



18 September 2017

Revised Takeover Code - Proposal

The Swedish Corporate Governance Board announces proposed revisions to the Takeover Code. The Board proposes that the new Code come into force on 1 November 2017.

The main changes in brief:

- *Indirect acquisitions* - if the offeror acquires control of a holding company which, in turn, owns shares in the offeree company, the terms of the indirect acquisition will need to be taken into account when determining the minimum offer price. The offeror is obliged to disclose how the purchase price has been allocated.
- *Payment of the offer consideration* - the prerequisites for submitting a public offer have been made stricter. Any regulatory approvals required in order for the bidder to be able to pay the consideration must have been secured before the bid is announced.
- *General updates* – including a reminder that, where deemed required, the Swedish Securities Council can issue instructions regarding how the parties should act in the event of competing offers.
- *Sanctions* – the maximum fine for breaches of the rules is raised to SEK 500 million.

The Board has submitted its proposed revised rules to Nasdaq Stockholm and NGM. The revised rules are expected to come into effect on 1 November 2017. The Board will also issue a revised version of the takeover rules for the Nasdaq First North, Nordic MTF and AktieTorget trading platforms with effect from the same date. As with previous iterations, these rules will essentially be equivalent to the takeover rules of the stock exchanges.

The proposed new rules were prepared by the working group appointed by the Corporate Governance Board in February 2017. The work was carried out in close consultation with a broad reference group. Recently, there has been some focus on issues related to the rules regarding maximum acceptance periods in cases of in-depth (Phase 2) investigations by a competition authority. These issues have not been considered in the context of this review of the Takeover Code. They will be addressed in the next review.

The full text of the proposed revised Takeover Code is available on the Board's website, www.bolagsstyrning.se.

For further information, please contact:

Björn Kristiansson at bjorn.kristiansson@bolagsstyrningskollegiet.se or telephone +46 (0)760 000 078.