

TAKEOVERS

The Takeovers Act is based on the principle of the equal treatment of domestic and foreign legal and natural persons and does not contain any special provisions concerning foreign investors.

A takeover involves a situation in which the offeror, either alone or together with persons acting in concert with it, achieves the takeover threshold. The takeover threshold is 1/3 of the voting rights in the company. Provisions of the Takeovers Act apply when the offeree company is a public corporation whose voting shares are traded on the regular market; or a joint-stock company whose shares are not traded on the regulated market and has at least 250 shareholders or total equity capital of more than EUR 4 million.

Takeover bid

A takeover bid gives minority shareholders the option to exit the ownership structure of the offeree company in which a shareholder (or several persons acting in concert) has reached the takeover threshold. A mandatory takeover bid shall be made by an offeror achieving the takeover threshold, which is 1/3 of the voting rights in the offeree company. If the takeover bid is successful, the offeror is obliged to make a renewed takeover bid after having acquired additional 10% share of the voting rights. The obligation to make a renewed bid ceases when the offeror acquires a 75% share of all the offeree company's voting rights.

The offeror may define a successful bid threshold in its takeover bid. The successful bid threshold is the lowest percentage of all shares the bidder is obliged to acquire, together with shares already in its possession, on the basis of a takeover bid in order to make the bid binding upon it. In case of mandatory takeover bid the offeror must define the successful bid threshold, which may not be less than 50% share of all of the target company's voting shares plus one share, unless the acquirer's share has already reached 50% of all of the target company's voting shares.

Compensation and fair price

A takeover bid shall indicate the type of compensation involved. It can be made in cash or securities (cash, substitute, combined and alternative bids). The price in the takeover bid shall not be lower than the highest price at which the offeror acquired shares in the last 12 months prior to publication of the bid.

Concerted action

Persons acting in concert are persons acting on the basis of an explicit or implicit oral or written agreement whose aim is to acquire or consolidate their control of the offeree company or to prevent the offeror from making a successful takeover bid. In case they together achieve the takeover threshold they must jointly announce a mandatory takeover bid (unless they agree that only one or some of them will announce it).

Exemptions from the obligation to make a takeover bid

Takeover bid is not required if the threshold was achieved through the acquisition of shares, for example, by inheritance or by transferring shares from the offeror after making a takeover bid to persons who acted in concert in making such a bid, or to groups of companies etc.

Suspension of voting rights of an unlawful offeror

An offeror which achieves the takeover threshold or additional takeover threshold and has not made a takeover bid in accordance with the law may not exercise the voting rights arising from the shares in its possession until it has either made a takeover bid or disposed of shares exceeding the takeover threshold.