

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

1995/0341(COD) - 13/12/2000 - Text adopted by Parliament, 2nd reading

The European Parliament has approved, subject to a number of amendments, the text by Mr Klaus-Heiner LEHNE (EPP/ED, D) amending the Council's common position. The amendments adopted are designed to strengthen the hand of companies facing a hostile bid. While the common position bans a company from taking defensive actions in the face of a hostile bid without the approval of shareholders, one amendment adopted introduces a number of options, one of which would allow the board, in conformity with national law, to take other defensive measures without consulting shareholders. Other amendments are designed to strengthen workers' rights, in particular with regard to access to information in the event of a bid and seek to oblige the company making the bid to state its intentions with regard to jobs and possible relocations. Another amendment seeks to allow defensive measures which had the prior authorisation of the general meeting of the shareholders given for this purpose, during the period of acceptance of the bid. Another amendment introduced a clear definition of the meaning of an 'equitable price' of a bid, saying it should, under certain conditions, be payable in cash.