



PUBLIC COMPANY  
TAKEOVERS IN THE  
UNITED KINGDOM:  
A GUIDE FOR US  
PRIVATE EQUITY  
ACQUIRERS



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# INTRODUCTION

## Welcome to the United Kingdom

The United Kingdom (“UK”) remains one of the most, if not the most, open takeover markets in the Western world with a number of benefits for investors:

- it offers a comparatively speedy, cost-effective and flexible takeover regime;
- the UK government and other public authorities do not seek to operate protectionist policies and there is no political interference in the process;
- directors of target companies are subject to restrictions on their powers to frustrate a takeover offer; and
- takeovers are only extremely rarely subject to legal challenge or third party claims.

A number of US bidders (including US private equity bidders) have, in recent years, shown an interest in the UK takeover market and we include details of some of those that have made a bid for a UK target company (“target”) later in this guide.

## Our Guide

Our Guide aims to answer the general questions you may have relating to the takeover of a company that is publicly listed in the UK. The Table of Contents on page 2 identifies the issues we address.

## Our expertise

Our lawyers have extensive experience in acting on a wide range of takeovers. They are fully conversant not only with the applicable legal and regulatory requirements but also, crucial in the case of takeovers, with market and strategic practices. We also have a special insight into the approach taken by the UK takeovers regulator as our team includes a partner who has worked on secondment with the takeovers regulator.

Examples of some of the more significant takeovers on which we have advised (many of which involved US bidders) include:

- GB £274m recommended takeover offer for Umeco plc by Cytec Industries, Inc.
- GB £661m recommended takeover offer for The BSS Group plc by Travis Perkins plc
- GB £33.8m recommended takeover offer for Parseq plc by CNH Bidco Limited (a company backed by HarbourVest)
- GB £88m recommended takeover offer for Velosi Limited by Azul Holding 2 S.à r.l (a company backed by Carlyle)
- GB £114.8m recommended takeover offer for Rift Oil plc by Talisman Energy Inc.
- GB £28m recommended takeover offer for Macro4 plc by UNICOM Systems, Inc.
- GB £1.029bn competitive takeover offer for Enodis plc by Illinois Tool Works, Inc.
- GB £201m recommended takeover offer for SurfControl plc by Websense, Inc.
- GB £57m recommended takeover offer for Universal Salvage plc by Copart, Inc.
- GB £99.3m recommended takeover offer for Melorio plc by Pearson plc
- GB £412m recommended takeover offer for Rensburg Sheppards plc by Investec plc
- GB £281m recommended takeover offer for Care UK plc by Warwick Bidco Limited (a company backed by Bridgepoint)
- GB £228.6m recommended takeover offer for Inspicio plc by Angus Newco Limited (a company backed by 3i)
- GB £32.9m recommended takeover offer for Ascribe plc by Scroll Bidco Limited (a company backed by ECI Partners)

- GB £161.6m recommended takeover offer for SSP Holdings plc by H&F Sensor Bidco Limited (a company backed by Hellman & Friedman)

## We are here to help

We would be pleased to advise further on the general matters discussed in this Guide as well as on any specific questions you may have. In particular, we’d be happy, before any formal instructions, to take you through the process of effecting a UK takeover offer, in greater detail, and can also introduce you to investment bankers or other financial advisers in the UK and/or the US who can assist you on those transactions. We would also be happy to give you a general indication of the overall costs involved in a takeover. In certain circumstances we may be prepared to cap our own costs and/or offer a degree of contingency in relation to our costs.

For more information, we suggest you contact one of the Squire Sanders partners whose details are shown below. Alternatively, you may wish to contact one of our other lawyers whom you already know.

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# SOME OF THE OFFERS MADE BY US PRIVATE EQUITY BIDDERS FOR UK LISTED COMPANIES IN THE LAST 5 YEARS

US private equity investor making bid	UK target company
Francisco Partners	Kewill plc
Symphony Technology Group (rival bid)	Kewill plc
TPG Capital	GlobeOp Financial Services
Vista Equity Partners	Misys plc
Sun Capital Partners	Jacques Vert plc
Rami Cassis and others (including Dover Street VII Fund, a fund managed by HarbourVest)	Parseq plc
Bertelsmann and Kohlberg Kravis Roberts	Chrysalis plc
Apollo Global Management and CVC Capital Partners	Brit Insurance Holdings
Hellman & Friedman	SSP Holdings plc
Candover Partners, Goldman Sachs Capital Partners and AlplInvest Partners	Expro International Group plc
Kohlberg Kravis Roberts	Northgate Information Solutions plc
First Reserve Corporation	Abbot Group plc
Advent International	Domestic & General Group plc
Kohlberg Kravis Roberts	Alliance Boots plc
Apollo Funds	Countrywide plc

# 1 THE "PUBLIC COMPANY TAKEOVER" IN ITS UK CONTEXT

The phrase "public company takeover" refers to the acquisition of all (or a substantial part) of the share capital (or "common stock") of a UK publicly listed company – a company listed, for example, on the Main Market of the London Stock Exchange or on its junior market, the Alternative Investment Market ("AIM").



## 2 THE REGULATORY REGIME

- 2.1 **The regulator and the rules:** the Panel on Takeovers and Mergers (the "Takeover Panel") is the UK takeovers regulator. The takeover rules are contained in the City Code on Takeovers & Mergers (the "Takeover Code"). A copy of the Takeover Code is available at <http://www.thetakeoverpanel.org.uk/wp-content/uploads/2008/11/code.pdf>. Other aspects of UK law and regulation will also apply on a takeover (for example, the Companies Act 2006 and the rules of the stock exchange on which the target company is listed).
- 2.2 **Target companies subject to the Takeover Code:** public companies incorporated in the UK (or the Channel Islands or Isle of Man) ("UK companies") which are either (a) listed on the Main Market of the London Stock Exchange or (b) are not listed on such an exchange (e.g. the target company might be listed on the AIM) but which have their central place of management and control in the UK (or the Channel Islands or the Isle of Man). The Takeover Panel's jurisdiction will also include certain private companies which have publicly marketed or listed their shares within the last ten years. However, the advisers and shareholders of certain UK companies, currently listed on AIM and managed largely outside the UK, sometimes expect that any takeover of their shares should be conducted largely in accordance with the standards of the Takeover Code even though, strictly, the Takeover Code does not apply. It is intended that on or around the end of 2012, the jurisdiction of the Takeover Panel will be extended to cover UK public companies (and certain private companies) even if managed outside of the UK.
- 2.3 **A flexible, responsive, determinative and litigation-free regime:** the provisions of the Takeover Code govern the takeover process in the UK and bind the parties to certain regulatory obligations in respect of the offer (see later) i.e. in addition to any contractual obligations agreed between the parties. Acting in breach of the Takeover Code can result in significant sanctions being imposed (and relatively swiftly) on a party to a takeover and also on their professional advisers. The Takeover Panel only very rarely uses such powers and the threat of their use is almost always enough to ensure very careful (and almost universal) compliance with the Takeover Code by parties to takeovers. The Takeover Panel applies the Takeover Code in a very flexible manner, stretching rules or allowing derogations from those rules, where required to match the circumstances, often at the request of the professional advisers to the parties to the offer. Such matters do not require the time-consuming involvement of the court and the Takeover Panel's decisions are not capable of being subjected to review by a court, while a takeover offer is live. The Takeover Panel has an internal appeals procedure that parties to (or interested parties in) a takeover are expected to use, if such parties do not agree with the way in which a matter covered by the Takeover Code is dealt with. This process keeps takeovers firmly out of the court and shareholder/ third party litigation in respect of takeovers is extremely rare.

# 3 PROFESSIONAL ADVISERS INVOLVED

- 3.1 Although there is no formal requirement under the Takeover Code for a bidder to appoint a financial adviser/ investment bank ("financial advisers"), virtually no takeover bids are made by bidders in the UK without the assistance of such advisers. The financial advisers will be the main interface between the bidder and the Takeover Panel. The financial advisers will have regular conversations with the Takeover Panel before and during a takeover bid. We would be happy to introduce you to a variety of financial advisers who have expertise in advising on UK takeover bids, including firms which also have a presence in the US. Such firms will often be prepared to advise very largely on a contingent fee arrangement. Although there is no "standard" fee arrangement for a bidder's financial advisers, such arrangements often use as a starting point 1% of target offer value and, depending on the size of the transaction will move upwards or downwards from there. For smaller transactions, financial advisers' fees on success can be considerably higher than 1%.
- 3.2 Depending on the requirements of any due diligence exercise to be conducted on the target, reporting accountants will often be engaged by a bidder to advise on accounting/ financial/ tax due diligence.
- 3.3 A bidder will also engage lawyers to advise on, amongst other things, the preparation of public announcements and documentation issued in connection with a bid (see later), any contractual documentation executed in connection with a bid, to undertake legal due diligence on a target company and to advise on the duties/ obligations/ responsibilities/ liabilities of the bidder and its directors and officers under the Takeover Code and UK law and regulation.
- 3.4 Receiving agents (registrars) and printers will also be engaged by bidders in connection with the offer. Sometimes a bidder will also engage public relations advisers.
- 3.5 Target companies will similarly engage a financial adviser (this is compulsory under the Takeover Code), lawyers and may also engage accountants and public relations advisers. Again, the target's financial advisers will often use, as a starting point, 1% of target offer value but, for smaller bids, the fee can be considerably higher.

## 4 “FRIENDLY” OR “RECOMMENDED” OFFER VERSUS “HOSTILE” OFFER

As in the US, a friendly, or recommended, offer is one which the target's management welcomes and publicly recommends the target shareholders to accept or vote in favour of. A hostile, or unrecommended, offer, on the other hand, is one which the target's management publicly advises the target shareholders to reject and/or, subject to the restrictions placed upon them by the Takeover Code and other UK regulation (see later), seeks to prevent from succeeding.



# 5 STRUCTURING THE TAKEOVER OFFER

- 5.1 There are two principal ways of initiating the takeover process: by means of a contractual takeover offer or by way of a scheme of arrangement.
- 5.2 The contractual takeover offer: this process is similar to a tender offer in the US – the bidder, who will control the process, makes an offer to the target shareholders. For the offer to succeed, it must be formally accepted by shareholders who hold shares representing more than 50% of the voting shares in the target (often this condition is set at 90% of the voting shares – see later at paragraph 5.4). Before the takeover can be completed, all other conditions of the bidder's offer must also have been satisfied or waived. Some of these conditions might often relate to regulatory approvals.
- 5.3 The scheme of arrangement: this approach is commonly used in cases of recommended bids and puts control of the process, which involves the UK court system as well as the Takeover Panel, in the hands of the target. The procedure requires the approval of the takeover by a majority in number, representing 75% in value of target shareholders voting (either in person or by proxy) in a shareholders meeting as well as the approval of the High Court. In addition, for the scheme to become effective, all other conditions attached to the scheme must be satisfied or waived.
- 5.4 Choice of deal structure – squeezing out minority shareholders: whether to structure a takeover offer as a contractual offer or scheme of arrangement will depend on many factors, including the rules relating to minority shareholdings. Where a bidder who has made a contractual takeover offer receives acceptances from target shareholders in respect of 90% of the target's shares, it may, subject to certain conditions, be able to acquire the remaining shares from the minority (or "dissentient") shareholders even if they do not wish to sell. However, once a scheme of arrangement has been approved by the necessary majority of target shareholders and by the Court, it will bind all target shareholders.
- 5.5 Choice of deal structure – tax: In addition, a stamp duty (tax) of 0.5% is payable on the value of the target's shares acquired under a contractual takeover offer but is not usually payable in relation to shares acquired under a scheme of arrangement. Schemes of arrangement are therefore particularly popular for larger offers where the tax otherwise payable may be a more significant sum.

## 6 THE CONSIDERATION FOR THE OFFER

- 6.1 Save as described below, the UK regime does not seek to regulate the price, or the type of consideration, offered on a takeover bid – this is a commercial decision for the bidder and target.
- 6.2 Target shareholders will, however, often expect a premium to be paid over and above the market price of the target's shares and the types of consideration involved commonly include cash, bidder's shares or loan notes (but could also include other consideration e.g. contingent value rights).
- 6.3 Except in very limited circumstances (see paragraph 7 below), the same price and type of consideration must be offered to all shareholders: no "special deals" are permitted to certain shareholders and not others.
- 6.4 Stakebuilding may trigger an obligation on the bidder to revise the minimum price, or type of consideration, contained in its main offer or may set a price floor on the price that a bidder has to make available under its main offer (further details below).



# 7 TARGET MANAGEMENT INCENTIVISATION

7.1 Notwithstanding the prohibition on special deals referred to above, with the consent of the Takeover Panel, target management team members (who are to be the company's management going forward) (the "MBO team"), even though also existing target shareholders, will usually (to the exclusion of other target shareholders) be allowed to roll over some or all of their target shares into shares or other securities in the bidding vehicle provided such arrangements are:

- (a) disclosed in the offer document (issued in connection with the offer – see later), which document should also include an opinion, from the financial advisers to the target's directors, addressed to target shareholders, that the arrangements are fair and reasonable; and

- (b) approved by ordinary resolution (more than 50%) of the independent shareholders of the target at a general meeting on a poll (and the offer must be made conditional on such approval).

Compliance with the above will not be required if no arrangements are agreed (or even discussed, in principle or otherwise) between the private equity bidder and the MBO team, before the offer closes.

7.2 The arrangements with the MBO team, however, to be acceptable under the Code, must contain genuine equity risk and reward (e.g. there must not be option arrangements for management to exit in the future at a guaranteed minimum price or "top-up" arrangements). Certain other forms of incentives payable to target management to ensure their continued involvement in the business going forward, after an offer has closed, which are not linked to equity share capital, may be acceptable provided that such arrangements are again disclosed in the offer document, together with the financial adviser's fair and reasonable opinion.

# 8 DEAL PROTECTION AND DEFENSIVE MECHANISMS FOR BIDDERS AND TARGETS

- 8.1 Recent changes to the regime mean that certain deal protection mechanisms, such as break fees, exclusivity and non-solicitation agreements, in favour of bidders, are now largely prohibited. There are still, however, two key deal protection measures for bidders which may be available: "irrevocable undertakings" and/or stakebuilding.
- 8.2 Irrevocable undertakings: before announcing its offer, a bidder may seek to obtain legally binding irrevocable undertakings (lock-out agreements) from certain target director-shareholders and third party shareholders whereby they agree to accept the bidder's offer, rather than that of any rival. Those undertakings can be "hard" (i.e. a requirement to accept the current bid even if a higher bid emerges), "semi-hard" (i.e. a requirement to accept the current bid unless a bid at least [x]% (often 5 or 10%) higher emerges), or "soft" (i.e. requirement to accept the current bid unless a higher bid emerges). Those undertakings can include "rights to match" higher offers. Large institutional investors in the target, may not be prepared to give "hard" undertakings but will often be prepared to give "semi-hard" undertakings.
- 8.3 Stakebuilding: stakebuilding may be permitted in some circumstances, whether by the bidder or by parties connected to the bidder ("concert parties"), subject to certain conditions (including restrictions as to the maximum number/percentage of shares that may be purchased). Special rules apply to the acquisition of an interest in 30 per cent. or more of a target's company's shares and the acquisition of such a level of interest will automatically trigger a requirement for the purchaser to make a cash offer to all remaining target shareholders at the highest price paid by the purchaser or its concert parties in the previous 12 months. As indicated above, if a bidder (or its concert parties) purchases the target's shares (or interests in such shares) in certain time periods (before or during an offer), this may trigger an obligation on the bidder to revise the minimum price, or type of consideration (e.g. cash and/or shares), offered under its main offer.
- 8.4 Defensive measures by target companies largely prohibited: in-built in the Takeover Code are measures designed to prevent target directors/ management taking steps to defend their company from (or "frustrate") a takeover bid for their company, save where they first seek the consent of their shareholders or the consent of those parties potentially interested in bidding for the target company. Actions such as issuing shares or rights over shares, agreeing material acquisitions and disposals and entering into contracts outside of the ordinary course of business are covered by the prohibition which is rigorously enforced. In the case of hostile/ unsolicited bids, target directors are sometimes limited to making persuasive arguments to their shareholders (and, if material regulatory consents are required – e.g. anti-trust clearances – making persuasive arguments to the relevant regulators) as to why a takeover bid should not be permitted to succeed.

# 9 DOCUMENTATION, DUE DILIGENCE, WARRANTIES AND CONDITIONS

9.1 Publication of announcements and other documents: the Takeover Code requires certain public announcements to be made by the parties during the course of a takeover.

If a potential transaction leaks to the marketplace a formal “possible offer” announcement may need to be made (usually by the target). This announcement must usually identify the potential bidder(s) and will commence a 28 day time period within which (unless such time period is extended with the consent of the Takeover Panel) the bidder must either announce a firm intention to make an offer, or withdraw (in which case it will be precluded from bidding for 6 months).

If and when a bidder has decided to proceed with a takeover, it must announce a “firm intention to bid” (containing certain details of the bid) and will subsequently only be able to withdraw the offer in very limited circumstances.

The next major step is for the bidder to publish to the market and post to target shareholders the full offer document (sometimes a scheme document, if the offer is by way of scheme of arrangement).

All relevant offer announcements and offer-related documentation must be made available on the websites of the bidder and/or target whilst the offer is live.

9.2 Warranties: the bidder is often advised to undertake an appropriate due diligence exercise on the target as warranty protection in favour of the bidder is not available.

9.3 Due Diligence: the board of directors of the target, in recommended deals, will usually be prepared to voluntarily grant access to the bidder to certain non-public due diligence information. Due diligence will often be conducted through an electronic data-room. Because of stringent disclosure and transparency regulations applicable in the UK, UK publicly listed companies have a regulatory obligation generally to make available to the public all information which could have a significant impact on their share price. Targets will, nevertheless, expect a significant non-public due diligence exercise to be required, particularly where the potential acquirer is a private equity bidder. A target may not be willing to disclose (or to disclose early in the process) certain information which is commercially sensitive, as the Takeover Code obliges it, in certain circumstances, to make all information provided to one bidder equally available to any other bona fide potential bidder, no matter how unwelcome (even a major competitor). Due diligence must be complete by the time that a bidder makes its “firm intention to bid” announcement.

9.4 Conditions: the offer will often make closing of the takeover subject to the satisfaction of a wide range of conditions although the bidder will not generally rely on the non-fulfilment of any of the conditions to withdraw from the offer unless the circumstances which have arisen are material and adverse to the bidder in the context of the offer (such materiality to be judged by the Takeover Panel before an offer could be lapsed). Certain conditions are not subject to the materiality test, including those relating to the level of shareholder acceptances, the requirement for shareholder and court approvals (in the case of takeovers by way of scheme of arrangement) and any requirement for clearances by the UK or EU competition authorities. It is common to see bids which are also subject to various regulatory clearances/ official authorisations in the US (e.g. Hart-Scott Rodino) and elsewhere.

9.5 Other contents requirements for offer announcements and documentation: the “firm intention to bid” announcement and offer document will also contain a variety of key terms (including, notably, the offer price and whether that price is cum or ex-dividend).

Target directors (who are independent – i.e. not MBO team members) must include in the offer document their views on the offer (e.g. whether or not target shareholders should accept) including the views of their independent financial advisers.

If you are interested in the detailed contents requirements for offer documents and “firm intention to bid” announcements, please contact us and we can provide you with some previous examples.

9.6 Accuracy of offer announcements and documents: announcements and documents issued in connection with an offer must, in accordance with the Takeover Code and other UK legislation, be prepared to the highest standards of care and their contents should be true, accurate, complete and not misleading by omission or otherwise. Bidder and target directors must publicly take personal responsibility (joint and several) for information in offer documentation relating to themselves, their connected parties and their respective companies. MBO team members (if to be bidder directors) must take responsibility for information on bidder, themselves and their connected parties. MBO team members will not be responsible for the independent target directors’ views on the offer but will have to take responsibility for factual information on the Target group. Members of the investment committee of the private equity bidder must take responsibility for information on the bidder, the private equity firm and its funds.

# 10 OFFER FUNDING

- 10.1 As a requirement of the Takeover Code, a bidder must have "certain funds" before it firmly announces an offer which includes some element of cash.
- 10.2 The bidder's financial advisers will provide a "cash confirmation" statement in the "firm intention to bid" announcement and offer document and may also be liable if sufficient cash is not available to meet acceptances of the offer if it has not acted responsibly in verifying that such funds will be so available.
- 10.3 If the offer is funded by a (bank) lending arrangement, the bidder must have a legally binding loan agreement in place before an offer is firmly announced, which agreement must effectively be unconditional at the point of announcement (only conditions covering very extreme circumstances – e.g. insolvency – are permitted).
- 10.4 The lawyers to the bidder, the bidder's financial advisers and (potentially) the lawyers to the lending bank work together to ensure that financing arrangements provide for "certain funds".
- 10.5 Equity funding arrangements must similarly satisfy the "certain funds" test – i.e. the funding obligation from private equity limited partners must be absolute and unconditional (save in relation to the offer closing) at the point of announcement with sufficient undrawn commitments from such partners being available.



# 11 THE TIMETABLE FOR A TAKEOVER

- 11.1 The time it takes to complete a takeover depends on a number of factors. The indicative timetable included below assumes that the target's management is amenable to the bid and that there are no regulatory issues. The key stages of a takeover bid are set out in paragraphs 11.2 – 11.11 below and will occur in the order referred to below.
- 11.2 An informal approach is made by the bidder's management (or the bidder's financial advisers) to the target's management (often to the target's chairman and/or retained financial advisers).
- 11.3 A non-binding (private) indicative offer letter is sent by the bidder's management (or the bidder's financial advisers) to the target's management, setting out the basic details of the bidder's indicative offer (including offer price, timing, basic due diligence information requests, material conditions to an offer).
- 11.4 If the offer price and general nature of conditions are agreed, due diligence on the target will commence – this will often take between 2 and 6 weeks.
- 11.5 The public announcement of a "firm intention to bid" is released by the bidder.
- 11.6 Within the next 28 days at the most: the offer document or scheme document must be posted to target shareholders. The next steps will depend on the type of offer.
- 11.7 For contractual takeover offers:
- (a) 60 days after offer document posted: the offer must have met its shareholder acceptance condition or such acceptance condition must have been waived (but at least over 50% of the target's voting shares must have been acquired/accepted).
  - (b) 21 days after the shareholder acceptance condition has been met: all other conditions to an offer must have been satisfied or waived. The offer then becomes wholly unconditional.
- 11.8 For schemes of arrangement:
- (a) No sooner than 21 days after the scheme document is posted: target shareholders are to hold shareholder meetings to approve the scheme.
  - (b) Approximately 20 days after target shareholders have approved the scheme: the scheme is approved by the UK High Court.
  - (c) Within 1 or 2 days of court approval: the target files the necessary court orders at the UK Companies Registry and the scheme immediately becomes effective.
- 11.9 The target company is de-listed from the London Stock Exchange (in the case of contractual offers, provided that the bidder has acquired at least 75% of the target's shares and has given appropriate notice to the London Stock Exchange).
- 11.10 The target shareholders must be paid their consideration within 14 days of the takeover becoming unconditional/effective.
- 11.11 For contractual offers, the re-registration of the target company as a private limited company and the compulsory squeeze-out process (in relation to minority/ "dissentient" shareholders – see paragraph 5.4 above) may commence shortly thereafter.
- 11.12 Example timetables for a contractual offer and a scheme of arrangement (containing more detail than above) are set out in the Appendix to this Guide. Those timetables assume that no regulatory clearances (e.g. in relation to anti-trust) are required as part of the takeover process.

# APPENDIX – EXAMPLE OFFER TIMETABLES

## Contractual Takeover Offer

<b>Before Day – 28:</b>	Bidder undertakes due diligence; negotiate terms/conditions of offer and transaction documents; produce drafts of offer document/announcements
<b>Before Day – 28:</b>	If a leak occurs – announcement of talks/possibility of an offer – offer period starts – possible requirement to announce a firm bid or confirm no intention to bid within 28 days (unless deadline is extended)
<b>Day –28:</b>	Bidder makes firm offer announcement – takeover timetable commences
<b>Day 0:</b>	Post offer document (within 28 days of firm offer announcement)
<b>Day 14:</b>	Target must post first defence, if a hostile situation. On or after Day 14, target shareholder general meeting to approve special MBO arrangements (if any)
<b>Day 21:</b>	Earliest first closing date
<b>Day 39:</b>	Last date for material defence information, if any, in a hostile situation
<b>Day 42:</b>	Withdrawal rights commence 21 days after first closing date (assuming first closing date is on Day 21)
<b>Day 46:</b>	Save in exceptional circumstances, last date for offer revision
<b>Day 60:</b>	Last date for offer to be declared unconditional as to acceptances. If offer lapses bidder unable to re-bid for 12 months – “offer period” ends
<b>Day 74:</b>	Earliest date on which offer can close (assuming the offer not unconditional as to acceptances until Day 60)
<b>Day 81:</b>	<p>Last date for fulfilment/ waiver of all other conditions (assuming the offer not unconditional as to acceptances until Day 60) – all offer conditions to be fulfilled/ waived within 21 days after unconditional as to acceptances</p> <p>If and when unconditional offer receives acceptances in respect of 75% of target shares, target can de-list on 20 business days’ notice. Re-registration of target as a private company often requires a general meeting of target shareholders on 14/21 clear days’ notice and, potentially, a waiting period thereafter</p>
<b>Day 95:</b>	Cash consideration to be posted to shareholders (assuming the offer was only declared wholly unconditional on Day 81) – since consideration to be posted within 14 days after offer wholly unconditional
<b>Within 3 months of offer being closed (or, for AIM listed companies, and if earlier, within 6 months of Day 0):</b>	Last date compulsory squeeze out notices can be served on minority shareholders (“Day CS”) if over 90% in offer acceptances received
<b>Day CS + 6 weeks:</b>	Last date for litigated objection by minority shareholders to compulsory squeeze out
<b>Day CS + 6 weeks + a few days:</b>	Compulsory squeeze out completes (if no objections received by Day CS + 6 weeks)

## Scheme of Arrangement

<b>Before Day –28:</b>	Bidder undertakes due diligence; negotiate terms/conditions of offer and transaction docs; produce drafts of scheme document/announcements
<b>Before Day –28:</b>	If a leak occurs – announcement of talks/possibility of an offer – offer period starts – possible requirement to announce a firm bid or confirm no intention to bid within 28 days (unless deadline is extended)
<b>Day –28:</b>	Bidder makes firm offer announcement – takeover timetable commences
<b>Day –5:</b>	Hearing of scheme of arrangement claim form in UK High Court
<b>Day 0:</b>	Post scheme document (within 28 days of firm offer announcement)
<b>Day 24:</b>	“Court” (i.e. target shareholder) meeting(s) and target general meeting (inter alia, to approve changes to target’s articles of association, the capital reduction associated with the scheme and any special MBO arrangements (if any)) (at least 21 days from Day 0)
<b>Day 32:</b>	Interim court directions hearing
<b>Day 34:</b>	Advertise the scheme and capital reduction in a newspaper
<b>Day 42:</b>	<ul style="list-style-type: none"> <li>• Court hearing to sanction scheme – obtain scheme court order – file order at Companies House</li> <li>• Last day of dealings in target shares</li> </ul>
<b>Day 44:</b>	Court hearing to confirm capital reduction – obtain reduction court order – file order at Companies House – effective date of scheme of arrangement – target wholly owned by bidder
<b>Day 45:</b>	Delisting of target shares
<b>Day 58:</b>	<p>Cash consideration to be posted to shareholders (assuming the scheme becomes effective on Day 44) – since consideration to be posted within 14 days after offer is effective</p> <p>Once bidder is sole shareholder of target, re-registration of target as private company can happen on very short notice – or sometimes can happen as part of the scheme</p>

