

# Company law: takeover bids, protection of shareholders, workers rights to information, 13th directive

1995/0341(COD) - 26/06/1997 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mrs Nicole FONTAINE (EPP, F) Parliament approved the Commission proposal subject to the following amendments: - the coordination measures prescribed by the directive also apply to other mechanisms or arrangements laid down by organizations officially authorized to regulate markets relating to takeover bids; - the definition of 'offerer' is made more precise; - Member States must take steps to protect the minority shareholders when the immediate or short-term acquisition of securities would confer on the holder of these securities control of that company; - the supervisory authority must verify the entire bid procedure (and not all aspects of the bid); - clarification is made to the legal options open to the injured party to secure redress for any damage suffered; - the board of an offeree company is to act in the interests of the company as a whole, including safeguarding jobs; - additional protection is called for, through a consultation procedure, for pensioners who represent a particularly vulnerable category of shareholder; - the supervisory authority must ensure the publication of a report, annually for a period of five years following a takeover showing the workforce size of the company prior to and following a successful bid; it must ensure that investment fund managers who manage portfolio fund investments in either offerer or offeree companies and also hold personal shares in either company are excluded from proceedings. Other amendments seek to strengthen the rights of employees or their representatives: they must be informed within 24 hours of the takeover bid being made public; they must also be informed of the offer document which must indicate any changes to the terms and conditions of employment and any envisaged dismissals. The period for acceptance of the bid may not be less than two weeks from the date on which the document is made public.