

# ABOUT COMPANY: SUMMING UP

- COMPANY MANAGEMENT: DIRECTORS BOARD
  - CHANGE IN THE COMPANY
    - SPIN OFF
- **Minutes**, also known as **minutes of meeting**

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## 24.1: Corporate Control Defined

### What is Corporate Control?

- Monitoring, supervision and direction of a corporation or other business organization

### Changes in corporate control occur through:

- Acquisitions (purchase of additional resources by a business enterprise):
  1. Purchase of new assets
  2. Purchase of assets from another company
  3. Purchase of another business entity (**merger**)
- Consolidation of voting power (LBOs and MBOs)
- Divestiture – transfer of ownership of a business unit
- Spinoff – Creation of a new corporation

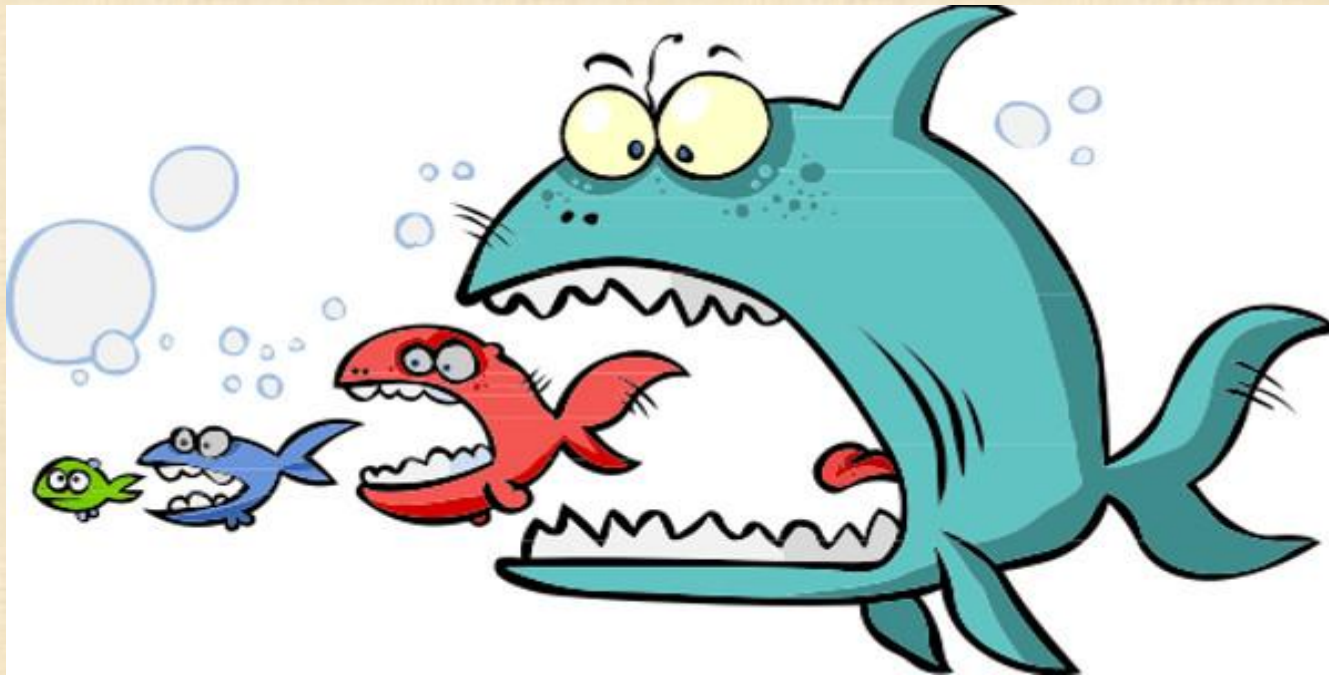
# PROCESSES WITH COMPANIES



**TARGET  
ACQUIRER**



**MERGER  
SPIN -OFF  
CONSOLIDATION**



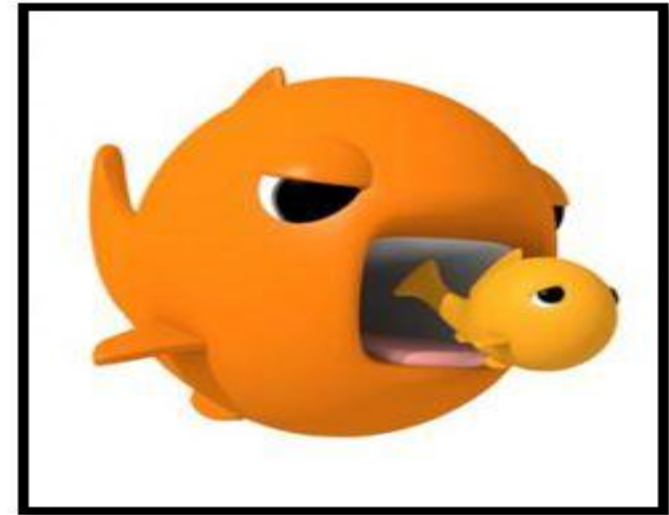


# What is meant by Mergers and Acquisitions?

- A **merger** is a combination of two companies to form a new company, while an **acquisition** is the purchase of one company by another in which no new company is formed.



**Merger**



**Acquisition**

# Difference Between Mergers and Acquisitions

## Mergers

Merging of two organisations into one

It is a mutual decision

They are more expensive as the legal cost involved is high

It is time consuming and the company has to maintain many legal issues

Dilution of ownership occurs in merger

## Acquisitions

Buying one organisation by another

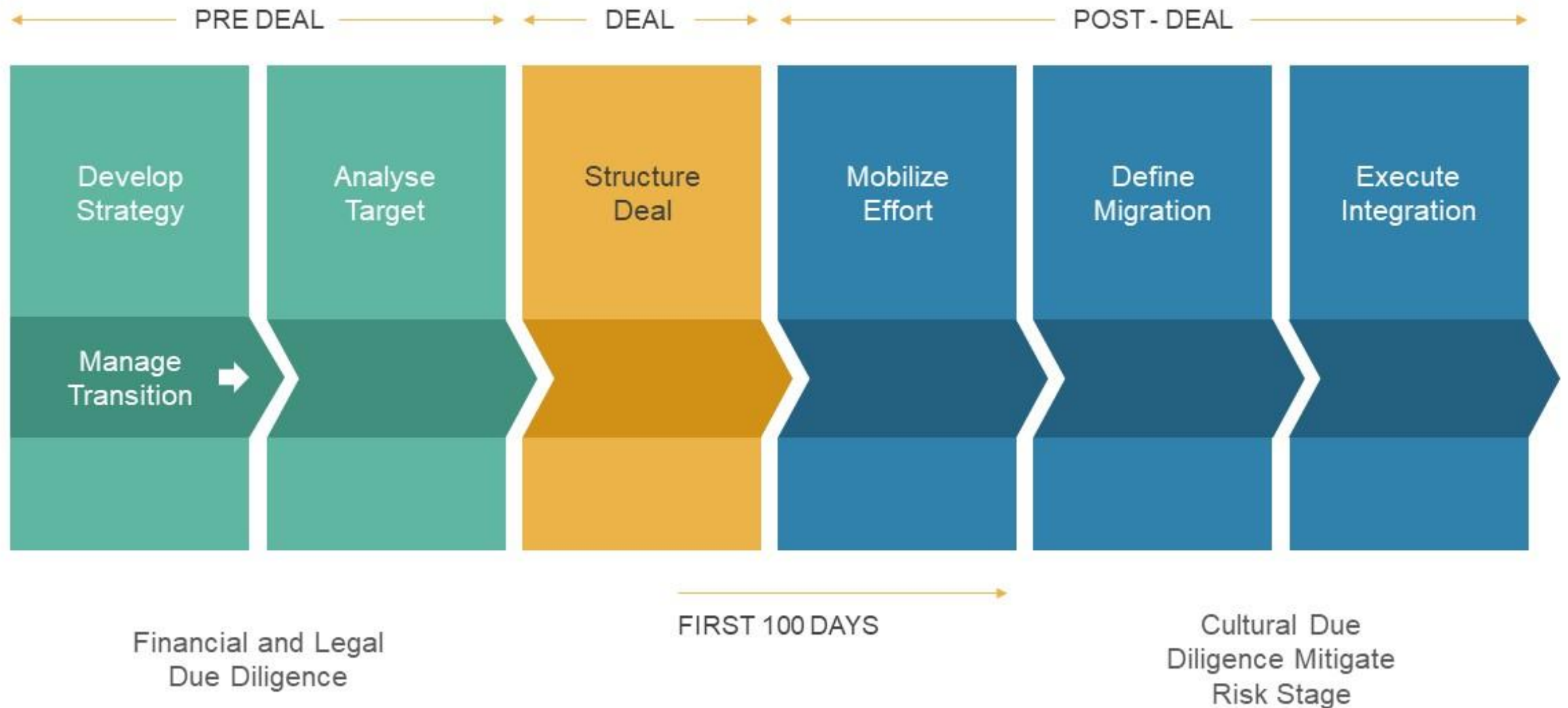
It can either be a friendly takeover or a hostile takeover

Acquisitions are relatively cheaper

It is faster and an easier transaction

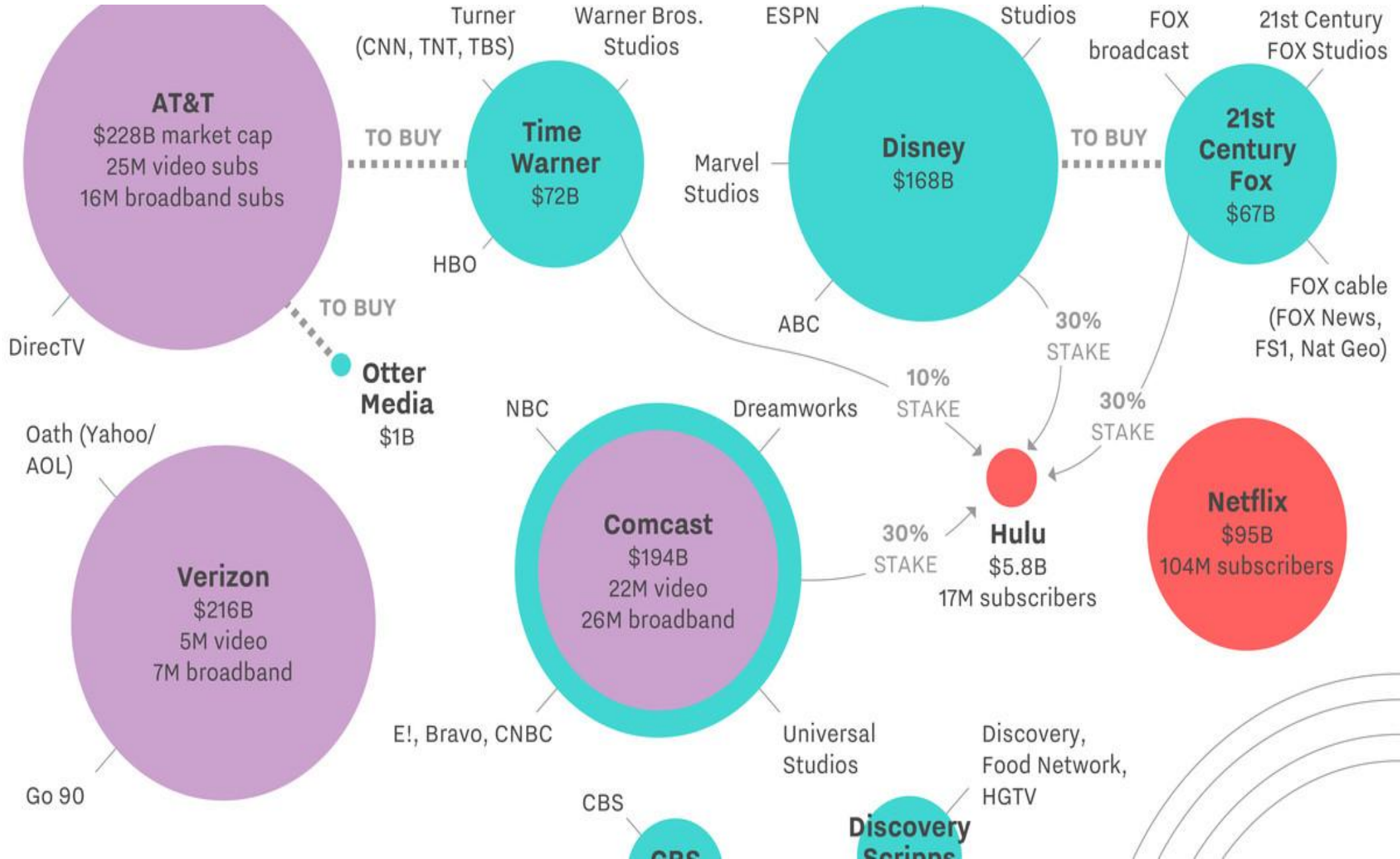
The acquirer does not experience the dilution of ownership

# Sample Merger Timeframe





# EXAMPLES



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# TYPES OF MERGERS

## STATUTORY MERGER

- combination of 2 companies (one survives, other ceases to exist)
- surviving company assumes the assets and liabilities of the other company
- $A + B = A$

## CONSOLIDATION

- 2 or more companies join to form an entirely new company
- consolidated companies are dissolved, only new company operates
- $A + B = C$



The term 'spin-off' refers to any distribution by a corporation to its shareholders of one of its two or more businesses



**Minutes**, also known as **minutes of meeting** (abbreviation MoM), protocols or, informally, notes, are the instant written record of a **meeting** or hearing.

**Define chairperson** – The chairperson for a meeting (otherwise known as the chair) is the person who has been appointed as the highest ranking officer at the event. The chairperson for a meeting presides over the event to ensure that participants are following the conventions of the meeting.

Name	Title	Organization	Present
<Name>	<Title>	<Organization/Dept/Div>	<Present/Absent>

[The usual list of attendees should be located here. Any guests can be added. Groups with representatives from multiple organizations (Departments, Operating Divisions, Bureaus, etc.) should detail which organization each attendee represents. Attendance should be marked as yes, for those attending in person, no for those absent, and phone for those attending by teleconference or other remote method.]

**2 MEETING LOCATION**

Building  
Conference Room  
Conference Link  
Web Address

**3 MEETING START**

Meeting Schedule Start: <Time/Date>  
Meeting Actual Start: <MM/SS>  
Meeting Order: <Name>

**4 AGENDA**

- <Agenda Item 1>
  - <Topic introduction>
- <Agenda Item 2>
  - <Topic introduction>
- <Agenda Item 3>
  - <Topic introduction>
- <Agenda Item 4>

## The Role of the Chairperson

**In a more formal meeting, the chairperson will outline the purpose of the meeting and remind members why they are there.**

**In such a meeting there is little need to refer to this procedure as this is implicit in the established etiquette, namely:**

- The chair controls the meeting.
- All remarks are addressed through the chair.
- Members do not interrupt each other.
- Members aim to reach a consensus.
- A vote is taken if consensus is not reached.
- The majority wins the vote.
- All members accept the majority decision.





the Role of the **Secretary**. In the course of your career, as well as in other times of your life, you may well be asked to take the **minutes** of a **meeting**. You may even be asked to take on a formal role as **secretary** to a group or organisation, whether voluntary or as a paid position.

