

**DIRECTIVE DI41-2007-03 OF 2012
OF THE CYPRUS SECURITIES AND EXCHANGE COMMISSION ON THE CONTENT OF THE
OFFER DOCUMENT**

The Cyprus Securities and Exchange Commission, in accordance with the powers vested in it by virtue of section 20 of the Takeover Bids Law of 2007, issues the following Directive:

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| Summary title | 1. This Directive shall be referred to as the Content of the Offer Document Directive DI41-2007-03 of 2012. |
| Definition | 2. In this Directive, unless the context shall prescribe otherwise:

<p>«Regulation 809/2004» means the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (EE L 149 of 30.4.2004, pg. 1),</p> <p>«Law» shall mean the Takeover Bids Law of 2007, as in force.</p> <p>Terms used in this Directive that are not interpreted differently have the meaning given to them by the Law.</p> <p>Where in this Directive, reference is made to the Law, this includes the Regulations issued thereof.</p> |
| Official Journal of the E.C.:
L. 149,
30.4.2004,
pg. 1 | |
| Scope | 3. The purpose of this Directive is for the Cyprus Securities and Exchange Commission to determine the minimum content of the offer document. |
| Minimum content of the offer document | 4. (1) The offer document contains every vital information capable of helping the recipients of the bid to value in the best possible way the bid and includes at least the following: <ul style="list-style-type: none"> (a) a heading stating the following: <p>«This Document is important and demands your immediate attention. Should you need any more explanations or clarifications in relation to your actions, you may consult an I.F., bankers, accountants, lawyers or investment advisors».</p> (b) the date when the offer document was approved; (c) the name, the registered office, as well as the activities of the offeree company; (d) the name and address of the offeror or depending on the case, the name and registered office, as well as the activities of the offeror; (e) information concerning the financing of the bid and the name and address or, depending on the case, the name and registered office as well as the activities of the persons stated in section 17 of the Law, who certify the bid; (f) information and the status of the persons signing the offer document; (g) the securities or the classes of securities for which the bid is made as well as the maximum and minimum percentage or quantity of securities which the offeror undertakes to acquire; (h) the securities or the classes of securities of the offeree company already held- <ul style="list-style-type: none"> (i) by the offeror himself; (ii) by nominees of the offeror; (iii) by undertakings controlled by the offeror; (iv) by persons acting in concert with the offeror and in case the offeror is a company, the members of its board of directors; (v) by the offeror or any person mentioned in this paragraph, but which have been pledged, the voting rights attached to the above mentioned securities held, as |

well as the date and the price of purchase or sale of such securities during the twelve month period that precede the offeror's announcement to make a bid.

The following securities are added to the securities held as provided above by the offeror or any other person mentioned in this paragraph:

- (aa) Securities with such rights as basically the right to exercise the voting rights attached to such securities;
- (bb) securities which they are entitled to acquire on their own initiative alone under a formal agreement;
- (cc) securities deposited with them, whose voting rights they can exercise at their discretion in the absence of specific instructions from the holders.

In case no securities are held, this must be stated.

- (i) if the offeror is a company, the securities or classes of securities of the company of the offeror, which are held by the offeree company or by third persons on its account as well as the voting rights attached to these securities, provided the company has knowledge of this or on the facts cannot but have knowledge;
- (j) the proposed consideration for each security by class and the method of calculation. For cash payments, the measures taken to ensure the timely payment of the consideration and every future economic burden of the offeror or, where applicable, of the offeree company for the financing of the takeover bid. For consideration by way of securities, evidence which proves that the offeror has the securities at his disposal as well as the rights and conditions attached to the securities offered, in particular the date on which they will render dividend or interest to the recipients as well as any other special condition attached to the right to receive dividend or interest;
- (k) the middle market quotations for the securities to be acquired, and in the case of a securities exchange offer, securities offered, for the first business day in each of the six months immediately before the offeror's announcement to make a bid, as well as the middle market quotation of the said securities for the last business day that precedes the announcement;
- (l) comparison of the running value of the consideration of the bid and the middle market quotation of the of the offeree company securities at the dates set in paragraph (k) above;
- (m) the way in which the consideration will be paid;
- (n) the credit institution or the I.F. through which payment will be made;
- (o) any other terms of the bid;
- (p) all the conditions to which the bid is subject;
- (q) the cases of revocation or cancellation of the bid, in accordance with the provisions of section 27 of the Law;
- (r) the time allowed for acceptance of the bid;
- (s) the way of accepting the bid;
- (t) the offeror's intentions with regard to the future business of the offeree company and, in so far as it is affected by the bid, the use of its assets, its reformation, the offeror company and with regard to the safeguarding of the jobs of their employees and management, including any material change in the conditions of employment, and in particular the offeror's strategic plans for the two companies and the likely repercussions on employment and the locations of the companies' places of business;
- (u) any special benefits that the offeror intends to give to the members of the offeree company's board of directors;
- (v) in the case of a securities exchange offer whether and in what manner the emoluments of the offeror directors will be affected by the acquisition of the offeree company. If there will be no effect, this must be stated;

- (w) Any agreement to which the offeror is part of or is aware of, regarding the takeover bid or the exercise of voting rights attached to the securities of the offeree company;
 - (x) the national law which will govern contracts concluded between the offeror and the holders of the offeree company's securities as a result of the bid and the competent courts;
 - (y) the compensation offered for the rights which might be removed as a result of the breakthrough rule laid down in section 35 of the Law, with particulars of the way in which that compensation is to be paid and the method employed in determining it;
 - (z) report as to whether the offeror is planning to exercise the right of squeeze out as laid out in section 36 of the Law;
 - (aa) report as to the right of sell out of holders of offeree company securities as laid out in section 37 of the Law;
- (2)** In addition to the above mentioned information, stated in the offer document, the following are also stated:
- (a) every person on whose account the offeror acts;
 - (b) all the undertakings controlled by the offeror; and
 - (c) the identity of every natural person acting in concert with the offeror or where possible with the offeree company and, in the case of companies, their types, names, registered offices and relationships with the offeror and, where possible, with the offeree company.

(3) In case the offeror acts in his name but on behalf of another, the information set out in subsections (1) and (2) of section 4 of this Directive shall concern the latter and not the offeror.

(4) In case of a securities exchange offer the offer document shall include information on these securities equivalent to a prospectus in accordance with the provisions of the Public Offer and Prospectus Law and Regulation 809/2004.

114(l) of 2005

In case the consideration offered comprises of securities which were recently the subject of a public offer or an application for admission on a regulated market in accordance with the provisions of the Public Offer and Prospectus Law and a prospectus has been published that remains in force in accordance with the provisions of subsection (1) of section 16 of the said Law, the relevant prospectus, the supplementary prospectuses published as well as information in regards to any subsequent change from the publication of the last supplementary prospectus, will be attached to the offer document.

In every case the Commission decides whether the information provided on the securities is equivalent to that of the prospectus.

(5) When the offer is for cash, the offer document must include confirmation by a credit institution or other organization that resources are available to the offeror sufficient to satisfy full acceptance of the offer.

Profit Forecast

- 5.** **(1)** In case the consideration offered comprises of securities and the offeror chooses to include a profit forecast, the assumptions, upon which he based his profit forecast must be stated in the document;

It is provided that the statement must separate between assumptions about factors which the directors can influence and assumptions about factors that cannot be influenced;

It is further provided that the assumptions must be easily understandable by investors and must be specific and accurate.

(2) The board of the offeror is responsible for the forecast and the assumptions

on which the forecast is based.

(3) The offer document includes a certification by independent accountants or auditors, that the profit forecast was prepared based on the stated assumptions and that the accounting base used for this profit forecast is in accordance with the basic accounting principles that the offeror applies.

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| Warning about control position | <p>6. In case the document includes a valuation of the assets of the offeree company, it must be supported by the opinion of an independent valuer confirming that the valuation is reasonable.</p> <p>7. In the case of a partial offer which could result in the offeror, either alone or with persons acting in concert with it, holding shares carrying over 50% of the voting rights of the offeree company, the offer document must contain specific and prominent reference to this and to the fact that, if the bid succeeds, the offeror or, where appropriate, the offeror and persons acting in concert with it, will be free, subject to the provisions of sections 14 and 15 of the Law, to acquire further percentages in shares of the offeree company without incurring any obligation to make a bid.</p> |
| Confirmation by persons signing the offer document | <p>8. The persons signing the offer document must give a statutory declaration, included in the offer document, stating that, having exercised due care so as to form a responsible opinion, they confirm that the information contained in the offer document is true and correct and that there are no omissions in the offer document likely to alter its content and or mislead the recipients.</p> |
| Provision of additional information | <p>9. The Commission may request additional information. Further, the Commission may excuse the offeror from the obligation to include any information, as long as the said information may not be provided in time and it is not deemed necessary for the protection of the employees or holders of the offeree company securities.</p> |
| Repeal of Directive DI41-2007-03 of 2011 | <p>10. The Commission's Directive on the content of the offer document, with reference Regulatory Administrative Decision (Κ.Δ.Π.) 412/2011, is hereby repealed and substituted with the present Directive.</p> |
| Official Gazette of the Republic, Annex III(I): 17.10.2011 | |
| Entry into force | <p>11. This Directive shall enter into force on the day of its publication in the Official Gazette of the Republic.</p> |