

“Share acquisition agreement” — meaning

1055. (1) Subject to the following provisions of this section, “share acquisition agreement”, for the purposes of this Chapter, means an agreement between 2 or more persons which includes provision for the acquisition by any one or more of the parties to the agreement of interests in shares comprised in relevant share capital of a particular PLC (the “target company”) but only if the following 2 conditions are satisfied.

(2) Those conditions are—

(a) the agreement also includes provisions imposing obligations or restrictions on any one or more of the parties to the agreement with respect to their use, retention or disposal of interests in that company's shares acquired in pursuance of the agreement (whether or not together with any other interests of theirs in that company's shares to which the agreement relates); and

(b) any interest in the company's shares is in fact acquired by any of the parties in pursuance of the agreement.

(3) In relation to such an agreement references in this section and in sections 1056 and 1057 to the target company are to the company which is the target company for that agreement in accordance with this section.

(4) The reference in subsection (2)(a) to the use of interests in shares in the target company is to the exercise of any rights or of any control or influence arising from those interests (including the right to enter into any agreement for the exercise, or for control of the exercise, of any of those rights by another person).

(5) Once any interest in shares in the target company has been acquired in pursuance of such an agreement as is mentioned in subsection (1), the agreement continues to be a share acquisition agreement for the purposes of this Chapter irrespective of—

(a) whether or not any further acquisitions of interests in the company's shares take place in pursuance of the agreement; and

(b) any change in the persons who are for the time being parties to it; and

(c) any variation of the agreement, so long as the agreement continues to include provisions of any description mentioned in subsection (2)(a).

(6) References in subsection (5) to the agreement include any agreement having effect (whether directly or indirectly) in substitution for the original agreement.

(7) In this section, and also in references elsewhere in this Chapter to a share acquisition agreement

as defined by this section, “agreement” includes any agreement or arrangement; and references in this section to provisions of an agreement—

(a) accordingly include undertakings, expectations or understandings operative under any arrangement; and

(b) (without prejudice to the foregoing) also include any provisions, whether express or implied and whether absolute or not.

(8) Neither of the following is a share acquisition agreement for the purposes of this Chapter:

(a) an agreement which is not legally binding unless it involves mutuality in the undertakings, expectations or understandings of the parties to it;

(b) an agreement to underwrite or sub-underwrite any offer of shares in a company, provided the agreement is confined to that purpose and any matters incidental to it.