

APPENDIX 1

(Referred to in paragraph 2)

STATUTORY INSTRUMENTS

1973 NO 1137

MONOPOLIES AND MERGERS

Restriction of Merger (No 2) Order 1973

Made	29th June 1973
Laid before Parliament	29th June 1973
Coming into Operation	30th June 1973

Whereas the Secretary of State in exercise of powers conferred by section 6(7) of the Monopolies and Mergers Act 1965(a) and now vested in him by virtue of the Transfer of Functions (Monopolies, Mergers and Restrictive Practices) Order 1969(b) has referred to the Monopolies Commission for investigation and report the matter of the proposed acquisition by British Match Corporation Limited of Wilkinson Sword Limited:

Now, therefore, the Secretary of State with a view to preventing action which may prejudice the reference or impede the taking of any remedial action which may be warranted by the Commission's report and in exercise of powers conferred by sections 3(5) and 6(11) of the said Act and now vested in him hereby orders as follows:—

1. (1) This Order may be cited as the Restriction of Merger (No 2) Order 1973 and shall come into operation on 30th June 1973.

(2) The Interpretation Act 1889(c) shall apply to the interpretation of this Order as it applies to the interpretation of an Act of Parliament.

2. It shall be unlawful for British Match Corporation Limited or any subsidiary thereof to acquire any shares or any interest in shares of Wilkinson Sword Limited if such acquisition would or might result in British Match Corporation Limited and Wilkinson Sword Limited becoming interconnected bodies corporate:

Provided that this article shall not apply to anything done in pursuance of a legally enforceable agreement to acquire shares made before the commencement of this Order other than an agreement made in pursuance of any general offer addressed to the members of Wilkinson Sword Limited by Hambros Bank Limited on behalf of British Match Corporation Limited.

PETER EMERY

Parliamentary Under Secretary of State
Department of Trade and Industry

Dated 29th June 1973

EXPLANATORY NOTE

(This Note is not part of the Order)

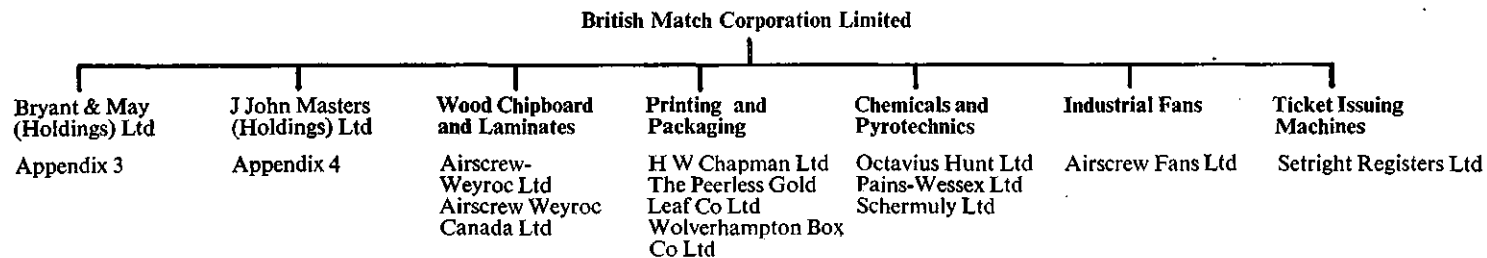
This Order imposes a standstill on any acquisition by British Match Corporation Limited or its subsidiaries of shares of Wilkinson Sword Limited which would or might result in Wilkinson Sword Limited becoming a subsidiary of British Match Corporation Limited. The proposed merger of these two companies has been referred to the Monopolies Commission.

An exemption is provided for any acquisition of shares in pursuance of an agreement made before the commencement of this Order other than an agreement resulting from a general offer to acquire shares of Wilkinson Sword Limited made by Hambros Bank Limited on behalf of British Match Corporation Limited.

The Order, unless previously revoked, will cease to have effect—

- (a) 40 days after the report of the Monopolies Commission on the proposed merger is laid before Parliament; or
- (b) on the failure of the Commission to report within the period allowed.

APPENDIX 2
(Referred to in paragraphs 11, 20 and 51)
BRITISH MATCH GROUP STRUCTURE



APPENDIX 3

(Referred to in paragraphs 11 and 20)

BRYANT & MAY (HOLDINGS) LIMITED

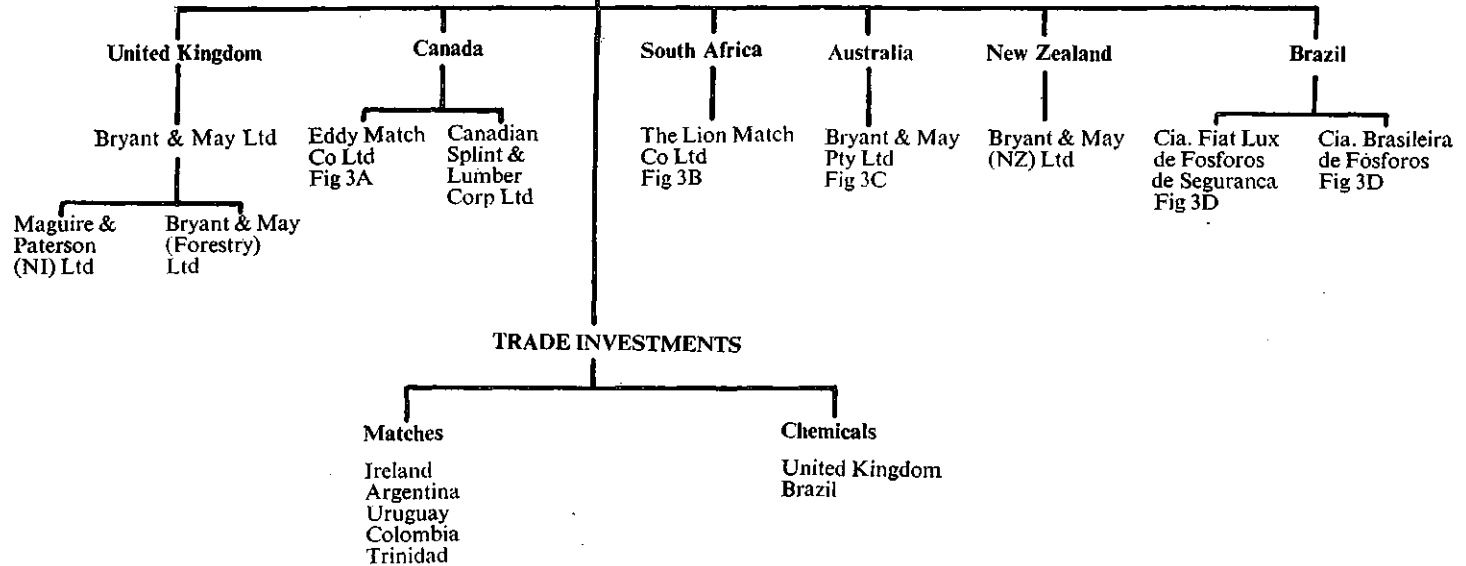


Figure 3A

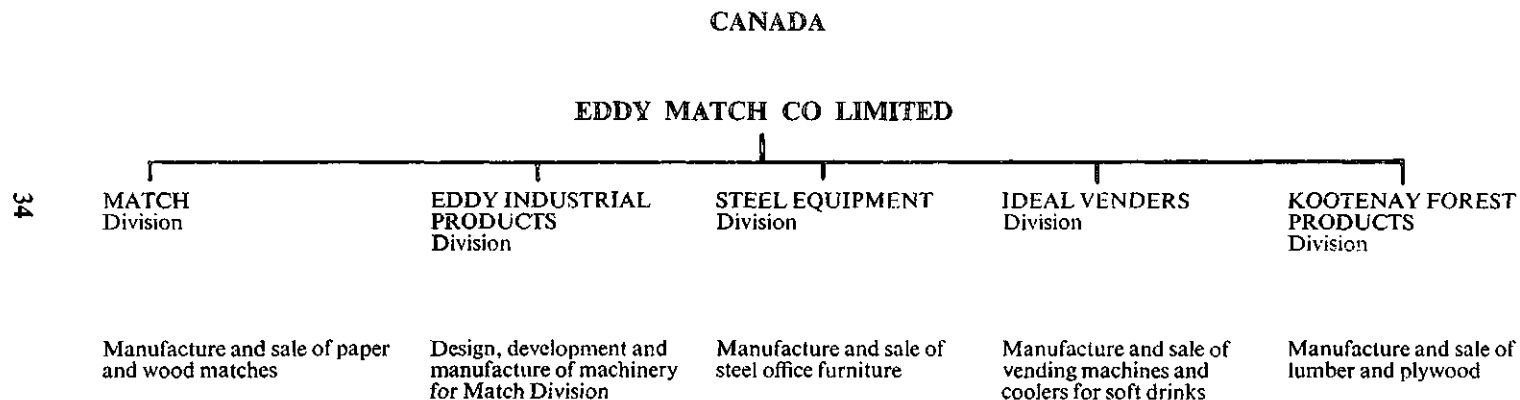


Figure 3B

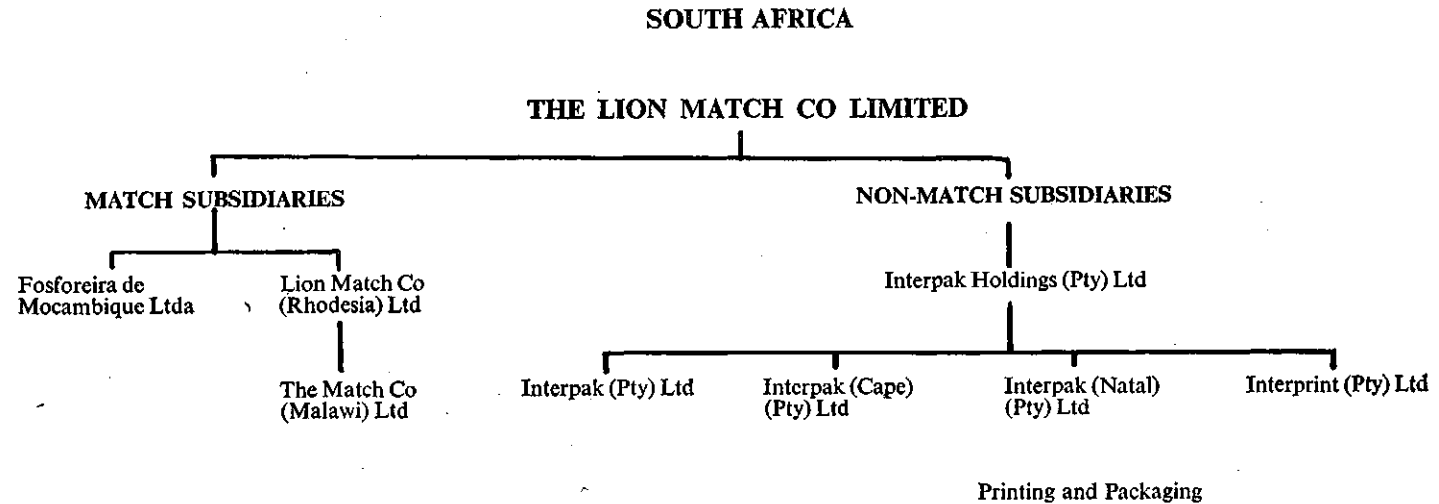


Figure 3C

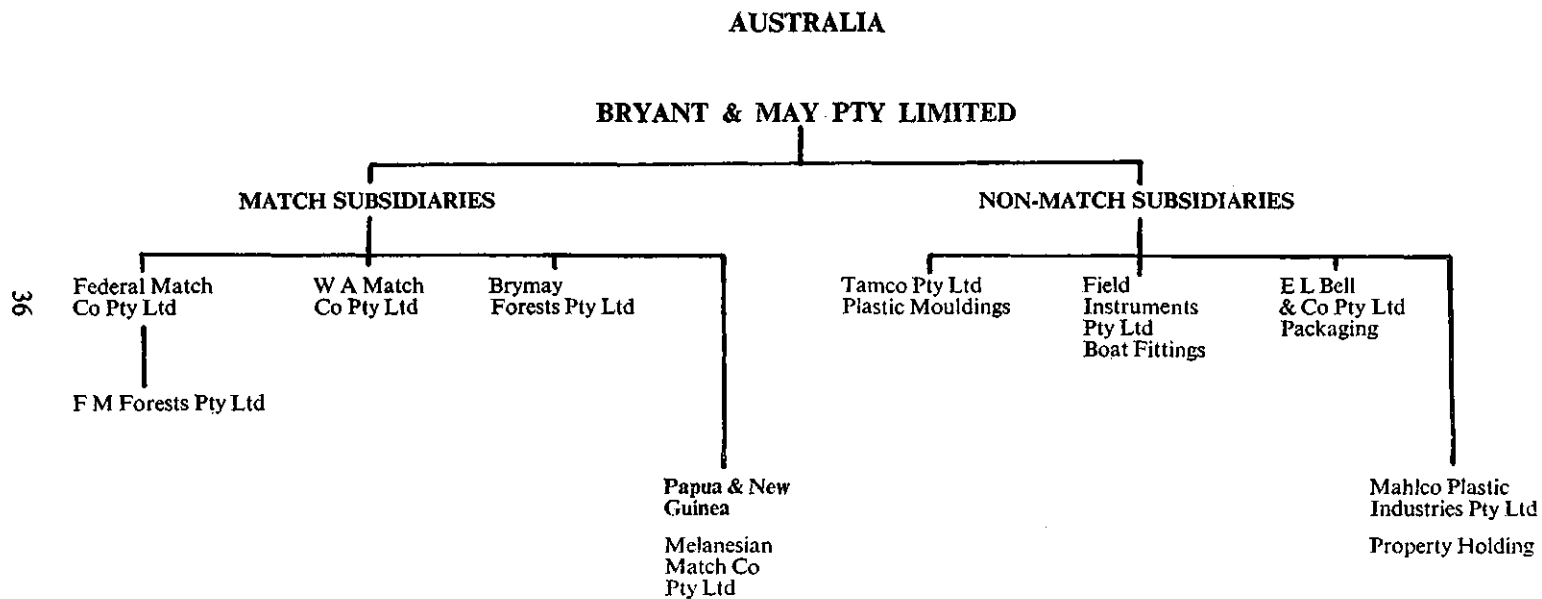
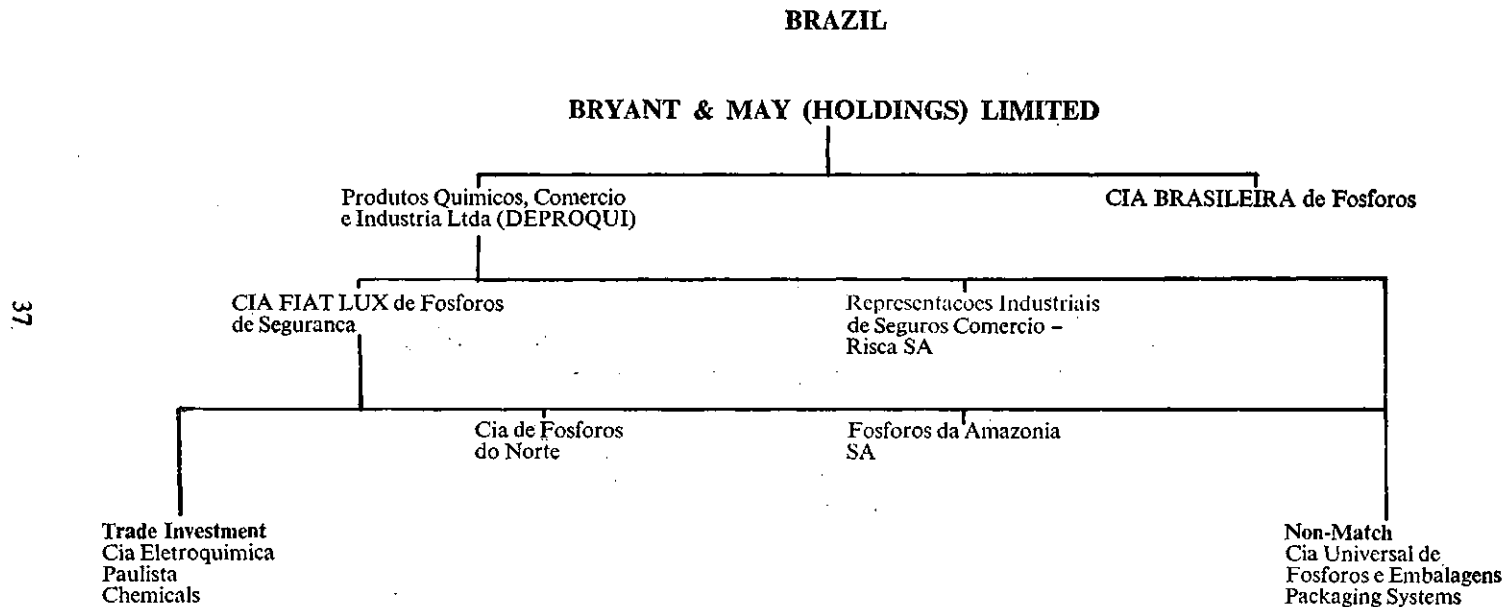
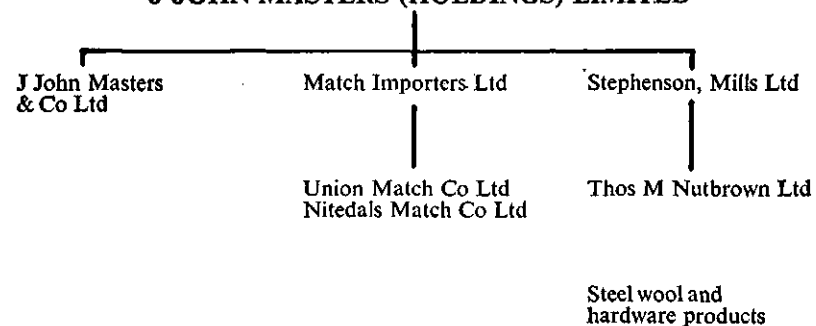


Figure 3D



APPENDIX 4
(Referred to in paragraphs 11 and 20)
J JOHN MASTERS (HOLDINGS) LIMITED



APPENDIX 5

(Referred to in paragraphs 12 and 26)

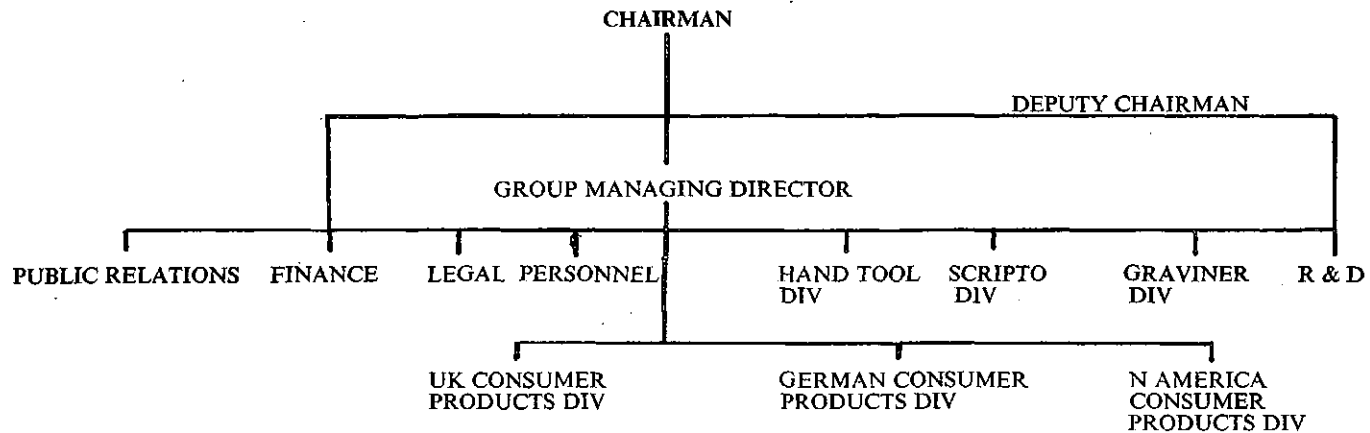
LIST OF ACCOUNTING AND FINANCIAL MATTERS RAISED WITH BMC AND WILKINSON

1. *Sales*
 - Description of activities.
 - Analysis of sales for past years over product groups and markets.
 - Analysis of source of supplies to each market.
 - Details of commercial agreements with other companies, particularly overseas marketing arrangements.
 - Details of marketing expenses for past years, including launch costs of new products.
 - Details of price changes of major products.
 - Characteristics of major markets – volume, growth, competition, importance of price, technical innovation, etc.
2. *Profitability*
 - Analysis of net profit for past years over product groups and markets.
 - Corresponding analysis of capital employed and return on capital employed.
 - Details of accounting policies having an important effect on determination of profit and return on capital.
 - Analysis of cost structure of major products.
 - Profit forecast for current year and projection for further years.
3. *Current Financial Position*
 - Analysis of net assets by type of asset.
 - Analysis of current sources of capital.
 - Details of rights attaching to shares and of share option schemes.
 - Analysis of sources and uses of funds over five years.
 - Present liquidity position.
 - Restrictions on borrowing – articles, debenture deeds, bank facilities, etc.
 - Details of major shareholders and their other interests.
 - Potential sources of further finance.
4. *Past Acquisitions*
 - Accounts of companies acquired, for periods before and after acquisition.
5. *Efficiency in Use of Resources*
 - Statistics available to management.
 - Analysis of productivity of labour and materials for past years.
 - Use of working capital.
 - Management accounting systems.
6. *Financial Consequences of the Merger*
 - Details of offer proposals.
 - Evaluation of the benefits expected by the two companies as a result of the merger.
 - Other consequences.

APPENDIX 6

(Referred to in paragraphs 25 and 51)

GENERAL ORGANISATION OF THE WILKINSON SWORD GROUP



APPENDIX 7

(Referred to in paragraph 38)

SUMMARY OF THE TERMS OF OFFERS MADE BY BMC FOR THE ISSUED AND FULLY PAID CAPITAL OF WILKINSON

1. *Ordinary Shares* For every six fully paid Ordinary Shares of 20p each in Wilkinson, there would be offered one fully paid Ordinary Share of £1 in BMC and £2.80 nominal of 10 per cent Convertible Unsecured Loan Stock 1983-98 ('Convertible Stock').

Non-Voting 'A' Ordinary Shares For every seven fully paid non voting 'A' Ordinary Shares of 20p each in Wilkinson, there would be offered one fully paid Ordinary Share of £1 in BMC and £3.04 nominal of Convertible Stock.

Conversion Rights

It was provided that Convertible Stock could be exchanged in any of the years 1976 to 1983 inclusive at the rate of 40 Ordinary Shares in BMC for every £100 nominal Convertible Stock.

2. The offer for the Ordinary Shares was to be conditional on acceptance in respect of not less than 90 per cent of the issued Ordinary Shares and not less than 90 per cent of the issued Non-Voting 'A' Ordinary Shares (or such smaller percentages as BMC might determine) and to the passing at an Extraordinary General Meeting of BMC of a resolution for an increase in the authorised ordinary share capital of BMC. The offer for the 'A' Ordinary Shares was to be conditional only upon the ordinary offer becoming unconditional.

3. Acceptances were called for by 6 July 1973. It was stated in the documents issued on 14 June 1973 that irrevocable undertakings to accept had been given by certain directors and other shareholders of Wilkinson in respect of holdings representing approximately 54.5 per cent of the issued Ordinary Shares and approximately 22 per cent of the 'A' Ordinary Shares.

