

THE TAKEOVER PANEL

AMENDMENTS TO PRACTICE STATEMENT NO 20

The Panel Executive has today amended Practice Statement No 20 (Rule 2 – Secrecy, possible offer announcements and pre-announcement responsibilities).

Note 1 on Rule 2.2 of the Takeover Code sets out the circumstances in which the Panel should be consulted as to whether there is a requirement to announce a possible offer under Rule 2.2. Sections 4 and 5 of Practice Statement No 20 describe the way in which the Executive normally interprets and applies Notes 1(b) and 1(c) on Rule 2.2.

The Practice Statement has been amended to clarify the application of the requirement to consult the Executive where the share price of a potential offeree company moves 10% or more above the lowest share price since: (i) the first active consideration of an offer by a potential offeror; (ii) the receipt by the offeree company of an approach by a potential offeror in relation to a possible offer; or (iii) the time at which a potential offeror is first sought (a “**10% share price movement**”).

For the purposes of Notes 1(b) and 1(c) on Rule 2.2, the Executive’s policy is to treat a 10% share price movement as being relevant for determining the latest time by which it should first be notified by either a potential offeror or the offeree company, or by its financial adviser, of a possible offer. Accordingly, if the relevant party has already notified the Executive of the possible offer prior to the occurrence of a 10% share price movement, the Executive will not expect to be consulted again solely because of the 10% share price movement.

As previously set out in Practice Statement No 20, the Executive’s expectations remain that it should be consulted each time the offeree company is the subject of rumour and speculation or there is a 5% share price movement in the course of a single day.

9 February 2022