

# Dutch Auction Tender Offers



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Mellon Investor Services is the most experienced Tender Agent at processing Dutch Auction Tender Offers. Services include a wide range of communication services, printing, material design, tabulations, payments and tax reporting.

## Related Services

- Advisory Services
- Information Agent
- Solicitation Agent
- Printing and Logistics
- Plan Tabulation
- Communications and Call Center
- Tombstone and Media Placement



## Mellon

A Wealth of Solutions<sup>SM</sup>

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## Regional Offices

Atlanta, Chicago, Dallas, Hartford,  
Los Angeles, New York, Pittsburgh,  
San Francisco, Seattle, St. Louis

Dutch Auction Tenders, an alternative to fixed price tenders, are a useful option for companies repurchasing their own stock. This product may also be used in merger and acquisition transactions. Mellon Investor Services has more experience than any other agent in the industry in processing Dutch Tender Offers. As Tender Agent, Mellon Investor Services is responsible for producing form letters of transmittal, reviewing returned certificates and letters of transmittal, recording the tender prices, tabulating the tender bids, performing a proration calculation, if needed, and processing the payments. Mellon Investor Services can provide valuable counseling to its clients undertaking this type of complex transaction.

## What is a Dutch Auction Tender Offer?

A company need not have a set dollar amount when making a tender offer. Instead, the company can offer shareholders a range of tender prices per share. For example, a company would set a minimum and maximum price, then offer a range of tender prices within that range, typically each about \$0.25 apart. Shareholders then elect what they consider a fair price for their shares. Once the election is tabulated, the company sets the price it will pay for tendered shares. Once the price has been set, the company purchases at that price only those shares that were tendered at or below the set price.

## Client Benefits

- *Quality* ~ Mellon Investor Services has repeatedly been ranked first among its peers in Group Five, Inc. quality surveys.
- *Multiple Service Ability* ~ Mellon Investor Services is the largest agent capable of acting as both the Depository for the tender and Information Agent.
- *Employee Plan Processing* ~ Mellon Investor Services can include 401(k), ESPP and ESOP plan participants in a Dutch Auction Tender Offer.
- *Experience* ~ Mellon Investor Services has more experience with Dutch Auction Tender Offers than any other agent.
- *Communications* ~ Our award-winning Information Agent Services ensure effective communications to all constituencies. We provide multiple channels for shareholder inquiries and responses, including dedicated toll-free information phone lines, an e-mail inquiry system, a flexible Interactive Voice Response system and experienced customer service representatives.