

UKLA Technical Note

Amendments to the terms of a transaction

Ref: UKLA/TN/304.1

LR 10.5.2R;
LR 10.5.4R

It is common for general meeting resolutions seeking shareholder approval for Class 1 transactions to be subject to non-material amendments to the terms of the transaction following the meeting. We recognise that this discretion is important to enable an issuer's directors to make small administrative changes to smooth the completion of a transaction. However, it is obviously important that any changes should be non-material, as a material change to the terms of a transaction would probably require fresh shareholder approval or would be subject to a supplementary circular. It is for this reason that the opinion of the issuer's directors should not determine whether an amendment is non-material. If this were the case, the directors themselves would become the ultimate arbiters of whether any change to the terms of a transaction required shareholder approval under the Listing Rules, and this is ultimately a matter for the UKLA.

The general position is relaxed for offer situations where we recognise that in waiving the conditions to the offer, an issuer could be deemed to be making a material amendment to the terms of the transaction. In these situations, a resolution need not be expressly limited to non-material amendments. However, we will seek confirmation from the issuer that any material change to the offer price will not be made without prior shareholder approval or by way of a supplementary circular, as applicable.