

THE TAKEOVER PANEL

CODE COMMITTEE

Instrument 2025/1

Dual class share structures, IPOs and share buybacks

Pursuant to sections 942, 943 and 944 of the Companies Act 2006, Articles 2, 3 and 4 of the Companies (Takeovers and Mergers Panel) (Jersey) Law 2009, and sections 340A, 340B and 340C of the Companies (Guernsey) Law, 2008, and in exercise of the functions conferred on it by the Panel in paragraph 2 of its Terms of Reference, the Code Committee hereby makes this instrument containing rules.

The Takeover Code is amended, with effect from 4 February 2026, in accordance with the Appendix to this instrument.

In the Appendix, underlining indicates new text and strike-through indicates deleted text.

Chris Saul

Chair of the Code Committee

for and on behalf of the Code Committee

2 December 2025

APPENDIX

INTRODUCTION

3 COMPANIES, TRANSACTIONS AND PERSONS SUBJECT TO THE CODE

This section (except for sections 3(d) and paragraph (ii) of section 3(e)) sets out the rules as to the companies, transactions and persons to which the Code applies.

...

(e) Admission to trading and cCancellation of admission to trading

(i) Initial public offering or admission to trading

Where a company is considering an initial public offering or admission to trading of its securities as a result of which the Code would then apply to the company under paragraph (i) of section 3(a) above, it must make appropriate disclosure in respect of the Code in the admission document, including an explanation of the application of Rule 9 and disclosure of details of any person, or group of persons acting in concert, that will be, or is expected to become, interested in shares carrying 30% or more of the voting rights of the company. The Panel must be consulted so that guidance can be given on the appropriate disclosure.

See also Note 6 of the Notes on Dispensations from Rule 9.

(ii) Cancellation of admission to trading

A company referred to in paragraph (i) of section 3(a) above may decide that it wishes to cancel the admission of its securities to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. In such circumstances, early consultation with the Panel is advised so that guidance can be given on the appropriate disclosure to be made to shareholders about the fact that, as a result of the cancellation of the admission of its securities to trading, the company will fall within paragraph (ii) of section 3(a) above for a period of two years, following which the Code will cease to apply.

Rule 2.9

2.9 ANNOUNCEMENT OF NUMBERS OF RELEVANT SECURITIES IN ISSUE

...

NOTES ON RULE 2.9

...

3. Dual class share structures

Where the offeree company or a securities exchange offeror has a class of shares with enhanced voting rights where each such share carries multiple votes, any announcement made under Rule 2.9 must explain the voting rights carried by each class of shares. The Panel must be consulted on the form of the announcement.

Rule 9

9.1 WHEN A MANDATORY OFFER IS REQUIRED AND WHO IS PRIMARILY RESPONSIBLE FOR MAKING IT

...

(See the Notes on Dispensations from Rule 9 and, in respect of share buybacks, dual class share structures and enfranchisement of non-voting shares, Rule 37.)

...

NOTES ON RULE 9.1

...

11. The reduction or dilution of interests in shares

...

(See also Rule 37-4.)

...

9.3 RESTRICTION ON CONDITIONS

...

NOTES ON RULE 9.3

...

3. Dual class share structures

(a) In the circumstances described in Note 3(b), an offer made under Rule 9 must be conditional only 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 any person acting in concert with it holding both:

(i) shares carrying, in aggregate, over 50% of the voting rights immediately before the offer becomes unconditional; and

(ii) shares which would carry, in aggregate, over 50% of the voting rights immediately after any conversion or extinguishing of the shares with enhanced voting rights (or of the voting rights carried by such shares).

(b) Note 3(a) applies where an offer is made for an offeree company with a class of shares with enhanced voting rights where each such share carries multiple votes and, upon transfer of those shares or upon the offer becoming unconditional, either:

(i) the shares would convert into ordinary shares; or

(ii) the shares (or the voting rights carried by such shares) would be extinguished.

...

9.5 CONSIDERATION TO BE OFFERED

...

NOTES ON RULE 9.5

...

3. Adjustment of highest price

Circumstances which the Panel might take into account when considering an adjustment of the highest price include:

...

(g) *if an offer is required in the circumstances set out in Rule 37.4.*

...

6. Share buybacks, dual class share structures and enfranchisement of non-voting shares

Where a mandatory offer is required as a result of the application of Rule 37, the Panel must be consulted to determine the price at which the offer must be made.

...

NOTES ON DISPENSATIONS FROM RULE 9

...

6. Enfranchisement of non-voting shares

~~*There is no requirement to make an offer under Rule 9 if a person interested in non-voting shares becomes upon enfranchisement of those shares interested in shares carrying 30% or more of the voting rights of a company, except where shares or interests in shares have been acquired at a time when the person had reason to believe that enfranchisement would take place.*~~

6. Rule 9 dispensation by disclosure on an IPO

(a) Where a company is considering an initial public offering or admission to trading of its securities and the company either:

(i) has issued, or will issue prior to becoming subject to the Code, shares or securities convertible into, warrants in respect of, or options or other rights to subscribe for, new shares, the issue, conversion or exercise of which might otherwise result in an obligation for a person to make an offer under Rule 9.1; or

(ii) has, or will have prior to becoming subject to the Code, a class of shares with enhanced voting rights where each such share carries multiple votes, and a specific person might otherwise incur an obligation to make an offer under Rule 9.1 upon the occurrence of a Trigger Event (as defined in Rule 37.2), whether such Trigger Event is the expiry of a time limit for the enhanced voting rights or otherwise,

the Panel will normally grant a dispensation from the potential obligation to make an offer under Rule 9.1 in the circumstances described, provided that appropriate disclosure is made in the admission document.

(b) Except with the consent of the Panel, any dispensation granted in respect of a company referred to in paragraph (a)(ii) above will be invalidated if the relevant person, or any person acting in concert with it, acquires any interests in shares between the admission to trading of the company's securities and the Trigger Event.

(c) The Panel will normally give its consent under paragraph (b) where it is satisfied that, if the acquisition were to have taken place following a Trigger Event, it would not have required the relevant person, or any person acting in concert with it, to make a mandatory offer as a result of the acquisition of interests in shares.

Rule 10.1

10.1 REQUIREMENT FOR 50% ACCEPTANCE CONDITION

...

NOTES ON RULE 10.1

...

9. Dual class share structures

(a) In the circumstances described in Note 9(b), the acceptance condition required by Rule 10.1 must not be capable of being satisfied unless the offeror has acquired or agreed to acquire (either pursuant to the offer or otherwise) both:

(i) shares carrying, in aggregate, over 50% of the voting rights immediately before the offer becomes unconditional; and

(ii) shares which would carry, in aggregate, over 50% of the voting rights immediately after any conversion or extinguishing of the shares with enhanced voting rights (or of the voting rights carried by such shares).

(b) Note 9(a) applies where an offer is made for an offeree company with a class of shares with enhanced voting rights where each such share carries multiple votes and, upon transfer of those shares or upon the offer becoming unconditional, either:

(i) the shares would convert into ordinary shares; or

(ii) the shares (or the voting rights carried by such shares) would be extinguished.

Rule 14.2

14.2 SEPARATE OFFERS FOR EACH CLASS

Except with the consent of the Panel, wWhere an offer is made for more than one class of share, separate offers must be made for each class.

Rule 16.1**16.1 SPECIAL DEALS WITH FAVOURABLE CONDITIONS**

...

NOTES ON RULE 16.1

...

4. Dual class share structures

The Panel must be consulted in relation to the application of Rule 16.1 where an offer is made for a company with a dual class share structure.

Rule 17**RULE 17. ANNOUNCEMENT OF ACCEPTANCE LEVELS**

...

NOTES ON RULE 17

...

4. Dual class share structures

Where the offeree company has a class of shares with enhanced voting rights where each such share carries multiple votes, any announcement made under Rule 17.1 must, for the purposes of each requirement in Rule 17.2, specify the voting rights carried by the shares and relevant securities with reference to the requirements of each of paragraphs (i) and (ii) of Note 3(a) on Rule 9.3 or Note 9(a) on Rule 10.1 (as applicable). The Panel must be consulted on the form of the announcement.

Rule 26**RULE 26. DOCUMENTS TO BE PUBLISHED ON A WEBSITE**

...

NOTES ON RULE 26

...

7. Announcements not required to be published on a website

The following announcements do not need to be published on a website:

...

(b) announcements of the number of relevant securities in issue under Rule 2.9, unless such announcements contain an explanation of the voting rights of a company with a dual class share structure under Note 3 on Rule 2.9, in which case the most recent announcement must be published on the website.

Rule 37

RULE 37. REDEMPTION OR PURCHASE BY A COMPANY OF ITS OWN SECURITIES**37.1 POSSIBLE REQUIREMENT TO MAKE A MANDATORY OFFER**

~~When a company redeems or purchases its own voting shares, any resulting increase in the percentage of shares carrying voting rights in which a person or group of persons acting in concert is interested will be treated as an acquisition for the purpose of Rule 9. Subject to prior consultation, the Panel will normally waive any resulting obligation to make an offer under Rule 9 if there is a vote of independent shareholders and a procedure on the lines of that set out in Appendix 1 is followed.~~

NOTES ON RULE 37.1**1. ~~Persons who will not be required to make a mandatory offer~~**

~~A person who comes to exceed the limits in Rule 9.1 in consequence of a company's redemption or purchase of its own shares will not normally incur an obligation to make a mandatory offer unless that person is a director, or the relationship of the person with any one or more of the directors is such that the person is, or is presumed to be, acting in concert with any of the directors. A person who has appointed a representative to the board of the company, and investment managers of investment trusts, will be treated for these purposes as a director. However, there is no presumption that all the directors (or any two or more directors) are acting in concert solely by reason of a proposed redemption or purchase by the company of its own shares, or the decision to seek shareholders' authority for any such redemption or purchase.~~

2. ~~Acquisitions of interests in shares preceding a redemption or purchase~~

~~The exception in Note 1 will not apply, and an obligation to make a mandatory offer may therefore be imposed, if a person (or any relevant member of a group of persons acting in concert) has acquired an interest in shares at a time when the person had reason to believe that such a redemption or purchase of its own shares by the company would take place. This Note will not normally be relevant unless the relevant person has knowledge that a redemption or purchase for which requisite shareholder authority exists is being, or is likely to be, implemented (whether in whole or in part).~~

3. ~~Situations where a mandatory obligation may arise~~

~~Where the directors are aware that a company's redemption or purchase of its own shares would otherwise give rise to an obligation for a person (or group of persons acting in concert) to make a mandatory offer, the board of directors should ensure that an appropriate resolution to approve a Rule 9 waiver is put to independent shareholders prior to implementation of the relevant redemption or purchase and as a pre-condition to its implementation. Additionally, each individual director should draw the attention of the board at the time any redemption or purchase of the company's own shares is proposed, and whenever shareholders' authority for any such redemption or purchase is to be sought, to interests in shares of parties acting in concert, or presumed to be acting in concert, with that director.~~

4. ~~Prior consultation~~

~~The Panel must be consulted in advance in any case where Rule 9 might be relevant. This will include any case where a person or group of persons acting in concert is interested in shares carrying 30% or more but does not hold shares carrying more than 50% of the voting rights of a company, or may become interested in 30% or more on full implementation of the proposed redemption or purchase of own shares. In addition,~~

~~the Panel should always be consulted if the aggregate interests in shares of the directors and any other persons acting in concert, or presumed to be acting in concert, with any of the directors amount to 30% or more, or may be increased to 30% or more on full implementation of the proposed redemption or purchase of own shares.~~

5. — Disqualifying transactions

~~Notwithstanding that the redemption or purchase of voting shares is made conditional upon the prior approval of independent shareholders:~~

~~(a) the Panel will not normally agree to grant a Rule 9 waiver if the relevant person, or any member of the relevant group of persons acting in concert, has acquired an interest in shares in the knowledge that the company intended to seek permission from its shareholders to redeem or purchase its own shares; and~~

~~(b) a Rule 9 waiver will be invalidated if any acquisitions are made by the relevant person, or by any member of the relevant group of persons acting in concert, in the period between the proposed publication date of the circular and the shareholders' meeting.~~

6. — Renewals

~~Any Rule 9 waiver will expire at the same time as the relevant shareholders' authority under Chapter 4 of Part 18 of the Companies Act 2006 (whether or not voting shares have in fact been redeemed or purchased). Accordingly, Rule 9 waivers will normally need to be renewed at the same time as the relevant shareholders' authority is renewed.~~

7. — Responsibility for making an offer

~~If an obligation arises under Rule 37 for an offer to be made and a Rule 9 waiver is not granted, the prime responsibility for making an offer will normally attach to the person who obtains or consolidates control as a result of the redemption or purchase of its own shares by the company. Where control is obtained or consolidated by a group of persons acting in concert, the prime responsibility will normally attach to the principal member or members of the group acting in concert. In exceptional cases, responsibility for making an offer may attach to one or more directors if, in the view of the Panel, there has been a failure by the board as a whole, or by any one or more individual directors, to address satisfactorily the implications of a redemption or purchase by the company of its own shares in relation to interests in shares of directors or parties acting in concert with one or more of the directors.~~

8. — Inadvertent mistake

~~Note 4 of the Notes on Dispensations from Rule 9 may be relevant in appropriate circumstances.~~

37.2 LIMITATION ON SUBSEQUENT ACQUISITIONS

Subsequent to the redemption or purchase by a company of its own voting shares, all persons will be subject, in acquiring further interests in shares in the company, to the provisions of Rule 9.1.

NOTE ON RULE 37.2

Calculation of percentage thresholds

~~The percentage thresholds referred to in Rule 9.1 will be calculated by reference to the outstanding voting capital subsequent to the redemption or purchase by the company of its own shares.~~

**RULE 37. SHARE BUYBACKS, DUAL CLASS SHARE STRUCTURES AND
ENFRANCHISEMENT OF NON-VOTING SHARES**

37.1 REDEMPTION OR PURCHASE BY A COMPANY OF ITS OWN SHARES

(a) When a company redeems or purchases its own shares, any resulting increase in the percentage of voting rights carried by the shares in which a person, or group of persons acting in concert, is interested will be treated as an acquisition of interests in shares carrying voting rights for the purpose of Rule 9.1. The Panel must be consulted in advance in any case where Rule 9.1 might be relevant.

(b) The Panel will normally waive an obligation on a person referred to in Note 1(a) to make a mandatory offer on the condition that, prior to the redemption or purchase by the company of its own shares, a procedure substantially similar to that set out in Appendix 1 is followed, including the approval of independent shareholders (see also Note 1).

(c) The Panel will normally grant a dispensation from an obligation on a person other than a person referred to in Note 1(a) to make a mandatory offer, unless the person, or any person acting in concert with it, acquired an interest in shares carrying voting rights at a time when the person had reason to believe that a specific share buyback programme or other specific redemption or purchase of its own shares by the company would be implemented (see also Note 2).

NOTES ON RULE 37.1

1. Directors and related persons

(a) Rule 37.1(b) applies to a person who is a director of the company or who is, or is presumed to be, acting in concert with any of the directors. A person who has appointed a representative to the board of the company, or an investment manager or investment adviser to the company, will be treated for these purposes as a director.

(b) The Panel will not normally grant a waiver under Rule 37.1(b), notwithstanding that the redemption or purchase of shares is made conditional upon the prior approval of independent shareholders, if the relevant person, or any person acting in concert with it, acquired an interest in shares carrying voting rights prior to the shareholders' meeting to approve the Rule 9 waiver and at a time when the person had reason to believe that a specific share buyback programme or other specific redemption or purchase would be implemented.

(c) The fact that the relevant person referred to in Note 1(a) was aware at the time that it, or any person acting in concert with it, acquired an interest in shares carrying voting rights that the company intended to obtain a general shareholders' authority to redeem or purchase its own shares will not normally prevent a waiver from being granted under Rule 37.1(b), provided that the person did not have any reason to believe that a specific share buyback programme or other specific redemption or purchase would be implemented.

(d) If the relevant person referred to in Note 1(a), or any person acting in concert with it, acquired an interest in shares carrying voting rights either:

(i) in the period between the publication date of the Rule 9 waiver circular and the shareholders' meeting but at a time when the person did not have any reason to believe that a specific share buyback programme or other specific redemption or purchase would be implemented; or

(ii) following the approval of the Rule 9 waiver by shareholders,

the company will be permitted to redeem or purchase its own shares only to the extent that the relevant person, or group of persons acting in concert, does not become interested in shares carrying more than the maximum percentage of voting rights disclosed in the Rule 9 waiver circular.

(e) The company must not implement a redemption or purchase of its own shares that would result in a person referred to in Note 1(a) incurring an obligation to make a mandatory offer unless a waiver under Rule 37.1(b) has been granted.

2. Other persons

(a) The fact that a person to whom Rule 37.1(c) applies was aware at the time that it, or any person acting in concert with it, acquired an interest in shares carrying voting rights that the company had obtained or intended to obtain a general shareholders' authority to redeem or purchase its own shares will not normally prevent a dispensation from being granted under Rule 37.1(c), provided that the person did not have any reason to believe that a specific share buyback programme or other specific redemption or purchase would be implemented.

(b) If a person to whom Rule 37.1(c) applies incurs an obligation to make a mandatory offer under Rule 9.1 as a result of a redemption or purchase of its own shares by the company and the Panel does not grant a dispensation from Rule 9 under Rule 37.1(c), it is not permissible for the company to seek a Rule 9 waiver under Rule 37.1(b).

(c) Where the Panel has granted a dispensation from Rule 9 under Rule 37.1(c), the company must at the time it announces the commencement of a specific share buyback programme or other specific redemption or purchase of its own shares disclose the maximum percentage of voting rights in which the relevant person, or group of persons acting in concert, might become interested if the specific share buyback programme or other specific redemption or purchase is implemented in full.

3. Renewals

Any Rule 9 waiver will expire at the same time as the relevant shareholders' authority for the redemption or purchase by the company of its own shares (whether or not shares carrying voting rights have in fact been redeemed or purchased). Accordingly, Rule 9 waivers will normally need to be renewed at the same time as the relevant shareholders' authority is renewed.

4. Offer by way of redemption or purchase by a company of its own shares

The Panel must be consulted at an early stage where a proposed redemption or purchase by a company of its own shares could result in all or substantially all of the company's shares carrying voting rights being held by one person or a group of persons acting in concert. The Panel will normally treat such a transaction as an offer for the company by such person or persons.

37.2 DUAL CLASS SHARE STRUCTURES

(a) Where a company has a class of shares with enhanced voting rights where each such share carries multiple votes, and an event occurs which causes some or all of those shares (or the voting rights carried by such shares) either to be extinguished or to convert into ordinary shares (a "Trigger Event"), any resulting increase in the percentage of voting rights carried by the shares in which a person, or group of persons acting in concert, is interested will be treated as an acquisition of interests in shares for the purpose of Rule 9.1.

(b) The Panel will normally grant a dispensation from any resulting obligation on such a person to make a mandatory offer unless:

(i) the Trigger Event is the expiry of any time limit applicable to the enhanced voting rights; or

(ii) the person, or a person acting in concert with it, acquired an interest in shares carrying voting rights at a time when that person had reason to believe that a Trigger Event (other than that referred to in paragraph (i)) would occur.

NOTE ON RULE 37.2

Rule 9 dispensation by disclosure

See Note 6 of the Notes on Dispensations from Rule 9.

37.3 ENFRANCHISEMENT OF NON-VOTING SHARES

(a) When non-voting shares are enfranchised, any resulting increase in the percentage of voting rights carried by the shares in which a person, or group of persons acting in concert, is interested will be treated as an acquisition of interests in shares carrying voting rights for the purpose of Rule 9.1. The Panel must be consulted in advance in any case where Rule 9.1 might be relevant.

(b) The Panel will normally grant a dispensation from any resulting obligation on such a person to make a mandatory offer, unless the person, or any person acting in concert with it, acquired an interest in shares at a time when the person had reason to believe that such enfranchisement of non-voting shares would take place.

Appendix 1

APPENDIX 1

RULE 9 WAIVERS

...

3 DISQUALIFYING TRANSACTIONS

Notwithstanding that the issue of new securities is made conditional upon the prior approval of independent shareholders:

(a) the Panel will not normally agree to grant a Rule 9 waiver if the potential controller₁ or any person acting in concert with it₁ has acquired any interest in shares ~~in the company carrying voting rights~~ in the 12 months prior to the proposed publication date of the circular but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the company in relation to the proposed issue of new securities; and

(b) a Rule 9 waiver will not be granted, or will be invalidated₁ if ~~any acquisitions of interests the potential controller, or any person acting in concert with it, acquires an interest in shares are made carrying voting rights~~ in the period between the publication of the circular and the shareholders' meeting.

...

7 SUBSEQUENT ACQUISITIONS BY POTENTIAL CONTROLLERS

...

(c) See also Note 4 on Rule 9.1 and Rule 37.4.