



The Swedish Corporate Governance Board improves the protection of minority shareholders by updating the takeover rules for merger processes

The Swedish Corporate Governance Board today announces its proposed update of the takeover rules with new rules concerning mergers and merger-like processes. The rules mean that the shareholders' meeting of a listed company to be taken over through a merger or a merger-like process is to approve the takeover by no less than a two-thirds majority, exclusive of the purchasing company's votes. Further, most of the provisions in the takeover rules are to be applicable to merger processes in the same way as for takeover bids, e.g. provisions concerning equal treatment. This applies to both Swedish and foreign listed companies. The Board proposes that the rules come into effect on 1 July 2014.

On the initiative of NASDAQ OMX Stockholm, the Board appointed a working group with the aim of improving the protection of minority shareholders when listed companies are taken over through a merger or merger-like process. For minority shareholders, the protection of their interests is equally important regardless of whether the purchase of a listed company occurs through a takeover bid or a merger process.

The Board has now concluded its work and submitted a proposed update of the takeover rules to NASDAQ OMX Stockholm and NGM, which is expected to come into force on 1 July 2014. At the same time as the new stock exchange takeover rules come into force, the Board will issue an equivalent updated version of the takeover rules for the NASDAQ OMX First North, Nordic MTF and AktieTorget trading platforms. As previously, these rules will be to all intents and purposes identical to the stock exchanges' takeover rules.

The process of updating the rules was led by the Executive Director of the Swedish Securities Council, Professor Rolf Skog, assisted by Erik Sjöman, a lawyer, and Björn Kristiansson Executive Director of the Board. As in previous work to formulate and revise takeover rules, the process took place in close consultation with a broad reference group.

"This update of the takeover rules, adding rules regarding mergers and merger-like processes, is an important complement to the protection of minority shareholders in both Swedish and foreign companies listed on Swedish markets", says Björn Kristiansson. "It was very good that the working group and the reference group were able to complete the process so quickly."

The proposed update and expansion of the takeover rules is available in its entirety on the Board's website, www.bolagsstyrning.se, in an annotated version with all changes marked. The proposed equivalent updates for the First North, Nordic MTF and AktieTorget trading platforms are also available on the website, as well as English translations of the rules.

"This initiative reinforces the protection of minority shareholders, which is very pleasing", says Magnus Billing, CEO of NASDAQ OMX Stockholm. "The rules that apply in Sweden are now clear, regardless of where a listed company is domiciled. I appreciate that the Board has prioritised this important issue and dealt with it quickly. This shows clearly that Swedish self-regulation on the securities market fulfils its function."

The Board's working group will review other areas of the takeover rules during the autumn of 2014.

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