



PANEL BULLETIN 5

POSSIBLE OFFER ANNOUNCEMENTS

Rule 2 of the Takeover Code relates to the timing and contents of certain announcements in relation to an offer.

Rule 2.2 describes various circumstances in which an announcement is required of an offer or possible offer, including, for example, under **Rule 2.2(c)**:

“when, following an approach by or on behalf of a potential offeror to the board of the offeree company, the offeree company is the subject of rumour and speculation or there is an untoward movement in its share price”.

In addition, **Note 1 on Rule 2.2** requires the Panel to be consulted in certain circumstances in order for it to be able to determine whether an announcement is required under **Rule 2.2**.

[Practice Statement No 20](#) (“**PS20**”) describes the way in which the Panel Executive normally interprets and applies certain provisions of **Rule 2**, including the steps which the Executive expects the parties to a possible offer and their advisers to take in order to ensure that their responsibilities in relation to those provisions are complied with.

The Executive wishes to remind financial advisers of particular aspects of the guidance set out in PS20.

Immediate announcement

Once the requirement for an offeror or offeree company to make a possible offer announcement under **Rule 2.2** has been triggered, the Executive expects the announcement to be made immediately, i.e. within a matter of minutes.

In particular, as explained in **paragraph 9.2** of PS20, the announcement should not be delayed whilst, for example, minor drafting changes are considered. If necessary, a brief announcement can be made immediately and a further announcement, setting out more detailed information on the offer discussions or preparations, made subsequently.

Preparation of announcements and release procedure

As explained in **paragraphs 10.3** and **10.4** of PS20, in order that a possible offer announcement may be released immediately, the Executive expects a financial adviser:

- (a) at an early stage, to prepare, and have approved by its client, an appropriate draft announcement or a variety of draft announcements (see further below);
- (b) to agree with its client whether the financial adviser or the client will be responsible for releasing the announcement; and
- (c) to ensure that the financial adviser or the client (as appropriate) has arrangements in place for the release of the announcement (including access to a Regulatory Information Service).

The Executive expects the person(s) responsible for releasing the announcement to be authorised to do so immediately. If the approval of a particular person, or group of persons, is required before the announcement may be released, the Executive expects such persons to be contactable at all times and an appropriate contingency plan to be in place if they are uncontactable.

The Executive would expect any draft possible offer announcement to be complete in all respects, including, for example:

- (a) the identity of any potential offeror(s) (see **Rule 2.4(a)**);
- (b) any minimum level, or particular form, of consideration required to be disclosed under **Rule 2.4(c)(iii)**;
- (c) the date by which any “put up or shut up” deadline set in accordance with **Rule 2.6(a)** will expire; and
- (d) the information referred to in **Rule 2.9** (number of relevant securities in issue).

However, as explained in **paragraph 9.3** of PS20, if for any reason the draft announcement does not include such information, the possible offer announcement should be made without delay and a separate announcement, including this information, released as soon as possible thereafter.

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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.