

Practice Note 12 (PN12) –Gathering of irrevocable commitments

Note 4 to Rules 3.1, 3.2 and 3.3 provides that “[a]n offeror may approach a very restricted number of sophisticated investors who have a controlling shareholding to obtain an irrevocable commitment.In appropriate circumstances, the Executive may permit particular shareholders to be called and informed of details of a proposed offer which has not been publicly announced.”.

The Executive has been consulted on a number of occasions on the practicalities of this Note 4. In particular market practitioners have asked for clarification on the earliest time shareholders may be approached by an offeror and [hs(nom1342s112TW H1381120

be approached by an offeror (and the number of offers received by the offeror) is 1.31

- (d) Shareholders being approached will have to agree to be insiders, and therefore be subject to all the rules and regulations applicable to insiders. The potential offeror will need to show steps (e.g. obtaining signed confidentiality undertakings from the relevant shareholders) to be taken to prevent leakage of information relating to the offer.
- (e) The Executive should be consulted at the earliest opportunity. As part of the consultation the Executive would expect to be provided with a list of the shareholders to be approached.

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