

General Electric Company plc

1. Title of report: The General Electric Company plc, Siemens AG and The Plessey Company plc (MMC - Cm 676)

2. Date of report: 10 April 1989 Published: 21 April 1989

3. Orders: N/A

4. Date of original undertakings: Press release: 2 August 1989

5. Companies giving undertakings: The General Electric Company plc

6. Details of undertakings:

(i) (a) Not to acquire or hold any shares or any interest in any shares of any Relevant Enterprise or any other right carrying an entitlement to vote at meetings of any Relevant Enterprise.

(b) To ensure that no director, employee or representatives of GEC will hold any directorship or any managerial position in any Relevant Enterprise, and not to participate in decisions concerning the policy of the Businesses.

(c) Not to acquire other than in the ordinary course of business any assets of the Businesses.

(d) To grant to the Businesses a licence in respect of all intellectual property rights (other than trademarks) previously owned by Plessey and enjoyed by the Businesses.

(ii) Undertaking (i) above shall not prevent:

(a) the acquisition of Plessey by GEC Siemens provided GEC Siemens divests itself of the control of any Relevant Enterprise within six months and that pending such divestment GEC does not participate in any decisions concerning the policy of the Businesses;

(b) the joint ownership by GEC and Siemens of the Plessey semiconductor and R&D activities and the ownership by GEC of Plessey Avionics and Plessey Naval Systems, in each case excluding any activities currently carried on within the Plessey Radar and Defence Systems divisions;

- (c) any agreement which is conditional on the approval of the Secretary of State;
- (d) the acquisition by GEC of less than 5 per cent of the issued voting share capital of Siemens;
- (e) the continued enjoyment by those parts of Plessey which are to be owned or controlled by GEC or GEC Siemens of rights to intellectual property owned or controlled by the Businesses.

(iii) On the instructions of the Secretary of State for Defence to enter into licence agreements so as to make available to designated companies access to all intellectual property rights and technical assistance necessary to compete effectively in the manufacture and supply of equipment for the UK Joint Tactical Information Distribution System.

(iv) To procure that the following directors shall be British Citizens:

(a) all executive directors and the majority of the non-executive directors of members, divisions or other business entities within the Plessey or GEC Siemens groups incorporated or established in the United Kingdom and which undertake government work subject to 'Standard Conditions of Governmental Contracts No: 59 - Security Measures';

(b) all directors of the companies and divisions and business entities listed in Schedule 5 of the agreement between (1) the Secretary of State for Defence, (2) GEC, (3) Siemens AG, and (4) GEC Siemens (the Agreement).

(v) To procure that the Articles of Association of the companies referred to in paragraph (iv) above are amended so as to make it mandatory that such directors shall be British Citizens.

(vi) To comply fully in all respects with the terms of the Agreement.

In these undertakings:

'the Businesses' means any enterprise which:

(1) is engaged in certain radar and communications activities and either: (a) employs for such activities any asset employed by the Plessey Radar and Defence Systems divisions; or (b) is carried on by Siemens and supplies such products or systems to the United Kingdom; or

(2) is engaged in certain traffic control activities and either: (a) employs such activities any asset employed by Plessey; or (b) is engaged in activities in relation to the Autoguide system which have been engaged in by Plessey or by Autoguide Services Ltd; or (c) is carried on by Siemens and supplies such products or systems to the United Kingdom;

'Relevant Enterprise' means any company or other entity carrying on the Businesses, and any company or other entity which has control of any such company or other entity.

7. Date of amendments: N/A

8. SIC code: 32.10 (Electronic components)

32.20/2 (Military communications)

33.20/1 (Avionics, naval systems, radar, traffic control equipment)

Siemens AG

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6. Details of undertakings: Behavioural undertakings

(i) Not to hinder GEC from complying with its undertaking to enter into licence agreements with companies designated by the Secretary of State for Defence, so as to make available to such companies access to all intellectual property rights and technical assistance necessary to enable them to compete effectively in the manufacture and supply of equipment for the UK Joint Tactical Information Distribution System.

(ii) To procure that the following directors shall be British Citizens:

(a) all executive directors and the majority of the non-executive directors of members, divisions or other business entities within the Plessey or GEC Siemens groups incorporated or established in the United Kingdom and which undertake government work subject to 'Standard Conditions of Governmental Contracts No: 59 - Security Measures';

(b) all directors of the companies and divisions and business entities listed in Schedule 5 of the agreement between (1) the Secretary of State for Defence, (2) GEC, (3) Siemens AG, and (4) GEC Siemens (the Agreement).

(iii) To procure that the Articles of Association of the companies referred to in paragraph (ii) above are amended so as to make it mandatory that such directors shall be British Citizens.

(iv) To comply fully in all respects with the terms of the Agreement.

(v) To procure that no information designated with a confidential or higher security classification is made available to any person not authorised by the Secretary of State for Defence to receive such information.

7. Date of amendments: N/A

8. SIC code: 32.10 (Electronic components)

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