer document or other document circulated to the shareholders of the offeree by its board.

Preparing revaluations.

31. The revaluations shall be carried out by an independent, professionally-qualified valuer or other expert and the basis of valuation shall be clearly stated. The document shall include a statement that the valuer or other expert has given and not withdrawn his consent to the issue of the document together with the details of the valuation.

Issuance of documents

Filing of documents for comments.

32. Two copies of all documents shall be filed with the Council for its comment prior to release or publication and shall not be released or published until the Council has confirmed that it has no further comments thereon. The final copy of the document shall be filed with the Council and the securities exchange in duplicate.

Publication of announcements.

33. All announcements shall be published as paid announcements in at least one newspaper published daily and circulating generally in Guyana.

Offer timetable

- Minimum period.** 34. An offer shall be open for at least twenty one days after the date of posting of the offer.
- Conditions.** 35. If the offer is conditional, it shall specify the latest day on which the offeror can declare the offer unconditional.
- Fourteen days period for acceptance.** 36. Where a conditional offer becomes or is declared unconditional, it shall remain open for acceptance for not less than fourteen days thereafter. In any announcement of an extension of an offer, either the next closing date shall be stated or, if the offer is then unconditional, a statement may be made that the offer will remain open until further notice. In the latter case, at least fourteen days' notice in writing shall be given before the offer is closed to those shareholders who have not accepted the offer.
- Final day.** 37. An offer shall not be kept open after the expiry of sixty days after the date of the posting of the initial offer document, except with the consent of the Council or unless it has previously become unconditional.
- Revised offer.** 38. If, in the course of an offer, the offeror revises its terms, all offeree shareholders, whether or not they have already accepted the offer, will be entitled to the revised terms. A revised offer shall be kept open for at least fourteen days after the date of posting written notification of the revision to shareholders.
- Acceptor's right to withdraw.** 39. An acceptor shall be entitled to withdraw an acceptance after twenty-one days subsequent to the first closing date of the offer, if the offer has not by then become unconditional. The entitlement to withdraw shall be exercisable until the offer becomes unconditional.

Announcement of results of offer**Nature of announcement.**

40. The offeror shall immediately inform the Council and the securities exchange that an offer has been revised or extended, has expired or has become or has been declared unconditional and shall publish an announcement to that effect on the following day. The announcement shall state the number of shares which it or any person acting in concert with it has or controls, the number of shares for which acceptances of the offer have been received, and the number of shares otherwise acquired by the offeror and any person acting in concert with the offeror during the offer period. The statement shall also specify the percentages of the relevant classes of share capital, and the percentages of voting rights, represented by these numbers.

Consequences of failure to announce.

41. The Council shall be consulted if an offeror is unable to comply with any of the requirements of regulation 40, and the Council may require that acceptors be granted a right of withdrawal, on terms acceptable to the Council, until the requirements of that regulation are met.

Restrictions on dealings before and during the offer**Restrictions on dealings before the offer.**

42. (1) No dealings of any kind in the securities of the offeree may be transacted by any person with a commercial interest who has confidential price sensitive information concerning an actual or contemplated offer or revised offer between the time when there is reason to believe that an approach or an offer or revised offer is contemplated and the announcement of the approach, the offer, the revised offer, or of the termination of the discussions. Such restriction does not apply to an offeror, or persons acting in concert with the offeror, in respect of such dealings if such dealings are transacted for purposes of the offer unless the offeror, or a person acting in concert with the offeror, is a director or employee of

the offeree .

(2) No such dealings may take place in the securities of the offeror except where the offer is not price sensitive in relation to those securities.

Restrictions on dealings during the offer.

43. During an offer period, the offeror and persons acting in concert with the offeror shall not sell any securities in the offeree except with the prior consent of the Council and following twenty-four hours public notice that such sales might be made.

Restrictions on dealings by offeror during non-cash offers.

44. During an offer period, for an offer consisting of shares of the offeror traded on a securities exchange (and for which there is no cash alternative), the offeror and persons acting in concert with the offeror, may not engage in any purchase of the offeror's shares until the later of the date the offeror abandons the intention to conduct the offer and the date the related offer period expires.

Dealings after termination of discussions.

45. If discussions are terminated or the offeror decides not to proceed with an offer after an announcement has been made that offer discussions are taking place or that an approach or offer is contemplated, no dealings in securities of the offeree by any person privy to this information may take place prior to an announcement of the situation.

Purchases in excess of offer price

Highest price paid.

46. If the offeror or any person acting in concert with the offeror purchases securities in the offeree in the market or otherwise during the offer period in excess of the offer price, then the offeror shall increase the offer to not less than the highest price (excluding stamp duty and dealing costs) paid for any securities so acquired.

Offers involving a further issue of listed securities.

47. If the offer involves a further issue of securities of a class already traded on a securities exchange, the current

value of the offer on a particular day shall normally be established by reference to the average traded price of such securities traded during the immediately preceding trading period. If the offer involves a combination of cash and securities and further purchases of the offeree's shares oblige the offeror to increase the value of the offer, the offeror shall endeavor, as far as practicable, to effect such increase while maintaining the same ratio of cash to securities as is represented by the offer.

Shareholder
notification.

48. Shareholders of the offeree shall be notified in writing of the increased price at least fourteen days before the offer closes, and an announcement shall be made stating the number and class of securities purchased and the price paid.

SPECIAL PROVISIONS REGARDING MANDATORY TAKE-OVER OFFERS

Mandatory offer

When mandatory
offer required.

49. Subject to the granting of a waiver by the Council, if -

(a) any person acquires, whether by a series of transactions over a period of time or not, thirty five per cent or more of the voting rights of a company; or

(b) two or more persons are acting in concert, and they collectively hold less than thirty five per cent of the voting rights of a company, and any one or more of them acquires voting rights and such acquisition has the effect of increasing their collective holding of voting rights to thirty five per cent or more of the voting rights of the company,

that person, or the principal members of the concert group, as the case may be, shall extend offers, on the

er 35% to all
shareholder

To any and all

35%

Less than 35% ?
(Two or more persons)

basis set out in these Regulations, to the holders of any class of share capital of the company which carries voting rights. Offers for different classes of equity share capital shall be comparable and the Council shall be consulted in advance in such cases.

Consideration.

50.(1) An offer made pursuant to regulation 49 shall, in respect of each class of equity share capital involved, be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert with the offeror for voting rights of the offeree within the preceding six months. The cash offer or the cash alternative shall remain open after the offer has become or is declared unconditional for not less than fourteen days thereafter. The Council shall be consulted where there is more than one class of voting share capital involved or where there are no relevant purchases within the preceding six months.

(2) The consent of the Council shall be required if the offeror considers that the highest price does not apply in a particular case.

Restrictions on control by offeror.

51. Except with the consent of the Council, no nominee of an offeror or persons acting in concert with an offeror may be appointed to the board of the offeree, nor may an offeror and persons acting in concert with the offeror exercise voting rights of an offeree, until the offer document has been posted.

Prompt registration of transfers.

52. The board and officials and registrars of an offeree shall use their best endeavours to ensure the prompt registration of transfers during an offer period so that shareholders can freely exercise their voting and other rights.

Conditions

Offer conditions.

53. (1) Except with the consent of the Council all offers, whether voluntary or mandatory, shall be conditional upon the offeror 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 offeror and persons acting in concert with the offeror holding fifty per cent or more of the voting rights of the offeree.

(2) A voluntary offer may be made conditional on an acceptance level of shares carrying a higher percentage of the voting rights.

(3) Mandatory offers made under regulation 49 shall not be subject to any other condition, whether as to the minimum or maximum levels of acceptance required to be received or otherwise.

Delay before subsequent offer

Temporary ban.

54. (1) Except with the consent of the Council, where an offer has been announced but has not become unconditional in all respects, and has been withdrawn or has lapsed, neither the offeror nor any person who acted in concert with the offeror in the course of the original offer, nor any person who is subsequently acting in concert with any of them, may within twelve months after the date on which such offer is withdrawn or has lapsed make an offer for the offeree company, or acquire any voting rights of the offeree if the offeror or persons acting in concert with the offeror would thereby become obliged to make an offer in accordance with regulation 49.

(2) The restriction in paragraph (1) may also apply where a person, having made an announcement which, although not amounting to the announcement

Voluntary 50% or more

Conditional until offer gets 50% or more

Could be compared to

12 MONTHS (months)

of an offer, raises or confirms the possibility that an offering might be made, does not announce a firm intention either to make, or not to make, an offer within a reasonable time thereafter.

Six months delay before acquisition above offer price.

55. Except with the consent of the Council, if a person, together with any person acting in concert with that person holds thirty five per cent or more of the voting rights of a company, neither that person nor any person acting in concert with that person may, within six months after 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 shareholders, or purchase any shares of that company at a higher price than that made available under the previous offer. For this purpose the value of a securities exchange offer shall be calculated as at the day the offer became, or was declared, unconditional.

35%^o/_o

SCHEDULE I

reg. 20

INFORMATION TO BE CONTAINED IN OFFEROR
COMPANY'S OFFER DOCUMENT

The offer document shall contain the following statements in a prominent position:

Important

"If you are in doubt as to any aspect of this offer, you must consult a registered market participant, a bank manager, an attorney-at-law, a professional accountant, or other professional adviser."

If you have sold all your shares inyou shall forthwith deliver this document and the accompanying form to the purchaser or to the bank or broker or other agent through whom the sale was effected for transmission to the purchaser."

The offer document shall include the following information:

The Offeror

1. The name and address of the offeror or any financial advisor or other person who may be acting for the offeror, and of any person acting in concert with any of them. Unless otherwise agreed with the Council, the offer document shall 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 securities in the offeree held by such persons, or a statement that no such securities are held.
2. If either the offeror or any person acting in concert with the offeror is a company, the names of its directors and controlling shareholders.

Intentions regarding the offeree and its shareholders

3. (a) the offeror's intentions regarding the continuation of the business of the offeree ;

the details, including dates and prices, shall be stated. If no such dealings have taken place, this fact shall be stated.

Partial offer

5. If applicable, an explanation as to why the number of offeree shares it is proposed to acquire, together with any such shares beneficially owned by the persons specified in paragraph 3, is less than the total number of shares in issue.

Shares offered for and dividends

6. Precise particulars of the securities in respect of which the offer is made and a statement whether they are to be acquired cum or ex any dividend or other distribution which has been or may be declared.

Conditions of offer

7. The price or other consideration to be paid for the securities.
8. All conditions attached to acceptances and in particular whether the offer is conditional upon acceptances being received in respect of a minimum number and the last day on which the offer can become unconditional.
9. A statement whether or not the offeror intends to avail itself of any powers of compulsory acquisition.

Market prices of offeror's shares being offered

10. (a) The closing price on the securities exchange of the securities of the offeree which are the subject of the offer -
 - (i) on the latest practicable date prior to the publication of the document;
 - (ii) on the latest business day immediately preceding the date of the initial announcement of the offer; and
 - (iii) at the end of each of the 6 calendar months preceding the date of the initial announcement.
- (b) the highest and lowest closing market prices with the relevant dates during the period between the start of the six months preceding

(b) the offeror's intentions regarding any major changes to be introduced in the business, including any redeployment of the fixed assets of the offeree ;

(c) the long-term commercial justification for the proposed offer; and

(a) the offeror's intentions with regard to the continued employment of the employees of the offeree and of its subsidiaries.

Shareholdings and dealings

4. (a) the shareholdings of the offeror in the offeree ;

(b) the shareholdings in the offeror and in the offeree in which directors of the offeror are interested;

(c) the shareholdings in the offeror and in the offeree which persons acting in concert with the offeror own or control (with the names of such persons acting in concert);

(d) the shareholdings in the offeror and in the offeree owned or controlled by persons who, prior to the posting of the offer document, have irrevocably committed themselves to accept or reject the offer, together with the names of such persons; and

(e) the shareholdings in the offeror and in the offeree owned or controlled by a person with whom the offeror or any person acting in concert with the offeror has any arrangement of an indemnity or option nature, or any other agreement or understanding, formal or informal, of whatever nature, which might be an inducement to deal or refrain from dealing.

If in any of the categories specified in (a) to (c) there are no shareholdings, this fact shall be stated.

If any party whose shareholdings are required by this paragraph to be disclosed has dealt for value in the shares in questions during the period beginning 6 months prior to the offer period and ending with the latest practicable date prior to the posting of the offer document,

6 MTHS

the date of the initial announcement and the latest practicable date prior to the posting of the offer document.

Cash resources for offer

11. Where the offer is in cash, or includes an element of cash, the offer document shall include confirmation by a financial adviser or by another appropriate independent party that resources are available to the offeror sufficient to satisfy full acceptance of the offer.

Financial information

12. (a) In the case of a securities exchange offer the following information about the offeror:

- (i) for the last five financial years for which the information has been published, turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends, and earnings and dividends per share;
- (ii) a statement of the assets and liabilities shown in the last published audited accounts;
- (iii) all material changes in the financial or trading position of the offeror subsequent to the last published audited accounts or a statement that there are no known material changes;
- (iv) details relating to the items referred to in (i) above in respect of any interim statement or preliminary announcement made since the last published audited accounts; and
- (v) significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures;

(b) Where, because of a change in accounting policy, figures are not comparable to a material extent, this shall be disclosed and the approximate amount of the resultant variation shall be stated.

(c) In a highly-leveraged offer, the Council will normally require that the offer document contains a description of the financing arrangements. An offer may be considered to be highly-leveraged if, as a result of the offer, the offeror will incur a high level of debt and

the payment of interest, repayments of security for the debt will substantially depend on the business of the offeree .

Arrangements in connection with offer

13. Details of any benefit which will be given to any director of the offeree as compensation for loss of office or otherwise in connection with the offer.
14. Details of any agreement or arrangement between the offeror and any of the directors of the offeree or any person which is conditional on the outcome of the offer or otherwise connected with the offer.

Regulatory obligations

15. A statement of the obligations of the offeror and the rights of the offeree shareholders under regulations 34 to 39.

Further information in cases of securities exchange offers

The following additional information shall be given by the offeror when it is offering its securities in exchange for the securities of the offeree:

16. The nature and particulars of its business.
17. The date and country of its incorporation.
18. The address of its principal office in Guyana.
19. The authorized and issued share capital and any options outstanding in respect thereof, and the rights of the shareholders in respect of capital, dividends and voting.
20. Whether or not the shares being offered will rank pari passu with the existing issued shares of the company, and if not, a precise description of how the shares will rank for dividends and capital.
21. The number of shares issued since the end of the last financial year of the company.
22. Details of options, warrants and conversion rights affecting shares in the offeror .

23. Details of any re-organization of capital during the two financial years preceding the date of the offer.
24. Details of any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities of the offeror and any of its subsidiaries, or, if there are no such liabilities, a statement to that effect.
25. Details of any material litigation to which the company is, or may become, a party.
26. Details of every material contract entered into not more than two years before the date of the offer, not being a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company.
27. How and when the documents of title to the securities will be issued.

SCHEDULE 2

reg. 21

**INFORMATION TO BE CONTAINED IN OFFEREE COMPANY'S
REPLY DOCUMENT**

The offeree's document shall include the following information:

Views of offeree board

1. Whether the directors of the offeree recommend that the shareholders shall accept or reject the offer, or a statement that the directors do not wish to make a recommendation (with reasons for the recommendation or for making no recommendation). A copy of the written advice of the offeree's financial advisers shall also be given.
2. Whether the directors and any person dealing directly on their behalf intends to accept the offer.

Directors' shareholdings in offeree

3. The aggregate shareholdings in the offeror and in the offeree in which the directors of the offeree are interested shall be stated. If securities in the offeree have been purchased or sold by such persons within 6 months before the announcement of the offer, details of the numbers, prices and dates shall be given.

Shareholdings in the offeror

4. The shareholdings in the offeror in which the following persons are interested:
 - (a) the offeree, the offeree's holding company and any subsidiary or fellow subsidiary;
 - (b) each director of the offeree; and
 - (c) the offeree's financial advisor, the advisor's holding company or any subsidiary or fellow subsidiary.

If any shares in the offeror have been purchased or sold by such persons within 6 months before the announcement of the offer, details of the numbers, prices and dates shall be given.

Share capital of offeree

5. The authorized and issued share capital and any options outstanding in respect thereof, and the rights of the shareholders in respect of capital, dividends and voting.
6. The number of shares issued since the end of the last financial year of the company.
7. Details of options, warrants and conversion rights affecting shares in the offeree.

Financial information

8. (a) The following information about the offeree :
 - (i) for the last five financial years for which the information has been published, turnover, net profit or loss before and after taxation, the charge for tax, extraordinary items, minority interests, the amount absorbed by dividends, and earnings and dividends per share;
 - (ii) a statement of the assets and liabilities shown in the last published audited accounts;
 - (iii) all material changes in the financial or trading position or prospects of the company subsequent to the last published audited accounts or a statement that there are no known material changes;
 - (iv) details relating to items referred to in (i) above in respect of any interim statement or preliminary announcement made since the last published audited accounts; and
 - (v) significant accounting policies together with any points from the notes to the accounts which are of major relevance to an appreciation of the figures;
- (b) Where, because of a change in accounting policy, figures are not comparable to a material extent, this shall be disclosed and the approximate amount of the resultant variation shall be stated.

Material contracts

10. Details of every material contract entered into more than two years before the date of the offer, not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the company.

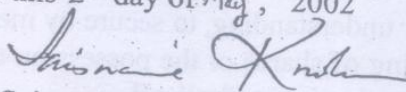
Arrangements affecting directors

11. Details of any benefit to be given to any director of the offeree as compensation for loss of office or otherwise in connection with the offer.
12. Details of any agreement between any director of the offeree and any other person which is conditional on the outcome of the offer or otherwise connected with the offer.
13. Details of any material contract entered into by the offeror in which any director of the offeree has a material personal interest.

Directors' service agreement

14. Details of any service contract with the offeree or any of its subsidiaries or associated companies in force for any director of the offeree which has more than twelve months to run, or which has been entered into or amended within six months before the announcement of the offer.

Made this 2nd day of May, 2002



Saisnarine Kowlessar

Minister of Finance

EXPLANATORY NOTE

(This note is not part of the Regulations)

1. These Regulations are made by the Minister of Finance in exercise of the powers conferred on him by section 117(1) and (2) and section 126(2) and (4) of the Securities Industry Act 1998 ("the Act").
2. The purpose of these Regulations is to ensure fair treatment for shareholders who are affected by take-over bids. Such fair treatment is ensured by provisions requiring shareholders to be treated equally, requiring the disclosure of timely and adequate information to enable shareholders to make an informed decision as to the merits of an offer, and by requiring that there is fair and informed market in the shares of companies affected by a takeover bid.
3. The Act defines a take-over bid to mean "an offer made by an offeror to shareholders of an offeree company to acquire a sufficient number of shares of any class of issued shares of the offeree company to obtain or consolidate control of that company, and includes every offer by an issuer to repurchase its own shares" (sections 3(2)(y) and 113(4)).
4. "Control" is defined, for the purpose of the Act and of these Regulations, by section 3(1)(j) as follows -
"control" in relation to an issuer means the power of a person, or persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, to secure by means of -
 - (i) the holding of shares or the possession of voting power in or in relation to that issuer;" or
 - (ii) any other power conferred by the articles of incorporation or other document regulating the issuer,that the business affairs of the issuer are conducted in accordance with the wishes of such person or persons;
5. Section 117 of the Act prescribes various conditions precedent to the making of take-over bids in respect of reporting issuers, including the obligation to provide such information as the Securities Council may prescribe. These Regulations specify the information so required.

6. Section 126(4)(a) of the Act requires that the Regulations prescribe the level of acquisition of voting rights of a reporting issuer by a person or persons acting in concert at which a mandatory take-over bid shall be made for all the remaining voting shares of that company.
7. The level of shareholding at which a mandatory offer is required to be made is commonly known as the "trigger point".
8. The reasoning underlying the requirement for a mandatory offer is that where a person(s) has acquired control of a company, the other shareholders should have the opportunity to sell their shares at a price no less than that paid for the control of their company.
9. A holding of more than over 50% of the voting equity of a company gives absolute legal control over that company. However, whilst de jure control only exists with a holding of more than 50%, nonetheless many jurisdictions take the view that de facto control over a company exists at a lower holding: in the UK, it is considered to be 30%, in Hong Kong 35%, and in Singapore 30%. In Jamaica, the trigger-point is 25%. In the draft Trinidad By-Laws, there is no provision for a mandatory offer, but a take-over bid is defined as an offer to acquire equity securities which, together with any existing holding, would constitute in the aggregate 25% or more of the company's equity. These Regulations prescribe 35% as the level of the shareholding where those acquiring control must make an offer to purchase the voting shares of the other shareholders (regulation 49).

Preliminary

10. Regulation 1 makes provision for the citation of the Regulations and regulation 2 contains interpretation provisions.
11. Regulation 3 applies the Regulations to any take-over bid for, or request or invitation for the tender of, any equity securities of a reporting issuer and requires all persons engaged in takeover bids or tenders to comply with the requirement of the Regulations.

12. Regulation 4 specifies the object of the Regulations and regulation 5 makes it an offence to contravene the Regulations. The penalty for a contravention of the Regulations is authorized by section 126(6) of the Act.

General

13. The manner of making a take-over bid (offer) is governed by regulations 6-9. An offer is required first to be submitted to the offeree company (regulation 6) and must disclose the identity of the offeror (regulation 7). The offeree company is entitled to be satisfied that the offeror is in a position to implement the offer (regulation 8) and both parties must maintain absolute secrecy prior to the announcement of the offer (regulation 9).
14. The board of the offeree company must, in the interests of shareholders, retain financial advisers whose written advice must be disclosed to shareholders (regulation 10); the financial advisers must be truly independent (regulation 11).
15. Regulation 12 dictates when and by whom an announcement of an offer shall be made, and the information required to be disclosed in the announcement is prescribed by regulation 13. Where an offeror acquires voting rights giving rise to an obligation to increase its offer or make a mandatory offer, the offeror must publish daily the number of voting rights acquired and the price paid (regulation 14).
16. Where an offer has been made, the board of the offeree company is prohibited from taking any action to frustrate the offer without the approval of its shareholders in general meeting (regulation 15). Once the firm intention to make an offer has been announced, the offer cannot be withdrawn without the consent of the Securities Council (regulation 16).
17. Without the consent of the Securities Council no director of an offeree company may resign until the offer is completed (regulation 17).

18. Regulations 18-23 govern the equal availability of information to shareholders, the timing and content of the offer document and the timing and content of the offeree company's reply document.
19. All take-over documents must be prepared with the same standard of care as if it were a prospectus (regulation 24), must contain sufficient information to enable shareholders to make a properly informed decision on the offer (regulation 25), and shall state that the directors are jointly and severally responsible for the accuracy of the information contained (regulations 26 and 27).
20. Any profit forecast must be compiled with due care and objectivity (regulation 28) and must set out the specific assumptions on which it is based (regulation 29).
21. Where any revaluation of assets is involved, details must be included in the document (regulation 30), and such revaluation must be carried out by an independent and qualified valuer (regulation 31).
22. Regulations 32 and 33 govern respectively the filing of documents with the Securities Council and the manner of publication of announcements.
23. Regulations 34-39 prescribe the offer timetable.
24. Regulations 40 and 41 prescribe the requirements for the announcement of the results of an offer.
25. Restrictions are imposed on dealings in the securities of the offeror and offeree companies before and during the offer period (regulations 42-45).
26. In the case of purchases by the offeror of securities at above the offer price (regulation 46), or where the offer involves a further issue of securities at a higher value than the offer (regulation 47), the offeror is required to increase the amount of the offer accordingly, and offeree shareholders must be informed of the increased price (regulation 48).

Special Provisions Regarding Mandatory Take-Over Offers

27. A take-over offer is mandatory where a person or persons acting in concert acquire thirty five per cent or more of the voting rights of a reporting issuer (regulation 49) at a price or value not less than the highest price paid by the offeror for shares in the offeree company in the preceding 6 months (regulation 50).
28. Except with the consent of the Securities Council, restrictions are imposed on any attempted control (whether through nominee directors or exercise of voting rights) by the offeror over the offeree company (regulation 51), and the offeree company is required to register promptly share transfers during an offer period (regulation 52).
29. Except with the consent of the Securities Council all offers are subject to the condition that the offeror shall receive acceptances totalling an aggregate holding of fifty per cent or more of the voting rights of the offeree company (regulation 53).
30. Where an announced offer is not consummated, the offeror may not make a further offer within 12 months (regulation 54). Further, where a person holds thirty five per cent or more of the voting rights of a company, that person may not make a further offer or acquire shares at a higher price than available under the previous offer within 6 months after the closure of a previous offer (regulation 55).
31. Schedule 1 specifies the information to be contained in the offer document of the offeror.
32. Schedule 2 specifies the information to be contained in the reply document of the offeree company.