

# The Panel on Takeovers and Mergers

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## Case Study 2: Determining the minimum price

The Panel has three Rules relating to the value and type of consideration

- Rule 6 - if offeror purchases shares within three weeks of start of offer period, offeror must offer same value (not necessarily cash)

## Case Study 2 cont'd

- Rule 11 - if offeror has purchased more than 10% of ordinary shares within 12 months of start of offer period; or  
if offeror buys any shares during offer period,  
  
if must offer cash as a possibility (timing might vary)

## Case Study 2 cont'd

- Rule 9 - mandatory offer where a cash offer must be available throughout the offer.

## Case Study 2 cont'd

Dispensations from highest price are possible.

It normally depends on:

Whether acquisitions were made at the prevailing market price;

- Changes in the market price since the acquisitions;
- Size and timing of the relevant acquisition
- The attitude of the offeree company board; or
- Whether acquisitions had been made from insiders.