



PANEL BULLETIN 3

REQUIREMENTS IN RELATION TO IRREVOCABLE COMMITMENTS AND LETTERS OF INTENT

Rule 2.10(c) of the Takeover Code requires an announcement to be made promptly if the giver of an irrevocable commitment or a letter of intent becomes unable, or no longer intends, to comply with its terms, as follows:

“2.10 IRREVOCABLE COMMITMENTS AND LETTERS OF INTENT

...

(c) If a person who has given an irrevocable commitment or a letter of intent either becomes aware that it will not be able to comply with the terms of that commitment or letter or no longer intends to do so, that person must:

- (i) promptly announce an update of the position together with all relevant details;
or**
- (ii) promptly notify the relevant party to the offer and the Panel of the up-to-date position. Upon receipt of such a notification, the relevant party to the offer must promptly make an appropriate announcement of the information notified to it together with all relevant details.”.**

The Panel Executive is aware of a number of cases recently in which a shareholder which had given a letter of intent to an offeror to accept an offer or to vote in favour of a scheme of arrangement sold shares which were subject to the letter of intent without a prompt announcement of the relevant details being made, either by the shareholder or the offeror.

Shareholders and other persons interested in shares are reminded that, if they become unable, or no longer intend, to comply with the terms of an irrevocable commitment or letter of intent, either in whole or in part, they must promptly either make an announcement or notify the relevant party to the offer and the Executive.

Offerors and offeree companies are reminded that they must make a prompt announcement if they receive a notification from a person from whom they have procured an irrevocable commitment or letter of intent to the effect that the person will be unable to comply with the terms of the commitment or letter.

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Panel Bulletins are published by the Panel Executive from time to time to remind practitioners and market participants of the operation of specific provisions of the Takeover Code in the light of issues of which the Executive becomes aware. Panel Bulletins do not entail any changes to the interpretation or application of the Code.