



Listing Rules

- LR 1** **Preliminary: All securities**
 - 1.1 Introduction
 - 1.2 Modifying rules and consulting the FSA
 - 1.3 Information gathering and publication
 - 1.4 Miscellaneous
 - 1.5 Standard and Premium Listing
 - 1.6 Listing Categories
 - 1 Annex 1 Market abuse safe harbours

- LR 2** **Requirements for listing: All securities**
 - 2.1 Preliminary
 - 2.2 Requirements for all securities

- LR 3** **Listing applications: All securities**
 - 3.1 Application
 - 3.2 Application for admission to listing
 - 3.3 Shares
 - 3.4 Debt and other securities
 - 3.5 Block listing

- LR 4** **Listing particulars for professional securities market and certain other securities: All securities**
 - 4.1 Application and Purpose
 - 4.2 Contents and format of listing particulars
 - 4.3 Approval and publication of listing particulars
 - 4.4 Miscellaneous

- LR 5** **Suspending, cancelling and restoring listing: All securities**
 - 5.1 Suspending listing
 - 5.2 Cancelling listing
 - 5.3 Requests to cancel or suspend
 - 5.4 Restoring listing
 - 5.4A Transfer between listing categories: Equity shares
 - 5.5 Miscellaneous

LR 6	Additional requirements for premium listing (commercial company)
6.1	Application
LR 7	Listing Principles: Premium listing
7.1	Application and purpose
7.2	The Listing Principles
LR 8	Sponsors: Premium listing
8.1	Application
8.2	When a sponsor must be appointed or its guidance obtained
8.3	Role of a sponsor: general
8.4	Role of a sponsor: transactions
8.5	Responsibilities of listed companies
8.6	Criteria for approval as a sponsor
8.7	Supervision of sponsors
LR 9	Continuing obligations
9.1	Preliminary
9.2	Requirements with continuing application
9.3	Continuing obligations : holders
9.4	Documents requiring prior approval
9.5	Transactions
9.6	Notifications
9.7	[Deleted]
9.7A	Preliminary statement of annual results, statement of dividends and half-yearly reports
9.8	Annual financial report
9.9	[Deleted]
9 Annex 1	THE MODEL CODE (R)
LR 10	Significant transactions: Premium listing
10.1	Preliminary
10.2	Classifying transactions
10.3	Class 3 requirements
10.4	Class 2 requirements
10.5	Class 1 requirements
10.6	Reverse takeover requirements
10.7	Transactions by specialist companies
10.8	Miscellaneous
10 Annex 1	The Class Tests

LR 11	Related party transactions: Premium listing
11.1	Related party transactions
11 Annex 1R	Transactions to which related party transaction rules do not apply
LR 12	Dealing in own securities and treasury shares: Premium listing
12.1	Application
12.2	Prohibition on purchase of own securities
12.3	Purchase from a related party
12.4	Purchase of own equity shares
12.5	Purchase of own securities other than equity shares
12.6	Treasury shares
LR 13	Contents of circulars: Premium listing
13.1	Preliminary
13.2	Approval of circulars
13.3	Contents of all circulars
13.4	Class 1 circulars
13.5	Financial information in Class 1 Circulars
13.6	Related party circulars
13.7	Circulars about purchase of own equity shares
13.8	Other circulars
13 Annex 1R	Class 1 circulars
LR 14	Standard listing (shares)
14.1	Application
14.2	Requirements for listing
14.3	Continuing obligations
14.4	[Deleted]
LR 15	Closed-Ended Investment Funds: Premium listing
15.1	Application
15.2	Requirements for listing
15.3	Listing applications and procedures
15.4	Continuing obligations
15.5	Transactions
15.6	Notifications and periodic financial information
15.7	[Deleted]
LR 16	Open-ended investment companies: Premium listing

16.1	Application
16.2	Requirements and eligibility for listing
16.3	Listing applications
16.4	Requirements with continuing application
LR 17	Debt and debt-like securities: Standard listing
17.1	Application
17.2	Requirements for listing and listing applications
17.3	Requirements with continuing application
17.4	[deleted]
17.5	Requirements for states, regional and local authorities and public international bodies
LR 18	Certificates representing certain securities: Standard listing
18.1	Application
18.2	Requirements for listing
18.3	Listing applications
18.4	Continuing obligations
LR 19	Securitised derivatives: Standard listing
19.1	Application
19.2	Requirements for listing
19.3	Listing applications
19.4	Continuing obligations
19.5	Disclosures
LR 20	Miscellaneous Securities: Standard listing
20.1	Application
20.2	Requirements for listing
20.3	Listing applications
20.4	Continuing obligations
20.5	Disclosures
LR App 1	Relevant definitions
App 1.1	Relevant definitions
LR App 2	Fees and financial penalty income

App 2.1 **The provisions outlined in LR App 2.1 in relation to fees are set out in FEES 3 and 4**

LR App 3 **List of Regulatory Information Services**

App 3.1

Transitional Provisions

TR 1 **Transitional Provisions: General and Venture Capital Trusts**
TR 2 **Transitional Provision for closed-ended investment funds listed before 28 September 2007**
TR 3 **Transitional Provisions for Investment Entities already listed under LR 14**
TR 4 **Transitional Provision for Issuers with a Premium Listing that are Overseas Companies**
TR 5 **Transitional Provision for companies incorporated in the United Kingdom**
TR 6 **Transitional Provision for overseas companies**
TR 7 **Transitional Provision for issuers with shares that do not confer full voting rights**
Sch 1 **[to follow]**
Sch 2 **[to follow]**
Sch 3 **[to follow]**
Sch 4 **Powers exercised**
Sch 5 **[to follow]**
Sch 6 **[to follow]**

Listing Rules

Chapter 1

Preliminary: All securities

PAGE
1



1.1 Introduction

Application

1.1.1

R

LR applies as follows:

- (1) all of *LR* (other than ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7) applies to an *issuer*; and
- (2) ■ LR 1, ■ LR 8.1, ■ LR 8.3, ■ LR 8.4, ■ LR 8.6 and ■ LR 8.7 apply to a *sponsor* and a *person* applying for approval as a *sponsor*.

FSA performing functions as competent authority

Note: In relation to the *listing rules*, the *FSA* is performing functions as the competent authority under Part VI of the *Act* (see section 72(1) of the *Act*).

Note: when exercising functions as the competent authority under Part VI of the *Act*, the *FSA* may use the name: the UK Listing Authority.

Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include *DTR* (the Disclosure Rules and Transparency Rules sourcebook), *PR* (the Prospectus Rules sourcebook), *COBS* (the Conduct of Business sourcebook), *DEPP* (Decision Procedure and Penalties Manual), Chapter 9 of *SUP* (the Supervision manual) and *GEN* (General Provisions).

The following Regulatory Guides may also be relevant to *issuers* or *sponsors*:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

1.2 Modifying rules and consulting the FSA

Modifying or dispensing with rules

1.2.1

R

- (1) The *FSA* may dispense with or modify the *listing rules* in such cases and by reference to such circumstances as it considers appropriate (subject to the terms of EU directives and the *Act*).
- (2) A dispensation or modification may be either unconditional or subject to specified conditions.
- (3) If an *issuer* or *sponsor* has applied for, or been granted, a dispensation or modification, it must notify the *FSA* immediately it becomes aware of any matter which is material to the relevance or appropriateness of the dispensation or modification.
- (4) The *FSA* may revoke or modify a dispensation or modification.

1.2.2

R

- (1) An application to the *FSA* to dispense with or modify a *listing rule* must be in writing.
- (2) The application must:
 - (a) contain a clear explanation of why the dispensation or modification is requested;
 - (b) include details of any special requirements, for example, the date by which the dispensation or modification is required;
 - (c) contain all relevant information that should reasonably be brought to the *FSA*'s attention;
 - (d) contain any statement or information that is required by the *listing rules* to be included for a specific type of dispensation or modification; and
 - (e) include copies of all documents relevant to the application.

PAGE
3

1.2.3

G

An application to dispense with or modify a *listing rule* should ordinarily be made:

- (1) for a *listing rule* that is a continuing obligation, at least five *business days* before the proposed dispensation or modification is to take effect; and

- (2) for any other *listing rule*, at least ten *business days* before the proposed dispensation or modification is to take effect.

Companies in severe financial difficulty

1.2.4

G

If an *issuer* applies to the *FSA* to dispense with or modify a *listing rule* on the basis that it is in severe financial difficulty, the *FSA* would ordinarily expect the *issuer* to comply with the conditions in ■ LR 10.8 (to the extent relevant to the particular *rule* for which the dispensation or modification is sought). In particular, the *FSA* would expect the *issuer* to comply with those conditions that are directed at demonstrating that it is in severe financial difficulty.

Early consultation with FSA

1.2.5

G

An *issuer* or *sponsor* should consult with the *FSA* at the earliest possible stage if it:

- (1) is in doubt about how the *listing rules* apply in a particular situation; or
- (2) considers that it may be necessary for the *FSA* to dispense with or modify a *listing rule*.

Address for correspondence

Note: The *FSA*'s address for correspondence is:

The Financial Services Authority
25 The North Colonnade
Canary Wharf
London, E14 5HS
Tel: 020 7066 8333
Fax: 020 7066 8362
<http://www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml>

1.3 Information gathering and publication

Information gathering

1.3.1

R

An *issuer* must provide to the *FSA* as soon as possible:

- (1) any information and explanations that the *FSA* may reasonably require to decide whether to grant an application for *admission*;
- (2) any information that the *FSA* considers appropriate to protect investors or ensure the smooth operation of the market; and [Note: Article 16.1 *CARD*]
- (3) any other information or explanation that the *FSA* may reasonably require to verify whether *listing rules* are being and have been complied with.

FSA may require issuer to publish information

1.3.2

R

- (1) The *FSA* may, at any time, require an *issuer* to publish such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market. [Note: Article 16.2 *CARD*]
- (2) If an *issuer* fails to comply with a requirement under paragraph (1) the *FSA* may itself publish the information (after giving the *issuer* an opportunity to make representations as to why it should not be published). [Note: Article 16.2 *CARD*]

Misleading information not to be published

1.3.3

R

An *issuer* must take reasonable care to ensure that any information it notifies to a *RIS* or makes available through the *FSA* is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

1.3.4

R**Notification when a RIS is not open for business**

If an *issuer* is required to notify information to a *RIS* at a time when a *RIS* is not open for business it must distribute the information as soon as possible to:

- (1) not less than two national newspapers in the *United Kingdom*;
- (2) two newswire services operating in the *United Kingdom*; and
- (3) a *RIS* for release as soon as it opens.

1.4 Miscellaneous

Appointment of sponsor

- 1.4.1 **R** (1) If it appears to the *FSA* that there is, or there may be, a breach of the *listing rules* or the *disclosure rules* and *transparency rules* by an *issuer* with a *premium listing*, the *FSA* may in writing require the *issuer* to appoint a *sponsor* to advise the *issuer* on the application of the *listing rules*, the *disclosure rules* and the *transparency rules*.
- (2) If required to do so under (1), an *issuer* must, as soon as practicable, appoint a *sponsor* to advise it on the application of the *listing rules*, the *disclosure rules* and the *transparency rules*.

[Note: ■ LR 8.2 sets out the various circumstances in which an *issuer* must appoint, or obtain guidance from, a *sponsor*.]

Overseas companies

- 1.4.2 **R** If a *listing rule* refers to a requirement in legislation applicable to a *listed company* incorporated in the *United Kingdom*, a *listed overseas company* must comply with the requirement so far as:
- (1) information available to it enables it to do so; and
- (2) compliance is not contrary to the law in its country of incorporation.

- 1.4.3 **R** A *listed overseas company* must, if required to do so by the *FSA*, provide the *FSA* with a letter from an independent legal adviser explaining why compliance with a requirement referred to in ■ LR 1.4.2 R is contrary to the law in its country of incorporation.

- 1.4.4 **R** [deleted]

- 1.4.5 **G** [deleted]

- English language**
- 1.4.6 **R** A document that is required under a *listing rule* to be filed, notified to a RIS, provided to the *FSA* or sent to *security* holders must be in English.
- Market abuse safe harbours**
- 1.4.7 **R** Pursuant to section 118A(5) of the *Act*, behaviour conforming with the *listing rules* specified in ■ LR 1 Annex 1 RR does not amount to market abuse under section 118(1) of the *Act*.
- Fees**
- 1.4.8 **G** The provisions relating to periodic fees for *issuers* and *sponsors* are set out in ■ FEES 1, ■ 2 and ■ 4.
- Electronic Communication**
- 1.4.9 **G** (1) If the *listing rules* require an *issuer* to send documents to its *security* holders, the *issuer* may, in accordance with ■ DTR 6.1.8 R, use *electronic means* to send those documents.
- 1.4.10 **R** [deleted]

1.5 Standard and Premium Listing

Standard and premium listing explained

1.5.1

G

- (1) Under the *listing rules* each *issuer* must satisfy the requirements in the rules that are specified to apply to it and its relevant *securities*. In some cases a *listing* is described as being either a *standard listing* or a *premium listing*.
- (2) A *listing* that is described as a *standard listing* sets requirements that are based on the minimum EU directive standards. A *listing* that is described as a *premium listing* will include requirements that exceed those required under relevant EU directives.
- (3) *Premium listing* exists for *equity shares* of commercial companies, *closed-ended investment funds* and *open-ended investment companies*. Any other *listing* will be a *standard listing*.
- (4) In one case, for *equity shares* of a commercial company, an *issuer* will have a choice under the *listing rules* as to whether it has a *standard listing* or a *premium listing*. The type of *listing* it applies for will therefore determine the requirements it must comply with.
- (5) ■ LR 5.4A provides a process for the transfer of the category of *listing* of *equity shares*.
- (6) In one case, for further classes of *equity shares* of an *investment entity*, the *equity shares* may be admitted to a *standard listing* provided that, and only for so long as, the *issuer* has a *premium listing* of *equity shares*.

Misleading statements about status

1.5.2

R

An *issuer* that is not an issuer with a *premium listing* of its *equity shares* must not describe itself or hold itself out (in whatever terms) as having a *premium listing* or make any representation which suggests, or which is reasonably likely to be understood as suggesting, that it has a *premium listing* or complies or is required to comply with the requirements that apply to a *premium listing*.

1.6 Listing Categories

1.6.1

G

Under other provisions of *LR* an *issuer* must comply with the *rules* that are applicable to every *security* in the category of *listing* which applies to each *security* the *issuer* has *listed*. The categories of *listing* are:

- (1) *premium listing (commercial company)*;
- (2) *premium listing (closed-ended investment fund)*;
- (3) *premium listing (open-ended investment companies)*;
- (4) *standard listing (shares)*;
- (5) *standard listing (debt and debt-like securities)*;
- (6) *standard listing (certificates representing certain securities)*;
- (7) *standard listing (securitised derivatives)*;
- (8) *standard listing (miscellaneous securities)*.

1.6.2

R

An *issuer* must inform the *FSA* if the characteristics of a *security* change so that the *security* no longer meets the definition of a *security* in the category in which it has been placed.

Market abuse safe harbours

The *listing rules* referred to in ■ LR 1.4.7 R are:

- (1) LR 1.3.3 R (Misleading information not to be published);
- (2) LR 1.3.4 R (Notification when a *RIS* is not open for business);
- (3) Paragraphs 20, 21 and 22 of the Annex to LR 9 (The Model Code)(Dealings by connected persons and investment managers);
- (4) LR 9.6.6 R (Notifications relating to capital);
- (5) LR 9.6.7 R, LR 9.6.8 R, and LR 9.6.10 G (Notifications of major interests in shares);
- (6) LR 9.7.1 R and LR 9.7.2 R (Preliminary statement of annual results and dividends);
- (7) LR 9.9.3 R
- (8) LR 12.2.1 R (4) (Prohibition on purchase of own securities);
- (9) LR 12.4.6 R (Notification of purchases);
- (10) LR 12.5.2 R and LR 12.5.3 R (Notifications of purchases, early redemptions and cancellations);
- (11) LR 13.3.1 R (1) and LR 13.3.1 R (2) (Contents of all circulars);
- (12) LR 14.3.19 R and LR 14.3.21 R (Notification of major interests in shares);
- (13) LR 14.4.10 R; and
- (14) LR 17.3.4 R (Annual accounts).

Chapter 2

Requirements for listing: All securities

2.1 Preliminary

Application

2.1.1 **R** This chapter applies to all *applicants* for *admission to listing* (unless a *rule* is specified only to apply to a particular type of *applicant* or *security*).

Refusal of applications

2.1.2 **G** Under the *Act*, the *FSA* may not grant an application for *admission* unless it is satisfied that:

- (1) the requirements of the *listing rules* are complied with; and
- (2) any special requirement (see ■ LR 2.1.4 R) is complied with.

2.1.3 **G** Under the *Act*, the *FSA* may also refuse an application for *admission* if it considers that:

- (1) *admission* of the *securities* would be detrimental to investors' interests; or
- (2) for *securities* already listed in another *EEA State*, the *issuer* has failed to comply with any obligations under that listing.

Special requirements

2.1.4 **R** (1) The *FSA* may make the *admission* of *securities* subject to any special requirement that it considers appropriate to protect investors. [Note: article 12 *CARD*]

(2) The *FSA* must explicitly inform the *issuer* of any special requirement that it imposes. [Note: article 12 *CARD*]

No conditional admission

2.1.5 **G** The *FSA* is not able to make the *admission* of *securities* conditional on any event. The *FSA* may, in particular cases, seek confirmation from an *issuer* before the *admission* of *securities* that the *admission* does not purport to be conditional on any matter.

2.2 Requirements for all securities

Incorporation

2.2.1

R

An *applicant* (other than a *public sector issuer*) must be:

- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
- (2) operating in conformity with its *constitution*. [Note: articles 42 and 52 CARD]

Validity

2.2.2

R

To be *listed*, *securities* must:

- (1) conform with the law of the *applicant's* place of incorporation;
- (2) be duly authorised according to the requirements of the *applicant's constitution*; and
- (3) have any necessary statutory or other consents. [Note: articles 45 and 53 CARD]

Admission to trading

2.2.3

R

Other than in regard to *securities* to which ■ LR 4 applies, to be *listed*, *equity securities* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE*. All other *securities* must be admitted to trading on a *RIE's* market for *listed securities*.

Transferability

2.2.4

R

- (1) To be *listed*, *securities* must be freely transferable. [Note: articles 46, 54 and 60 CARD]
- (2) To be *listed*, *shares* must be fully paid and free from all liens and from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

2.2.5 **G** The FSA may modify **■** LR 2.2.4 R to allow partly paid *securities* to be *listed* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *securities* to take place on an open and proper basis. [Note: articles 46 and 54 CARD]

2.2.6 **G** The FSA may in exceptional circumstances modify or dispense with **■** LR 2.2.4 R where the *applicant* has the power to disapprove the transfer of *shares* if the FSA is satisfied that this power would not disturb the market in those *shares*. [Note: article 46 CARD]

Market capitalisation

2.2.7 **R**

- (1) The expected aggregate market value of all *securities* (excluding *treasury shares*) to be *listed* must be at least:
 - (a) £700,000 for *shares*; and
 - (b) £200,000 for *debt securities*.
- (2) Paragraph (1) does not apply to tap issues where the amount of the *debt securities* is not fixed.
- (3) Paragraph (1) does not apply if *securities* of the same *class* are already *listed*. [Note: articles 43 and 48 CARD]

2.2.8 **G** The FSA may modify **■** LR 2.2.7 R to admit *securities* of a lower value if it is satisfied that there will be an adequate market for the *securities* concerned. [Note: articles 43 and 58 CARD]

Whole class to be listed

2.2.9 **R** An application for *listing* of *securities* of any *class* must:

- (1) if no *securities* of that *class* are already *listed*, relate to all *securities* of that *class*, issued or proposed to be issued; or
- (2) if *securities* of that *class* are already *listed*, relate to all further *securities* of that *class*, issued or proposed to be issued. [Note: articles 49, 56 and 62 CARD]

Prospectus

2.2.10 **R**

- (1) This *rule* applies if under the *Act* or under the law of another *EEA State*:
 - (a) a *prospectus* must be approved and published for the *securities*; or
 - (b) the *applicant* is permitted and elects to draw up a *prospectus* for the *securities*.
- (2) To be *listed*:

- (a) a *prospectus* must have been approved by the FSA and published in relation to the *securities*; or
- (b) if another *EEA State* is the *Home Member State* for the *securities*, the relevant competent authority must have supplied the FSA with:
 - (i) a certificate of approval;
 - (ii) a copy of the *prospectus* as approved; and
 - (iii) (if applicable) a translation of the *summary* of the *prospectus*.

Listing particulars

- 2.2.11 **R**
- (1) This *rule* applies if, under **■ LR 4**, *listing particulars* must be approved and published for *securities*.
 - (2) To be *listed*, *listing particulars* for the *securities* must have been approved by the FSA and published in accordance with **■ LR 4**.

Convertible securities and miscellaneous securities carrying the right to buy or subscribe for other securities

- 2.2.12 **R**
- Convertible securities* and *miscellaneous securities* giving the holder the right to buy or subscribe for other *securities* may be *admitted to listing* only if the *securities* into which they are convertible or over which they give a right to buy or subscribe are already, or will become at the same time:
- (1) *listed securities*; or
 - (2) *securities* listed on a regulated, regularly operating, recognised open market. [Note: article 59 CARD]

- 2.2.13 **G**
- The FSA may dispense with **■ LR 2.2.12 R** if it is satisfied that holders of the *convertible securities* have at their disposal all the information necessary to form an opinion about the value of the underlying *securities*. [Note: article 59 CARD]

- 2.2.14 **R** [deleted]

Overseas company applying for a premium listing

- 2.2.15 **R**
- If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to **■ LR 9.3.11 R**, an *overseas company* applying for a *premium listing* must:
- (1) ensure its constitution provides for rights which are at least equivalent to the rights provided for in **■ LR 9.3.11 R** (as qualified by **■ LR 9.3.12 R**); and

-
- (2) **be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.**

Chapter 3

Listing applications: All securities



3.1 Application

3.1.1

R

This chapter applies to an *applicant* for the *admission* of securities.



3.2 Application for admission to listing

Location of official list

3.2.1 **G** The FSA will maintain the *official list* on its website.

Method of application

3.2.2 **R** An *applicant* for admission must apply to the FSA by:

- (1) submitting, in final form:
 - (a) the documents described in ■ LR 3.3 in the case of an application in respect of *equity shares*;
 - (b) the documents described in ■ LR 3.4 in the case of an application in respect of *debt securities* or other *securities*;
 - (c) the documents described in ■ LR 3.5 in the case of a block listing;
- (2) submitting all additional documents, explanations and information as required by the FSA;
- (3) submitting verification of any information in such manner as the FSA may specify; and
- (4) paying the fee set out in ■ FEES 3 by the required date.

3.2.3 **G** Before submitting the documents referred to in ■ LR 3.2.2 R (1), an *applicant* should contact the FSA to agree the date on which the FSA will consider the application.

3.2.4 **R** All documents must be submitted to the Listing Applications team at the FSA's address.

Grant of an application for admission to listing

3.2.5 **G** The FSA will admit *securities* to listing if all relevant documents required by ■ LR 3.2.2 R have been submitted to the FSA.

3.2.6

G

When considering an application for *admission to listing*, the *FSA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting with other regulators or exchanges;
- (2) request that an *applicant*, or its specified representative answer questions and explain any matter the *FSA* considers relevant to the application for *listing*;
- (3) take into account any information which it considers appropriate in relation to the *application for listing*;
- (4) request that any information provided by the *applicant* be verified in such manner as the *FSA* may specify; and
- (5) impose any additional conditions on the *applicant* as the *FSA* considers appropriate.

3.2.7

G

The *admission* becomes effective only when the *FSA's* decision to admit the *securities to listing* has been announced by being either:

- (1) disseminated by a *RIS*; or
- (2) posted on a notice board designated by the *FSA* should the electronic systems be unavailable.



3.3 Shares

Application

3.3.1 **R** ■ LR 3.3.2 R to ■ LR 3.3.7 R apply to an *applicant* which is applying for a *listing* of its *shares* except for *preference shares* that are *specialist securities*.

Documents to be provided 48 hours in advance

3.3.2 **R** The following documents must be submitted, in final form, to the *FSA* by midday two *business days* before the *FSA* is to consider the application:

- (1) a completed Application for Admission of Securities to the Official List;
- (2) one of:
 - (a) the *prospectus*, or *listing particulars*, that has been approved by the *FSA*; or
 - (b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *shares*; or
 - (c) [deleted]
- (3) any *circular* that has been published in connection with the application, if applicable;
- (4) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable;
- (5) written confirmation of the number of *shares* to be allotted (pursuant to a board resolution allotting the *shares*); and [Note: If this is not possible, see ■ LR 3.3.4 R]
- (6) if a *prospectus* or *listing particulars* have not been produced, a copy of the *RIS* announcement detailing the number and type of *shares* that are the subject of the application and the circumstances of their issue.

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the FSA website.

3.3.2A **R** If a *prospectus* or *listing particulars* have not been produced then the Application for Admission of Securities to the Official List must contain confirmation that a *prospectus* or *listing particulars* are not required and details of the reasons why they are not required.

Documents to be provided on the day

3.3.3 **R** The following documents signed by a *sponsor* (if a *sponsor* is required under ■ LR 8) or by a duly authorised officer of the *applicant* (if a *sponsor* is not required under ■ LR 8) must be submitted, in final form, to the FSA before 9 a.m. on the day the FSA is to consider the application:

- (1) a completed Shareholder Statement, in the case of an *applicant* that is applying for a *listing* of a class of *shares* for the first time; or [Note: see ■ LR 8.4.3 R and ■ LR 8.4.9 R];
- (2) a completed Pricing Statement, in the case of a *placing*, *open offer*, *vendor consideration placing*, *offer for subscription of equity shares* or an issue out of treasury of *equity shares* of a *class* already *listed*. [Note: see ■ LR 8.4.3 R and ■ LR 8.4.9 R].

Note: The Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the FSA website.

3.3.4 **R** If written confirmation of the number of *shares* to be allotted pursuant to a board resolution cannot be submitted to the FSA by the deadline set out in ■ LR 3.3.2 R or the number of *shares* to be *admitted* is lower than the number notified under ■ LR 3.3.2 R, written confirmation of the number of *shares* to be allotted or *admitted* must be provided to the FSA by the *applicant* or its *sponsor* at least one hour before the *admission to listing* is to become effective.

3.3.4A **R** If the FSA has considered an application for *listing* and the *shares* the subject of the application are not all allotted and *admitted* following the initial allotment of the *shares* (for example, under an *offer for subscription*), further allotments of *shares* may be *admitted* if before 4pm on the day before *admission* is sought the FSA has been provided with:

- (1) written confirmation of the number of *shares* allotted pursuant to a board resolution; and
- (2) a copy of the *RIS* announcement detailing the number and type of *shares* and the circumstances of their issue.

Other documents to be submitted

3.3.5 **R** Written confirmation of the number of *shares* that were allotted (pursuant to a board resolution allotting the *shares*) must be submitted to the *FSA* as soon as practicable after *admission* if the number is lower than the number that was announced under ■ LR 3.2.7 G as being *admitted to listing*.

Documents to be kept

3.3.6 **R** An *applicant* must keep copies of the following for six years after the *admission to listing*:

- (1) any agreement to acquire any assets, business or *shares* in consideration for or in relation to which the company's *shares* are being issued;
- (2) any letter, report, valuation, contract or other documents referred to in the *prospectus*, *listing particulars*, *circular* or other document issued in connection with those *shares*;
- (3) the *applicant's constitution* as at the date of *admission*;
- (4) the annual report and accounts of the *applicant* and of any guarantor, for each of the periods which form part of the *applicant's* financial record contained in the *prospectus* or *listing particulars*;
- (5) any interim accounts made up since the date to which the last annual report and accounts were made up and prior to the date of *admission*;
- (6) any temporary and definitive documents of title;
- (7) in the case of an application in respect of *shares* issued pursuant to an *employees' share scheme*, the scheme document;
- (8) where *listing particulars* or another document are published in connection with any scheme requiring court approval, any court order and the certificate of registration issued by the Registrar of Companies; and
- (9) copies of board resolutions of the *applicant* allotting or issuing the *shares*.

3.3.7 **R** An *applicant* must provide to the *FSA* the documents set out in ■ LR 3.3.6 R, if requested to do so.

Equity securities applications other than applications for the primary listing of equity shares

3.3.8 [Deleted]



3.4 Debt and other securities

Application - debt securities etc

3.4.1 **R** ■ LR 3.4.4 R to ■ LR 3.4.6 R apply to an *applicant* that is seeking *admission* of any of the following types of *securities*:

- (1) *debt securities*;
- (2) *asset-backed securities*;
- (3) *certificates representing certain securities*;
- (4) [deleted]
- (5) *convertible securities*;
- (6) *miscellaneous securities*; and
- (7) *preference shares that are specialist securities*.

Application - issuance programmes

3.4.2 **R** ■ LR 3.4.7 R to ■ LR 3.4.8 R apply to an *applicant* for the *admission* of a *debt securities* or *asset-backed securities* issuance programme.

Application - public sector issuers

3.4.3 **R** ■ LR 3.4.9 R to ■ LR 3.4.13 R apply to an *applicant* that is a *public sector issuer*.

Documents to be provided 48 hours in advance

3.4.4 **R** An *applicant* must submit, in final form, to the *FSA* by midday two *business days* before the *FSA* is to consider the application:

- (1) a completed Application for Admission of Securities to the Official List;
- (2) either:

- (a) the *prospectus*, or *listing particulars* that has been approved by the *FSA*; or
 - (b) a copy of the *prospectus*, a certificate of approval and (if applicable) a translation of the *summary* of the *prospectus*, if another *EEA State* is the *home Member State* for the *securities*;
- (3) any approved *supplementary prospectus* or approved *supplementary listing particulars*, if applicable; and
- (4) written confirmation of the number of *securities* to be issued (pursuant to a board resolution). [Note: if this is not possible, see ■ LR 3.4.5 R]

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FSA*'s website.

Documents to be provided on the day of admission

3.4.5

R

If confirmation of the number of *securities* to be issued pursuant to a board resolution cannot be submitted to the *FSA* by the deadline set out in ■ LR 3.4.4 R or, the number of *securities* to be admitted is lower than the number notified under ■ LR 3.4.4 R, written confirmation of the number of *securities* to be issued or admitted must be provided to the *FSA* by the *applicant* at least one hour before the *admission to listing* is to become effective.

Documents to be kept

3.4.6

R

An *applicant* must keep, for six years after the *admission to listing*, a copy of the items set out in ■ LR 3.3.6 R (1) to ■ (6) and ■ LR 3.3.6 R (9) and must provide any of those documents to the *FSA* if requested to do so.

Procedure for issuance programmes: initial offering and increase to programme size

3.4.7

R

An *applicant* must comply with ■ LR 3.4.4 R to ■ LR 3.4.6 R with the following modifications:

- (1) [deleted]
- (2) if the *FSA* approves the application it will admit to listing all *debt securities* which may be issued under the programme within 12 months after the publication of the *base prospectus* or *listing particulars* subject to the *FSA*:
 - (a) being advised of the *final terms* of each issue for which a *listing* is sought; and
 - (b) receiving and approving for publication any supplementary documents that may be appropriate.
 - (c) [deleted]

- (3) an *applicant* must submit a *supplementary prospectus* or *supplementary listing particulars* instead of the document required by ■ LR 3.4.4 R (2) in the case of an increase in the maximum amount of *debt securities* which may be in issue and *listed* at any one time under an issuance programme.

3.4.7A

G

An *applicant* for the *admission of securities* under an issuance programme must confirm in its Application for Admission of Securities to the Official List that at *admission* all of the *securities* the subject of the application will be in issue pursuant to board resolutions authorising the issue.

Issuance programmes: final terms

3.4.8

R

- (1) The *final terms* must be submitted in writing to the *FSA* as soon as possible after they have been agreed and no later than 2 p.m. on the day before *listing* is to become effective.
- (2) The *final terms* may be submitted by:
- (a) the *applicant*; or
 - (b) a duly authorised officer of the *applicant*.
- (3) [deleted]

Note: For further details on *final terms*, see ■ PR 2.2.9 R.

Exempt public sector issuers

3.4.9

R

A *public sector issuer* that seeks *admission of debt securities* referred to in paragraphs 2 and 4 of Schedule 11A of the *Act* must submit to the *FSA* in final form a completed Application for Admission of Securities to the Official List.

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FSA*'s website.

3.4.9A

G

An application referred to in ■ LR 3.4.9 R should be made in accordance with the timetable referred to in ■ LR 3.4.8 R.

3.4.9B

G

A *public sector issuer* that is not required to produce a *prospectus* or *listing particulars* must confirm on its application form that no *prospectus* or *listing particulars* are required.

3.4.9C

G

Apart from ■ LR 3.4.9 R, ■ LR 3.4.9A G and ■ LR 3.4.9B G no other provisions in ■ LR 3.4 apply to the *admission of debt securities* referred to in paragraphs 2 and 4 of Schedule 11A of the *Act*.

Other public sector issuers

- 3.4.10 **R** ■ LR 3.4.7 R, ■ LR 3.4.8 R and ■ LR 3.4.11 R to ■ LR 3.4.13 R apply to applications for *admission to listing of debt securities* by a *public sector issuer* other than one referred to in ■ LR 3.4.9 R.
- 3.4.11 **R** An *applicant* referred to in ■ LR 3.4.10 R must submit the items set out in ■ LR 3.4.4 R to the FSA in final form by midday two *business days* before the FSA is to consider the application.
- 3.4.12 **R** [deleted]
- 3.4.13 **R** An *applicant* referred to in ■ LR 3.4.10 R must keep, for six years after the *admission to listing*, a copy of the items set out in ■ LR 3.3.6 R (1) to ■ LR 3.3.6 R (6) and in ■ LR 3.3.6 R (9).

3



3.5 Block listing

Application

3.5.1 **R** This section applies to an *applicant* that wishes to apply for *admission of securities* using a block listing.

When a block listing can be used

3.5.2 **G** If the process of applying for *admission of securities* is likely to be very onerous due to the frequent or irregular nature of allotments and if no *prospectus* or *listing particulars* are required for the *securities*, an *applicant* may apply for a block listing of a specified number of the *securities*.

3.5.3 **G** The grant of a block listing constitutes *admission to listing* for the *securities* that are the subject of the block. Separately, the provisions of **PR 1.2.2 R** will need to be considered by the *applicant* when the *securities* that are the subject of the block listing are being issued.

3.5.4 **R** An *applicant* applying for *admission to listing* by way of a block listing must submit in final form, at least two *business days* before the *FSA* is to consider the application, a completed Application for Admission of Securities to the Official List. An application in respect of multiple schemes must identify the schemes but need not set out separate block listing amounts for each scheme.

Note: The Application for Admission of Securities to the Official List form can be found on the UKLA section of the *FSA* website.

3.5.5 **R** (1) An *applicant* applying for *admission to listing* by way of a block listing must notify an *RIS* of the number and type of *securities* that are the subject of the block listing application and the circumstances of their issue.

(2) The notification in paragraph (1) must be made by 9 a.m. on the *day* the *FSA* is to consider the application.

3.5.6 **R** Every six *months* the *applicant* must notify a *RIS* of the details of the number of *securities* covered by the block listing which have been allotted in the previous six *months*, using the Block Listing Six Monthly Return.

Note: A copy of the Block Listing Six Monthly Return can be found on the UKLA section of the FSA website.

3.5.7

G

An *issuer* that wishes to synchronise block listing six monthly returns for a number of block listing facilities may do so by providing the return required by ■ LR 3.5.6 R earlier than required to move the timing of returns onto a different six monthly cycle. An *issuer* with multiple block listing facilities should ensure that allotments under each facility are separately stated.

3.5.8

[Deleted]

3

Chapter 4

Listing particulars for professional securities market and certain other securities: All securities



4.1 Application and Purpose

Application

- 4.1.1 **R** This chapter applies to an *issuer* that has applied for the *admission* of:
- (1) *securities* specified in Schedule 11A of the *Act* (other than *securities* specified in paragraphs 2, 4 or 9 of that Schedule); or
 - (2) any other *specialist securities* for which a *prospectus* is not required under the *prospectus directive*.

Purpose

- 4.1.2 **G** (1) The purpose of this chapter is to require *listing particulars* to be prepared and published for *securities* that are the subject of an application for *listing* in the circumstances set out in **LR 4.1.1 R** where a *prospectus* is not required under the *prospectus directive*.

Listing particulars to be approved and published

- 4.1.3 **R** An *issuer* must ensure that *listing particulars* for *securities* referred to in **LR 4.1.1 R** are approved by the *FSA* and published in accordance with **LR 4.3.5 R**.

Note: Under **LR 2.2.11 R**, the *securities* will only be *listed* if *listing particulars* for the *securities* have been approved by the *FSA* and published.

4.2 Contents and format of listing particulars

General contents of listing particulars

4.2.1

G

Section 80 (1) of the *Act* (general duty of disclosure in listing particulars) requires *listing particulars* submitted to the *FSA* to contain all such information as investors and their professional advisers would reasonably require, and reasonably expect to find there, for the purpose of making an informed assessment of:

- (1) the assets and liabilities, financial position, profits and losses, and prospects of the *issuer* of the *securities*; and
- (2) the rights attaching to the *securities*.

Summary

4.2.2

R

- (1) The *listing particulars* must contain a *summary* that complies with the requirements in section 87A(5) and (6) of the *Act* and ■ PR 2.1.4 EU to ■ PR 2.1.7 R (as if those requirements applied to the *listing particulars*).
- (2) Paragraph (1) does not apply:
 - (a) in relation to *specialist securities* referred to in ■ LR 4.1.1R (2); or
 - (b) if, in accordance with ■ PR 2.1.3 R, no *summary* would be required in relation to the *securities*.

Format of listing particulars

4.2.3

R

- (1) The *listing particulars* must be in a format that complies with the relevant requirements in ■ PR 2.2 and the *PD Regulation* (as if those requirements applied to the *listing particulars*).

Minimum information to be included

PAGE
3

4.2.4

R

The following minimum information from the *PD Regulation* must be included in *listing particulars*:

- (1) for an issue of bonds including bonds convertible into the *issuer's shares* or exchangeable into a third party *issuer's shares* or derivative *securities*, irrespective of the denomination of the issue,

the minimum information required by the *schedules* applicable to debt and derivative securities with a denomination per unit of at least 50,000 euros;

- (2) the additional information required by the underlying share *building block* where relevant;
- (3) for an issue of *asset-backed securities*, irrespective of the denomination per unit of the issue, the minimum information required by the *schedules* and *building blocks* applicable to *asset-backed securities* with a denomination per unit of at least 50,000 euros;
- (4) for an issue of *certificates representing shares*, irrespective of the denomination per unit of the issue, the *schedule* applicable to depositary receipts over shares with a denomination per unit of at least 50,000 euros (except that item 13.2 (relating to profit forecasts) in Annex 10 is not to apply);
- (5) for an issue of *securities* by the government of a *non-EEA State* or a local or regional authority of a *non-EEA State*, the *schedule* applicable to *securities* issued by third countries and their regional and local authorities; and
- (6) for all issues that are guaranteed, the information in the *guarantee building block*.

4.2.5 **G** For all other issues the *FSA* would expect issuers to follow the most appropriate *schedules* and *building blocks* in the *PD Regulation* to determine the minimum information to be included in *listing particulars*.

Incorporation by reference

4.2.6 **R** An *issuer* may incorporate information by reference in the *listing particulars* as if **■** PR 2.4 and the *PD Regulation* applied to the *listing particulars*.

Equivalent information

4.2.7 **R** An *issuer* may include equivalent information in *listing particulars* as if **■** PR 2.5.1 R applied to the *listing particulars*.

English language

4.2.8 **R** *Listing particulars* must be in English.

Omission of information

4.2.9 **G** Under section 82 of the *Act* (exemptions from disclosure) the *FSA* may authorise the omission from *listing particulars* of information on specified grounds.

- 4.2.10 **R** A request to the *FSA* to authorise the omission of specific information in a particular case must:
- (1) be in writing from the *issuer*;
 - (2) identify the specific information concerned and the specific reasons for the omission; and
 - (3) state why in the *issuer's* opinion one or more of the grounds in section 82 of the *Act* applies.

- 4.2.11 **R** For the purposes of section 82(1)(g) of the *Act*, *specialist securities* are specified.

Responsibility for listing particulars

- 4.2.12 **G** Part 3 of the Financial Services and Markets Act 2000 (Official Listing of Securities) Regulations 2001 (SI 2001/2956) sets out the *persons* responsible for *listing particulars*. In particular, in those regulations:

- (1) regulation 6 specifies who is generally responsible for *listing particulars*; and
- (2) regulation 9 modifies the operation of regulation 6 in relation to *specialist securities*.

- 4.2.13 **R**
- (1) In the case of *listing particulars* for *specialist securities*:
 - (a) the *issuer* must state in the *listing particulars* that it accepts responsibility for the listing particulars;
 - (b) the *directors* may state in the *listing particulars* that they accept responsibility for the *listing particulars*; and
 - (c) other *persons* may state in the *listing particulars* that they accept responsibility for all or part of the *listing particulars* and in that case the statement by the *issuer* or *directors* may be appropriately modified.
 - (2) An *issuer* that is the government of a *non-EEA State* or a local or regional authority of a *non-EEA State* is not required under paragraph (1)(a) to state that it accepts responsibility for the *listing particulars*.



4.3 Approval and publication of listing particulars

Approval of listing particulars

- 4.3.1 **R** An application for approval of *listing particulars* or *supplementary listing particulars* must comply with the procedures in ■ PR 3.1 (as if those procedures applied to the application), except that the applicant does not need to submit a completed form A.
- 4.3.2 **R** The FSA will approve *listing particulars* or *supplementary listing particulars* if it is satisfied that the requirements of the *Act* and this chapter have been complied with.
- 4.3.3 **G** The FSA will try to notify the applicant of its decision on an application for approval of *listing particulars* or *supplementary listing particulars* within the same time limits as are specified in section 87C of the *Act* (consideration of application for approval) for an application for approval of a *prospectus* or *supplementary prospectus*.
- 4.3.4 **R** An issuer must ensure that *listing particulars* or *supplementary listing particulars* are not published until they have been approved by the FSA.

Filing and publication of listing particulars etc

- 4.3.5 **R** An issuer must ensure that after *listing particulars* or *supplementary listing particulars* are approved by the FSA, the *listing particulars* or *supplementary listing particulars* are filed and published as if the relevant requirements in ■ PR 3.2 and the *PD Regulation* applied to them.

4.4 Miscellaneous

Supplementary listing particulars

4.4.1

G

Section 81 of the *Act* (supplementary listing particulars) requires an *issuer* to submit *supplementary listing particulars* to the *FSA* for approval if at any time after *listing particulars* have been submitted to the *FSA* and before the commencement of dealings in the *securities* following their *admission* to the *official list*:

- (1) there is a significant change affecting any matter contained in those particulars the inclusion of which was required by:
 - (a) section 80 of the *Act* (general duty of disclosure in listing particulars); or
 - (b) *listing rules*; or
 - (c) the *FSA*; or
- (2) a significant new matter arises, the inclusion of information in respect of which would have been so required if it had arisen when the particulars were prepared.

4.4.2

R

An *issuer* must ensure that after *supplementary listing particulars* are approved by the *FSA*, the *supplementary listing particulars* are filed and published as if the requirements in ■ PR 3.2 and the *PD Regulation* applied to them.

Final terms

4.4.3

R

If final terms of the offer are not included in the *listing particulars*:

- (1) the final terms must be provided to investors and filed with the *FSA*, and made available to the public, as if the relevant requirements in ■ PR 3.2 and the *PD Regulation* applied to them; and
- (2) the *listing particulars* must disclose the criteria and/or the conditions in accordance with which the above elements will be determined or, in the case of price, the maximum price.

Chapter 5

Suspending, cancelling and restoring listing: All securities



5.1 Suspending listing

FSA may suspend listing

5.1.1

R

- (1) The *FSA* may suspend, with effect from such time as it may determine, the *listing* of any *securities* if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors. [Note: article 18(1) *CARD*]
- (2) An *issuer* that has the *listing* of any of its *securities* suspended must continue to comply with all *listing rules* applicable to it.
- (3) If the *FSA* suspends the *listing* of any *securities*, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.

Examples of when FSA may suspend

5.1.2

G

Examples of when the *FSA* may suspend the *listing* of *securities* include (but are not limited to) situations where it appears to the *FSA* that:

- (1) the *issuer* has failed to meet its continuing obligations for *listing*; or
- (2) the *issuer* has failed to publish financial information in accordance with the *listing rules*; or
- (3) the *issuer* is unable to assess accurately its financial position and inform the market accordingly; or
- (4) there is insufficient information in the market about a proposed transaction; or
- (5) the *issuer's securities* have been suspended elsewhere; or
- (6) the *issuer* has appointed administrators or receivers, or is an *investment trust* and is winding up; or
- (7) for a *securitised derivative* that relates to a single *underlying instrument*, the *underlying instrument* is suspended; or
- (8) for a *securitised derivative* that relates to a basket of *underlying instruments*, one or more *underlying instruments* of the basket are suspended; or

- (9) for a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *security* over which the *listed miscellaneous security* carries a right to buy or subscribe has been suspended.

5.1.3

G

The *FSA* will not suspend the *listing* of a *security* to fix its price at a particular level.

Suspension at issuer's request

5.1.4

G

An *issuer* that intends to request the *FSA* to suspend the *listing* of its *securities* will need to comply with ■ LR 5.3. The *FSA* will not suspend the *listing* if it is not satisfied that the circumstances justify the suspension.



5.2 Cancelling listing

FSA may cancel listing

5.2.1 **R** The *FSA* may cancel the *listing of securities* if it is satisfied that there are special circumstances that preclude normal regular dealings in them. [Note: article 18(2) *CARD*]

Examples of when FSA may cancel

5.2.2 **G** Examples of when the *FSA* may cancel the *listing of securities* include (but are not limited to) situations where it appears to the *FSA* that:

- (1) the *securities* are no longer admitted to trading as required by these *rules*; or
- (2) the *issuer* no longer satisfies its continuing obligations for *listing*, for example if the percentage of *shares* in public hands falls below 25% or such lower percentage as the *FSA* may permit (the *FSA* may however allow a reasonable time to restore the percentage, unless this is precluded by the need to maintain the smooth operation of the market or to protect investors); or
- (3) the *securities' listing* has been suspended for more than six months;
- (4) the *securities* are *equity shares* with a *standard listing* issued by an *investment entity* where the *investment entity* no longer has a *premium listing of equity shares*.

5.2.3 **G** The *FSA* will generally cancel the *listing of a listed company's equity shares* when it completes a *reverse takeover*.

Cancellation at issuer's request

5.2.4 **R** An *issuer* must satisfy the requirements applicable to it in ■ LR 5.2.5 R to ■ LR 5.2.11 R and ■ LR 5.3 before the *FSA* will cancel the *listing of its securities* at its request.

5.2.4A **G** ■ LR 5.2.4 R applies even if the *listing of the securities* is suspended.

Cancellation of listing of equity shares

- 5.2.5 **R** Subject to , ■ LR 5.2.7 R, ■ LR 5.2.10 R and ■ LR 5.2.12 R, an *issuer* with a *premium listing* that wishes the *FSA* to cancel the *listing* of any of its *equity shares* with a *premium listing* must:
- (1) send a *circular* to the holders of the *securities*. The *circular* must:
 - (a) comply with the requirements of ■ LR 13.3.1 R and ■ LR 13.3.2 R (contents of all circulars);
 - (b) be submitted to the *FSA* for approval prior to publication; and
 - (c) include the anticipated date of cancellation (which must be not less than 20 *business days* following the passing of the resolution referred to in paragraph (2));
 - (2) obtain, at a general meeting, the prior approval of a resolution for the cancellation from a majority of not less than 75% of the holders of the *securities* as (being entitled to do so) vote in person or, where proxies are allowed, by proxy;
 - (3) notify a *RIS*, at the same time as the *circular* is despatched to the relevant *security* holders, of the intended cancellation and of the notice period and meeting; and
 - (4) also notify a *RIS* of the passing of the resolution in accordance with ■ LR 9.6.18 R.
- 5.2.5A **R** [deleted]
- (1) [deleted]
 - (2) [deleted]
- 5.2.6 **R** [deleted]
- 5.2.7 **R** ■ LR 5.2.5 R (2) will not apply where an *issuer* of *equity shares* notifies a *RIS* :
- (1) that the financial position of the *issuer* or its *group* is so precarious that, but for the proposal referred to in ■ LR 5.2.7 R (2), there is no reasonable prospect that the *issuer* will avoid going into formal insolvency proceedings;
 - (2) that there is a proposal for a transaction, arrangement or other form of reconstruction of the *issuer* or its *group* which is necessary to ensure the survival of the *issuer* or its *group* and the continued *listing* would jeopardise the successful completion of the proposal;
 - (3) explaining;

- (a) why the cancellation is in the best interests of those to whom the *issuer* or its *directors* have responsibilities (including the bodies of *securities* holders and creditors, taken as a whole); and
 - (b) why the approval of shareholders will not be sought prior to the cancellation of *listing*; and
- (4) giving at least 20 *business days* notice of the intended cancellation.

5.2.7A **R** Where an *investment entity* no longer has a *premium listing* of *equity shares* it must apply under ■ LR 5.2.8 R for *cancellation* of the *listing* of any other class of *listed equity shares*.

Requirements for cancellation of other securities

5.2.8 **R** An *issuer* that wishes the FSA to cancel the *listing* of *listed securities* (other than *equity shares* with a *premium listing*) must notify a RIS, giving at least 20 *business days* notice of the intended cancellation but is not required to obtain the approval of the holders of those *securities* contemplated in ■ LR 5.2.5 R (2).

5.2.9 **R** *Issuers* with *debt securities* falling under ■ LR 5.2.8 R must also notify, in accordance with the terms and conditions of the *issue* of those *securities*, holders of those *securities* or a representative of the holders, such as a trustee, of intended cancellation of those *securities*, but the prior approval of the holders of those *securities* in a general meeting need not be obtained.

Cancellation in relation to takeover offers

5.2.10 **R** ■ LR 5.2.5 R does not apply to the cancellation of *equity shares* with a *premium listing* when in the case of a takeover offer:

- (1) the *offeror* has by virtue of its shareholdings and acceptances of the offer, acquired or agreed to acquire issued *share* capital carrying 75% of the voting rights of the *issuer*; and
- (2) the *offeror* has stated in the offer *document* or any subsequent *circular* sent to the *security* holders that a notice period of not less than 20 *business days* prior to cancellation will commence either on the *offeror* attaining the required 75% as described in ■ LR 5.2.10 R (1) or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006 (Right of offeror to buy out minority shareholder).

5.2.11 **R** In the circumstances of ■ LR 5.2.10 R, the *company* must notify shareholders that the required 75% has been attained and that the notice period has commenced and of the anticipated date of cancellation or the explanatory letter or other material accompanying the section 979

notice must state that the notice period has commenced and the anticipated date of cancellation.

Cancellation as a result of schemes of arrangement etc

5.2.12

R

■ LR 5.2.5 R and ■ LR 5.2.8 R do not apply to the cancellation of *equity shares* with a *premium listing* as a result of:

- (1) a takeover or restructuring of the *issuer* effected by a scheme of arrangement under Part 26 of the Companies Act 2006; or
- (2) an administration or liquidation of the *issuer* pursuant to a court order under the Insolvency Act 1986.

5.3 Requests to cancel or suspend

Information to be included in request to suspend or cancel

5.3.1

R

A request by an *issuer* for the *listing* of its *securities* to be suspended or cancelled must be in writing and must include:

- (1) the *issuer's* name;
- (2) details of the *securities* to which it relates and the *RIEs* on which they are traded;
- (3) a clear explanation of the background and reasons for the request;
- (4) the date on which the *issuer* requests the suspension or cancellation to take effect;
- (5) for a suspension, the time the *issuer* wants the suspension to take effect;
- (6) if relevant, a copy of any *circular* or announcement or other document upon which the *issuer* is relying;
- (7) if relevant, evidence of any resolution required under
■ LR 5.2.5 R;
- (8) if being made by an agent on behalf of the *issuer*, confirmation that the agent has the *issuer's* authority to make it;
- (9) the name and contact details of the *person* at the *issuer* (or, if appropriate, an agent) with whom the *FSA* should liaise in relation to the request;
- (10) if the *issuer* is making a conditional request, a clear statement of the applicable conditions;
- (11) a copy of any announcement the *issuer* proposes to notify to a *RIS* that it is relying on in making its request to suspend or cancel; and

(12) a copy of any announcement the *issuer* proposes to notify to a *RIS* announcing the suspension or cancellation.

5.3.2 **R** The *issuer* must also include with a request to cancel the *listing* of its *securities* the following:

- (1) if the cancellation is to take effect after the completion of the compulsory acquisition procedures under Chapter 3 of Part 28 of the Companies Act 2006 , a copy of the notice sent to dissenting shareholders of the offeree together with written confirmation that there have been no objections made to the court within the prescribed period;
- (2) for a cancellation referred to in **LR 5.2.10 R** an extract from, or a copy of, the offer document or relevant circular clearly showing the intention to cancel the offeree's *listing* and a copy of the announcement stating the date on which the cancellation was expected to take effect; and
- (3) if a cancellation is to take place after a scheme of arrangement becomes effective under section 899 of the Companies Act 2006 and a new *company* is to be *listed* as a result of that scheme, either:
 - (a) a copy of the certificate from the Registrar of Companies that the scheme has become effective; or
 - (b) documents which demonstrate adequately that the scheme will become effective on a specified date in the future.

5.3.3 **G** Announcements referred to in **LR 5.3.1 R** (12) should be issued after the dealing notice issued on a *RIS* announcing the suspension or cancellation.

Timing of suspension requests

5.3.4 **G** A written request by an *issuer* to have the *listing* of its *securities* suspended should be made as soon as practicable. Suspension requests received for the opening of the market should allow sufficient time for the *FSA* to deal with the request before trading starts.

Timing of cancellation requests

5.3.5 **R** A written request by an *issuer* to have the *listing* of its *securities* cancelled must be made not less than 24 hours before the cancellation is expected to take effect.

5.3.6 **G** Cancellations will only be specified to take effect when the market opens on a specified day. An *issuer* should therefore ensure that all accompanying information has been provided to the *FSA* well before the date on which the *issuer* wishes the cancellation to take effect and at the very latest by 3 p.m. on the *business day* before it is to take effect. If the information is received after 3:00 p.m. on the day before the *issuer* wishes the cancellation to take effect, it will normally be specified to take effect at the start of the *business day* following the next day.

Withdrawing request

5.3.7

G

- (1) If an *issuer* requests the FSA to suspend or cancel the *listing* of its *securities*, it may withdraw its request at any time before the suspension or cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- (2) Even if an *issuer* withdraws its request, the *FSA* may still suspend or cancel the *listing* of the *securities* if it considers it is necessary to do so.
- (3) If an *issuer* has published either a statement or a *circular* that states that the *issuer* is, or intends, to seek a suspension or cancellation and the *issuer* no longer intends to do so, it should, as soon as possible, notify a *RIS* with a statement to that effect.



5.4 Restoring listing

Revoking a cancellation of listing

5.4.1

G

If an *issuer* has the *listing* of its *securities* cancelled, it may only have them readmitted to the *official list* by re-applying for their listing.

Restoring a listing that is suspended

5.4.2

R

The *FSA* may restore the *listing* of any *securities* that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors. The *FSA* may restore the *listing* even though the *issuer* does not request it.

Requests to restore

5.4.3

G

- (1) An *issuer* that has the *listing* of any of its *securities* suspended may request the *FSA* to have them restored.
- (2) The request should be made sufficiently in advance of the time and date the *issuer* wishes the *securities* to be restored.
- (3) Requests received for when the market opens should allow sufficient time for the *FSA* to deal with the request.
- (4) The request may be an oral request. The *FSA* may require documentary evidence that the events that lead to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made) to process the request.
- (5) Even if restoration is required urgently, it will normally take up to 30 minutes to be effected.
- (6) The *FSA* will issue a dealing notice on a *RIS* announcing the restoration.

Refusal of request to restore

5.4.4

R

The *FSA* will refuse a request to restore the *listing* of *securities* if it is not satisfied of the matters set out in ■ LR 5.4.2 R.

Withdrawal of a request to restore securities

- 5.4.5 **G**
- (1) If an *issuer* has requested the *FSA* to restore the *listing* of any *securities*, it may withdraw its request at any time while the *securities* are still suspended. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible.
 - (2) Even if a request to restore has been withdrawn, the *FSA* may restore the listing of *securities* if it believes the circumstances justify it.

Restoring listing of securitised derivatives

- 5.4.6 **G**
- (1) If an *underlying instrument* is restored, the *securitised derivative's listing* will normally be restored.
 - (2) For a *securitised derivative* relating to a basket of *underlying instruments* that has been suspended, the *securitised derivative's listing* may be restored by the *FSA*, irrespective of whether or not the *underlying instrument* has been restored, if:
 - (a) the *issuer* of the *securitised derivative* confirms to the *FSA* that despite the relevant *underlying instrument(s)* suspension a market in the *securitised derivative* will continue to be made; and
 - (b) the *FSA* is satisfied that restoring the *securitised derivative* is not inconsistent with either the protection of investors or the smooth operation of the market.

- 5.4.7 **G**
- For a *miscellaneous security* that carries a right to buy or subscribe for another *security*, the *miscellaneous security's listing* will be restored if the *security* over which the *miscellaneous security* carries a right to buy or subscribe is restored.



5.4A Transfer between listing categories: Equity shares

Application

5.4A.1

R

This section applies to an *issuer* that wishes to transfer its category of *equity shares listing* from:

- (1) a *standard listing (shares)* to a *premium listing (commercial company)*; or
- (2) a *standard listing (shares)* to a *premium listing (investment company)*; or
- (3) a *premium listing (commercial company)* to a *standard listing (shares)*; or
- (4) a *premium listing (investment company)* to a *premium listing (commercial company)*; or
- (5) a *premium listing (commercial company)* to a *premium listing (investment company)*; or
- (6) a *premium listing (investment company)* to a *standard listing (shares)*.

5.4A.2

G

An *issuer* will only be able to transfer a *listing* of its *equity shares* from a *premium listing (investment company)* to a *standard listing (shares)* if it has ceased to be an *investment entity* (for example if it has become a commercial company) or if it continues to have a *premium listing* of a class of *equity shares*. This is because **LR 14.1.1 R** provides that **LR 14** does not apply to *equity shares* of an *investment entity* without a *premium listing* of *equity shares*.

Initial notification to FSA

5.4A.3

R

- (1) If an *issuer* wishes to transfer its category of *equity shares listing* it must notify the *FSA* of the proposal.
- (2) The notification must be made as early as possible and in any event not less than 20 business days before it sends the *circular* required

under ■ LR 5.4A.4 R (2)(a) or publishes the announcement required under ■ LR 5.4A.5 R (2).

- (3) The notification must include:
 - (a) an explanation of why the *issuer* is seeking the transfer;
 - (b) if a *sponsor's* letter is not required under ■ LR 8.4.14R(1), an eligibility letter setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer;
 - (c) a proposed timetable for the transfer; and
 - (d) if an announcement is required to be published under ■ LR 5.4A.5R (2), a draft of that announcement.

Shareholder approval required in certain cases

5.4A.4

R

- (1) This rule applies to a transfer of the *listing* of *equity shares* with a *premium listing* into or out of the category of *premium listing (investment company)* or a transfer of the *listing* of *equity shares* out of the category of *premium listing (commercial company)*.
- (2) The *issuer* must:
 - (a) send a *circular* to the holders of the *equity shares*;
 - (b) notify a *RIS*, at the same time as the circular is despatched to the relevant holders of the *equity shares*, of the intended transfer and of the notice period and meeting date;
 - (c) obtain at a general meeting, the prior approval of a resolution for the transfer from not less than 75% of the holders of the *equity shares* as (being entitled to do so) vote in person or, where proxies are allowed, by proxy; and
 - (d) notify a *RIS* of the passing of the resolution.

Announcement required in other cases

5.4A.5

R

- (1) This rule applies to any transfer of a *listing* of *equity shares* other than a transfer referred to in ■ LR 5.4A.4 R (1).
- (2) The *issuer* must publish an announcement on a *RIS* giving notice of its intention to transfer its listing category.

Approval and contents of circular

5.4A.6

R

The *circular* referred to in ■ LR 5.4A.4 R must:

- (1) comply with the requirements of ■ LR 13.1, ■ LR 13.2 and ■ LR 13.3;

- (2) be approved by the *FSA* before it is circulated or published; and
- (3) include the anticipated transfer date (which must be not less than 20 business days after the passing of the resolution under ■ LR 5.4A.4 R).

Approval and contents of announcement

5.4A.7 **R** The announcement referred to in ■ LR 5.4A.5 R (2) must:

- (1) contain the same substantive information as would be required under ■ LR 13.1 and ■ LR 13.3 if it were a *circular* but modified as necessary so it is clear that no shareholder vote is required; and
- (2) include the anticipated transfer date (which must be not less than 20 business days after the date the announcement is published).

5.4A.8 **R** The announcement must be approved by the *FSA* before it is published.

Specific information required in circular or announcement

5.4A.9 **G** Information required under ■ LR 13.3.1R(1) (Contents of all circulars) to be included in the *circular* or announcement should include an explanation of:

- (1) the background and reasons for the proposed transfer;
- (2) any changes to the *issuer's* business that have been made or are proposed to be made in connection with the proposal;
- (3) the effect of the transfer on the *issuer's* obligations under the *listing rules*;
- (4) how the *issuer* will meet any new eligibility requirements, for example working capital requirements, that the *FSA* must be satisfied of under ■ LR 5.4A.12 R (3); and
- (5) any other matter that the *FSA* may reasonably require.

Applying for the transfer

5.4A.10 **R** If an *issuer* has initially notified the *FSA* under ■ LR 5.4A.3 R it may apply to the *FSA* to transfer the *listing* of its *equity shares* from one category to another. The application must include:

- (1) the *issuer's* name;
- (2) details of the *equity shares* to which the transfer relates;
- (3) the date on which the *issuer* wishes the transfer to take effect;
- (4) a copy of any *circular*, announcement or other document on which the *issuer* is relying;

- (5) if relevant, evidence of any resolution required under ■ LR 5.4A.4 R;
- (6) if an agent is making the application on the *issuer's* behalf, confirmation that the agent has the *issuer's* authority to do so;
- (7) the name and contact details of the person at the *issuer* (or, if appropriate an agent) with whom the *FSA* should liaise in relation to the application; and
- (8) a copy of any announcement the *issuer* proposes to notify to a *RIS* informing the market that the transfer has taken place.

Issuer must comply with eligibility requirements

5

5.4A.11

R

- (1) An *issuer* applying for a transfer of its *equity shares* must comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.
- (2) For the purposes of applying the eligibility requirements referred to in (1) to a transfer then, unless the context otherwise requires, a reference in such a requirement:
 - (a) to the admission of *equity shares* is to be taken to be a reference to the transfer of the *equity shares*; and
 - (b) to a *prospectus* or *listing particulars* is to be taken to be a reference to the *circular* or announcement.

Approval of transfer

5.4A.12

R

If an *issuer* applies under ■ LR 5.4A.10 R, the *FSA* may approve the transfer if it is satisfied that:

- (1) the *issuer* has complied with ■ LR 5.4A.4 R or ■ LR 5.4A.5 R (whichever is relevant);
- (2) the 20 business day period referred to in ■ LR 5.4A.6 R or ■ LR 5.4A.7 R (whichever is relevant) has elapsed; and
- (3) the *issuer* and the *equity shares* will comply with all eligibility requirements that would apply if the *issuer* was seeking admission to *listing* of the *equity shares* to the category of *listing* to which it wishes to transfer.

5.4A.13

G

The *FSA* will not generally reassess compliance with eligibility requirements (for example ■ LR 6.1.16 R (Working capital) if the *issuer* has previously been assessed by the *FSA* as meeting those requirements under its existing *listing* category when its *equity shares* were *listed*.

When transfer takes effect

5.4A.14

R

- (1) If the *FSA* approves a transfer of a *listing* then it must announce its decision on a *RIS*.
- (2) The transfer becomes effective when the *FSA*'s decision to approve is announced on the *RIS*.
- (3) The *issuer* must continue to comply with the requirements of its existing category of *listing* until the decision is announced on the *RIS*.
- (4) After the decision is announced the *issuer* must comply with the requirements of the category of *listing* to which it has transferred.

Directive obligations

5.4A.15

G

An *issuer* may take steps, in connection with a transfer, which require it to consider whether a *prospectus* is necessary, for example, if the *company* or its capital is reconstituted in a way that could amount to an *offer of transferable securities to the public*. The *issuer* and its advisers should consider whether directive obligations may be triggered.

Transfer as an alternative to cancellation

5.4A.16

G

There may be situations in which an *issuer*'s business has changed over a period of time so that it no longer meets the requirements of the applicable *listing* category against which it was initially assessed for *listing*. In those situations, the *FSA* may consider cancelling the *listing* of the *equity shares* or suggest to the *issuer* that, as an alternative, it applies for a transfer of its *listing* category.



5.5 Miscellaneous

Decision-making procedures for suspension, cancellation etc

5.5.1

G

The decision-making procedures that the *FSA* will follow when it cancels, suspends or refuses a request by an *issuer* to suspend, cancel or restore *listing* are set out in *DEPP* (Decision Procedure and Penalties) .

Suspension, cancellation or restoration by overseas exchange or authority

5.5.2

R

An *issuer* must inform the *FSA* if its listing has been suspended, cancelled or restored by an *overseas* exchange or *overseas* authority.

5.5.3

G

- (1) The *FSA* will not automatically suspend, cancel or restore the *listing* of *securities* at the request of an *overseas* exchange or *overseas* authority (for example, if listing of a *listed issuer's securities* are suspended, cancelled or restored on its home exchange).
- (2) The *FSA* will not normally suspend the *listing* of *securities* where there is a trading halt for the *security* on its home exchange.
- (3) If a *listed issuer* requests a suspension, cancellation or restoration of the *listing* of its *securities*, after a suspension, cancellation or restoration on its home exchange, the *issuer* should send to the *FSA* written confirmation:
 - (a) that the suspension, cancellation or restoration of listing on its home exchange has become effective; or
 - (b) if it has not yet become effective, of the time and date it is proposed to become effective.
- (4) If an *overseas* exchange or *competent authority* requests the *FSA* to suspend, cancel or restore the *listing* of *securities*, the *FSA* will, wherever practical, contact the *issuer* or its *sponsor* before it suspends, cancels or restores the *listing*. Therefore, *issuers* are encouraged to contact the *FSA* at the same time as they contact their home exchange.
- (5) If the *FSA* is unable to contact the *issuer* or *sponsor*, it will suspend, cancel or restore the *listing* of the *securities* when it is satisfied that the listing of the relevant *securities* has been, or will be, suspended, cancelled or restored on their home exchange.

Chapter 6

Additional requirements for premium listing (commercial company)



6.1 Application

6.1.1 **R** This chapter applies to an *applicant* for the *admission* of *equity shares* to *premium listing* (commercial company)

Applicant must satisfy requirements in this chapter

6.1.2 **G** An *applicant* for the *admission* of *equity shares* to a *premium listing* (commercial company) must satisfy the requirements in this chapter (in addition to those in ■ LR 2).

Accounts

- 6.1.3 **R**
- (1) A *new applicant* for the *admission* of *equity shares* to a *premium listing* must have published or filed audited accounts that:
 - (a) cover at least three years; [Note: article 44 CARD]
 - (b) are the latest accounts for a period ended not more than six months before the date of the *prospectus* or *listing particulars* for the relevant *securities*;
 - (c) are consolidated accounts for the *applicant* and all its *subsidiary undertakings*;
 - (d) have been independently audited, in accordance with the auditing standards applicable in an EEA State or an equivalent standard; and
 - (e) have been reported on by the auditors without modification.
 - (2) A *new applicant* must:
 - (a) take all reasonable steps to ensure that its auditors are independent of it; and
 - (b) obtain written confirmation from its auditors that they comply with guidelines on independence issued by their national accountancy and auditing bodies.

Nature and duration of business activities

- 6.1.4 **R** A new applicant for the admission of equity shares to a premium listing must demonstrate that:
- (1) at least 75% of the applicant's business is supported by a historic revenue earning record which covers the period for which accounts are required under ■ LR 6.1.3 R (1);
 - (2) it controls the majority of its assets and has done so for at least the period referred to in paragraph (1); and
 - (3) it will be carrying on an independent business as its main activity.
- 6.1.5 **G** In determining what amounts to 75% of the applicant's business for the purposes of ■ LR 6.1.4 R (1), the FSA will take into account factors such as the assets, profitability and market capitalisation of the business.
- 6.1.6 **G** ■ LR 6.1.4 R is intended to enable prospective investors to make a reasonable assessment of what the future prospects of the applicant's business might be. Investors are then able to consider the company's historic revenue earning record in light of its particular competitive advantages, the outlook for the sector in which it operates and the general macro economic climate.
- 6.1.7 **G** If an applicant's business has been in existence for the period referred to in ■ LR 6.1.4 R but part or all of its business has one or more of the following characteristics it may not satisfy that rule:
- (1) a business strategy that places significant emphasis on the development or marketing of products or services which have not formed a significant part of the issuer's historic revenue earning record; or
 - (2) the value of the business on admission will be determined, to a significant degree, by reference to future developments rather than past performance; or
 - (3) the relationship between the value of the business and its revenue or profit earning record is significantly different from those of similar companies in the same sector; or
 - (4) there is no record of consistent revenue, cash flow or profit growth throughout the historic revenue earning record; or
 - (5) the applicant's business has undergone a significant change in its scale of operations during the period of the historic revenue earning record; or
 - (6) it has significant levels of research and development expenditure or significant levels of capital expenditure.

Mineral companies

- 6.1.8 **R** If a *mineral company* applies for the *admission* of its *equity shares*:
- (1) ■ LR 6.1.3 R (1)(a) does not apply to the application; and
 - (2) ■ LR 6.1.3 R (1)(b) to ■ (e) and ■ (2) apply to the *mineral company* only to the extent that it has published accounts.
- 6.1.9 **R** ■ LR 6.1.4 R does not apply to a *mineral company* that applies for the *admission* of its *equity shares*.
- 6.1.10 **R**
- (1) This rule applies to a *mineral company* that is a *new applicant* for the *admission* of its *equity shares*.
 - (2) If the *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested, it must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.

Scientific research based companies

- 6.1.11 **R** If a *scientific research based company* applies for the *admission* of its *equity shares*:
- (1) ■ LR 6.1.3 R (1)(a) does not apply to the application; and
 - (2) ■ LR 6.1.3 R (1)(b) to ■ (e) and ■ (2) apply to the *scientific research based company* only to the extent that it has published accounts.
- 6.1.12 **R** An *applicant* for the *admission* of *equity shares* of a *scientific research based company* does not need to satisfy ■ LR 6.1.4 R but must:
- (1) demonstrate its ability to attract funds from sophisticated investors;
 - (2) intend to raise at least £10 million pursuant to a marketing at the time of *listing*;
 - (3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *equity shares* which have been issued in the six months before *listing*);
 - (4) have as its primary reason for *listing* the raising of finance to bring identified products to a stage where they can generate significant revenues; and

- (5) demonstrate that it has a three year record of operations in laboratory research and development including:
 - (a) details of patents granted or details of progress of patent applications; and
 - (b) the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

Other cases where the FSA may modify accounts and track record requirements

6.1.13 **G** The FSA may modify or dispense with **LR 6.1.3 R (1)(a)** or **LR 6.1.4 R** if it is satisfied that it is desirable in the interests of investors and that investors have the necessary information available to arrive at an informed judgment about the *applicant* and the *equity shares* for which *listing* is sought. [Note: article 44 CARD]

6.1.14 **G** Before modifying or dispensing with **LR 6.1.4 R**, the FSA must also be satisfied that there is an overriding reason for the *applicant* seeking *listing* (rather than seeking admission to a market more suited to a *company* without a historic revenue earning record).

6.1.15 **G** For the purposes of **LR 6.1.14 G** the FSA will take into account factors such as whether the *applicant*:

- (1) is attracting significant funds from sophisticated investors;
- (2) is undertaking a significant marketing of *equity shares* in connection with the *admission* and has demonstrated that having listed status is a significant factor in the ability to raise funds; and
- (3) has demonstrated that it will have a significant market capitalisation on *admission*.

Working capital

6.1.16 **R** An *applicant* for the *admission* of *shares* must satisfy the FSA that it and its *subsidiary undertakings* (if any) have sufficient working capital available for the group's requirements for at least the next 12 months from the date of publication of the *prospectus* or *listing particulars* (as the case may be) for the *shares* that are being admitted.

6.1.17 **G** The FSA may dispense with the requirement under **LR 6.1.16 R** if an *applicant* already has *equity shares listed*, and the FSA is satisfied that the *prospectus* or *listing particulars* (as the case may be) contain satisfactory proposals for providing the additional working capital thought by the *applicant* to be necessary.

6.1.18 **G** The FSA may dispense with the requirement under **LR 6.1.16 R** if the FSA is satisfied that:

- (1) the *applicant's* business is entirely or substantially, that of banking, insurance or providing similar financial services;

- (2) the *applicant's* solvency and capital adequacy is regulated by the *FSA* or is suitably regulated by another regulatory body; and
- (3) the *applicant* is meeting its solvency and capital adequacy requirements and is expected to do so for the next 12 months without having to raise further capital.

Shares in public hands

6.1.19

R

- (1) If an application is made for the *admission* of a *class* of *shares*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.
- (2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states.
- (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands.
- (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant class.
- (5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*. [Note: article 48 *CARD*]

6.1.20

G

The *FSA* may modify **LR 6.1.19 R** to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the *FSA* may take into account *shares* of the same *class* that are held

(even though they are not listed) in states that are not *EEA States*. [Note: article 48 *CARD*]

Shares of a non-EEA company

- 6.1.21 **R** The *FSA* will not *admit shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FSA* is satisfied that the absence of the listing is not due to the need to protect investors. [Note: article 51 *CARD*]

Warrants or options to subscribe

- 6.1.22 **R**
- (1) The total of all issued warrants to subscribe for *equity shares* or options to subscribe for *equity shares* must not exceed 20% of the issued *equity share capital* (excluding *treasury shares*) of the *applicant* as at the time of issue of the warrants or options.
 - (2) Rights under *employees' share schemes* are not included for the purpose of the 20% limit in paragraph (1).

Settlement

- 6.1.23 **R** To be *listed*, *equity shares* must be eligible for electronic settlement.

- 6.1.24 **G** In **R** LR 6.1.23, electronic settlement includes settlement by a "relevant system" (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755))

Listing Rules

Chapter 7

Listing Principles: Premium listing

PAGE
1





7.1 Application and purpose

Application

7.1.1 **R** The Listing Principles apply to every *listed company* with a *premium listing of equity shares* in respect of all its obligations arising from the *listing rules* and the *disclosure rules* and *transparency rules*.

Purpose

7.1.2 **G** The purpose of the Listing Principles is to ensure that *listed companies* pay due regard to the fundamental role they play in maintaining market confidence and ensuring fair and orderly markets.

7.1.3 **G** The Listing Principles are designed to assist *listed companies* in identifying their obligations and responsibilities under the *listing rules* and the *disclosure rules* and *transparency rules*. The Listing Principles should be interpreted together with relevant *rules* and *guidance* which underpin the Listing Principles.

7.1.4 **G** ■ DEPP 6 (Penalties) and ■ EG 7 set out *guidance* on the consequences of breaching the Listing Principles.



7.2 The Listing Principles

7.2.1

R

The Listing Principles are as follows:

- | | |
|--------------------|--|
| Principle 1 | <i>A listed company must take reasonable steps to enable its directors to understand their responsibilities and obligations as directors.</i> |
| Principle 2 | <i>A listed company must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations.</i> |
| Principle 3 | <i>A listed company must act with integrity towards holders and potential holders of its listed equity shares.</i> |
| Principle 4 | <i>A listed company must communicate information to holders and potential holders of its listed equity shares in such a way as to avoid the creation or continuation of a false market in such listed equity shares.</i> |
| Principle 5 | <i>A listed company must ensure that it treats all holders of the same class of its listed equity shares that are in the same position equally in respect of the rights attaching to such listed equity shares.</i> |
| Principle 6 | <i>A listed company must deal with the FSA in an open and co-operative manner.</i> |

7

7.2.2

G

Guidance on Principle 2

Principle 2 is intended to ensure that *listed companies* have adequate procedures, systems and controls to enable them to comply with their obligations under the *listing rules* and *disclosure rules* and *transparency rules*. In particular, the *FSA* considers that *listed companies* should place particular emphasis on ensuring that they have adequate procedures, systems and controls in relation to:

- (1) identifying whether any obligations arise under **LR 10** (Significant transactions) and **LR 11** (Related party transactions); and
- (2) the timely and accurate disclosure of information to the market.

7.2.3

G

Timely and accurate disclosure of information to the market is a key obligation of *listed companies*. For the purposes of Principle 2, a *listed company* with a *premium listing* should have adequate systems and controls to be able to:

- (1) ensure that it can properly identify information which requires disclosure under the *listing rules* or *disclosure rules* and *transparency rules* in a timely manner; and
- (2) ensure that any information identified under (1) is properly considered by the *directors* and that such a consideration encompasses whether the information should be disclosed.

Listing Rules

Chapter 8

Sponsors: Premium listing

PAGE
1





8.1 Application

Sponsors and applicants

8.1.1

R

A *sponsor* and a *person* which is applying for approval as a *sponsor* must comply with:

- (1) ■ LR 8.3 to ■ LR 8.4; and
- (2) ■ LR 8.6 to ■ LR 8.7.

Listed companies and applicants

8.1.2

R

A *company* with, or applying for, a *premium listing* must comply with ■ LR 8.2 (When a sponsor must be appointed or its guidance obtained) and ■ LR 8.5 (Responsibilities of listed companies).

8.2 When a sponsor must be appointed or its guidance obtained

When a sponsor must be appointed

8.2.1

R

A company with, or applying for, a *premium listing* of its *equity shares* must appoint a *sponsor* on each occasion that it:

- (1) makes an application for *admission* of *equity shares* which:
 - (a) requires the production of a *prospectus* or *equivalent document*; or
 - (b) is accompanied by a certificate of approval from another competent authority; or
 - (c) is accompanied by a summary document as required by ■ PR 1.2.3 R (8); or
 - (d) requires the production of *listing particulars* and is referred to in ■ LR 15.3.3 R or ■ LR 16.3.4 R; or
- (2) is required to produce a *class 1 circular*; or
- (3) is producing a *circular* that proposes a reconstruction or a refinancing which does not constitute a *class 1 transaction*; or
- (4) is producing a *circular* for the proposed purchase of own *shares*:
 - (a) which does not constitute a *class 1 circular*; and
 - (b) is required by ■ LR 13.7.1 R (2) to include a working capital statement; or
- (5) is required to do so by the *FSA* because it appears to the *FSA* that there is, or there may be, a breach of the *listing rules* or the *disclosure rules* and *transparency rules* by the *listed company*.

PAGE
3

8.2.1A

R

A company must appoint a *sponsor* where it applies to transfer its category of *equity shares' listing* from:

- (1) a *standard listing (shares)* to a *premium listing (commercial company)*; or

- (2) a *standard listing (shares)* to a *premium listing (investment company)*; or
- (3) a *premium listing (investment company)* to a *premium listing (commercial company)*; or
- (4) a *premium listing (commercial company)* to a *premium listing (investment company)*.

Other transactions where a listed company must obtain a sponsor's guidance

8.2.2 **R** If a *listed company* is proposing to enter into a transaction which due to its size or nature could amount to a *class 1 transaction* or a *reverse takeover* it must obtain the guidance of a *sponsor* to assess the application of the *listing rules* and *disclosure rules* and *transparency rules*.

8.2.3 **R** If a *listed company* is proposing to enter into a transaction which is, or may be, a *related party transaction* it must obtain the guidance of a *sponsor* in order to assess the application of the *listing rules* and *disclosure rules* and *transparency rules*.

8.3 Role of a sponsor: general

Responsibilities of a sponsor

- 8.3.1 **R** A *sponsor* must in relation to a *sponsor service*:
- (1) referred to in ■ LR 8.2.1 R, provide assurance to the *FSA* when required that the responsibilities of the *listed company* or *applicant* under the *listing rules* have been met; and
 - (2) referred to in ■ LR 8.2.1 R, ■ LR 8.2.2 R or ■ LR 8.2.3 R, guide the *listed company* or *applicant* in understanding and meeting its responsibilities under the *listing rules* and *disclosure rules* and *transparency rules*.

- 8.3.2 **G** The *sponsor* will be the main point of contact with the *FSA* for any matter referred to in ■ LR 8.2. The *FSA* expects to discuss all issues relating to a transaction and any draft or final document directly with the *sponsor*. However, in appropriate circumstances, the *FSA* will communicate directly with the *listed company* or *applicant*.

Principles for sponsors: due care and skill

- 8.3.3 **R** A *sponsor* must in relation to a *sponsor service* act with due care and skill.

Principles for sponsors: duty regarding directors of listed companies

- 8.3.4 **R** Where , in relation to a *sponsor service*, a *sponsor* gives any guidance or advice to a *listed company* or *applicant* on the application or interpretation of the *listing rules* or *disclosure rules* and *transparency rules* , the *sponsor* must take reasonable steps to satisfy itself that the *director* or *directors* of the *listed company* understand their responsibilities and obligations under the *listing rules* and *disclosure rules* and *transparency rules*.

Principles for sponsors: relations with the FSA

- 8.3.5 **R** A *sponsor* must at all times (whether in relation to a *sponsor service* or otherwise):
- (1) deal with the *FSA* in an open and co-operative way; and
 - (2) deal with all enquiries raised by the *FSA* promptly.

(3) [deleted]

8.3.5A **R** A *sponsor* must in relation to a *sponsor service* disclose to the *FSA* in a timely manner any material information relating to the *sponsor* or to a *listed company* or *applicant* of which it has knowledge which concerns non-compliance with the *listing rules* or *disclosure rules* and *transparency rules* .

8.3.6 **R** (1) [deleted]

(2) [deleted]

(3) [deleted]

8.3.7 **G** (1) [deleted]

(2) [deleted]

Principles for sponsors: identifying and managing conflicts

8.3.7A **G** The purpose of ■ LR 8.3.7B R to ■ LR 8.3.12 G is to ensure that conflicts of interest do not adversely affect:

(1) the ability of a *sponsor* to perform its functions properly under this chapter;
or

(2) market confidence in *sponsors*.

8.3.7B **R** A *sponsor* must take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under this chapter.

8.3.8 **G** Conflicts to be identified include circumstances that could create a perception in the market that a *sponsor* may not be able to perform its functions properly.

8.3.9 **R** A *sponsor* must take all reasonable steps to put in place and maintain effective organisational and administrative arrangements that ensure conflicts of interest do not adversely affect its ability to perform its functions properly under this chapter.

8.3.10 **G** Disclosure of a conflict of interest will not usually be considered to be an effective organisational or administrative arrangement for the purpose of ■ LR 8.3.9 R.

8.3.11 **R** If, in relation to a transaction, a *sponsor* is not reasonably satisfied that its organisational and administrative arrangements will ensure that a conflict of interest will not adversely affect its ability to perform its functions properly under this chapter, it must decline to provide *sponsor services* on the transaction.

- 8.3.12 **G** ■ LR 8.3.11 R recognises that there will be some conflicts of interest that cannot be effectively managed. Providing *sponsor services* in those cases could adversely affect both a *sponsor's* ability to perform its functions and market confidence in the *sponsor* regime. If in doubt about whether a conflict can be effectively managed a *sponsor* should discuss the issue with the *FSA* before it decides if it can provide a *sponsor service*.

Principles for sponsors: acting for another sponsor

- 8.3.13 **G** The requirements in this section apply to a *sponsor* that acts for another *sponsor*. The delegating *sponsor* is not relieved of its obligations under this section or elsewhere in ■ LR 8.

[Note: See ■ LR 8.7.16 R to ■ LR 8.7.18 R which deal with delegation of functions.]

Principles for sponsors: joint sponsors

- 8.3.14 **R** If a *listed company* or *applicant* appoints more than one *sponsor* to provide *sponsor services* in relation to a transaction then:

- (1) the appointment does not relieve either of the appointed *sponsors* of their obligations under ■ LR 8; and
- (2) the *sponsors* are each responsible for complying with the obligations under this section and elsewhere in ■ LR 8 in relation to the transaction.

8.4 Role of a sponsor: transactions

Application for admission: new applicants

8.4.1

R

■ LR 8.4.2 R to ■ LR 8.4.4 G apply in relation to an application for admission of equity shares if an *applicant* does not have equity shares already listed and:

- (1) the production of a *prospectus* or *equivalent document* is required; or
- (2) the application is accompanied by a certificate of approval from another competent authority; or
- (3) the application is accompanied by a summary document as required by ■ PR 1.2.3 R (8).

8.4.2

R

A *sponsor* must not submit to the FSA an application on behalf of an *applicant*, in accordance with ■ LR 3, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission to listing*;
- (2) the *applicant* has satisfied all applicable requirements set out in the *prospectus rules* unless the *home Member State* of the *applicant* is not, or will not be, the *United Kingdom*;
- (3) the *directors* of the *applicant* have established procedures which enable the *applicant* to comply with the *listing rules* and the *disclosure rules* and *transparency rules* on an ongoing basis;
- (4) the *directors* of the *applicant* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the *applicant* and its *group*; and
- (5) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by ■ LR 6.1.16 R.

New applicants: procedure

8.4.3

R**A sponsor must:**

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FSA* either:
 - (a) on the day the *FSA* is to consider the application for approval of the *prospectus* and prior to the time the *prospectus* is approved; or
 - (b) at a time agreed with the *FSA*, if the *FSA* is not approving the *prospectus* or if it is determining whether a document is an *equivalent document*;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FSA* by 9 a.m. on the day the *FSA* is to consider the application;
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FSA* in considering:
 - (a) the application for *listing*; and
 - (b) whether the *admission* of the *equity shares* would be detrimental to investors' interests;

have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FSA*; and
- (4) submit a letter to the *FSA* setting out how the *applicant* satisfies the criteria in ■ LR 2 (Requirements for listing - all securities), ■ LR 6 (Additional requirements for premium listing (commercial company)) and, if applicable, ■ LR 15 or ■ LR 16, no later than when the first draft of the *prospectus* or *listing particulars* is submitted (or, if the *FSA* is not approving a *prospectus* or if it is determining whether a document is an *equivalent document*, at a time to be agreed with the *FSA*).

[Note: the Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the *FSA*'s website.]

8.4.4

G

Depending on the circumstances of the case, a *sponsor* providing services to an *applicant* on an application for *admission to listing* may have to confirm in writing to the *FSA* that the board of the *applicant* has allotted the *equity shares*.

[Note: see ■ LR 3.3.4 R]

8.4.5

R

- (1) [deleted]
- (2) [deleted]

8.4.6

R

- (3) [deleted]
- (1) [deleted]
- (a) [deleted]
- (b) [deleted]

(2) [deleted]

Application for admission: further issues

8.4.7

R

■ LR 8.4.8 R to ■ LR 8.4.10 G apply in relation to an application for admission of *equity shares* of an *applicant* that has *equity shares* already listed.

8.4.8

R

A *sponsor* must not submit to the *FSA* an application on behalf of an *applicant*, in accordance with ■ LR 3 (Listing applications), unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *applicant* has satisfied all requirements of the *listing rules* relevant to an application for *admission to listing*;
- (2) the *applicant* has satisfied all applicable requirements set out in the *prospectus rules* unless the *home Member State* of the *applicant* is not, or will not be, the *United Kingdom*; and
- (3) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by ■ LR 6.1.16 R or a qualified working capital statement in accordance with ■ LR 6.1.17 G (as the case may be).

Further issues: procedure

8.4.9

R

A *sponsor* must:

- (1) submit a completed Sponsor's Declaration on an Application for Listing to the *FSA* either:
 - (a) on the day the *FSA* is to consider the application for approval of the *prospectus* and prior to the time the *prospectus* is approved; or
 - (b) at a time agreed with the *FSA* if the *FSA* is not approving the *prospectus* or if it is determining whether a document is an *equivalent document*;
- (2) submit a completed Shareholder Statement or Pricing Statement, as applicable, to the *FSA* by 9 a.m. on the day the *FSA* is to consider the application; and

- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FSA* in considering the application for *listing* have been disclosed with sufficient prominence in the *prospectus* or *equivalent document* or otherwise in writing to the *FSA*.

Note: The Sponsor's Declaration on an Application for Listing, the Shareholder Statement and the Pricing Statement forms can be found on the UKLA section of the *FSA*'s website.

- 8.4.10 **G** Depending on the circumstances of the case, a *sponsor* providing services to an *applicant* on an application for *admission to listing* may have to confirm in writing to the *FSA* the number of *equity shares* to be allotted or admitted. [Note: see ■ LR 3.3]

Class 1 circulars, refinancing and purchase of own equity shares

- 8.4.11 **R** ■ LR 8.4.12 R to ■ LR 8.4.13 R apply in relation to transactions involving an issuer with a *premium listing* of *equity shares* that:

- (1) is required to produce a *class 1 circular*; or
- (2) is producing a *circular* that proposes a reconstruction or a re-financing which does not constitute a *class 1 transaction*; or
- (3) is producing a *circular* for the proposed purchase of own *shares*;
 - (a) which does not constitute a *class 1 circular*; and
 - (b) is required by ■ LR 13.7.1 R (2) to include a working capital statement.

- 8.4.12 **R** A *sponsor* must not submit to the *FSA*, on behalf of a *listed company*, an application for approval of a *circular* regarding a transaction set out in ■ LR 8.4.11 R, unless the *sponsor* has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *listed company* has satisfied all requirements of the *listing rules* relevant to the production of a *class 1 circular* or other *circular*;
- (2) the transaction will not have an adverse impact on the *listed company's* ability to comply with the *listing rules* or the *disclosure rules* and *transparency rules*; and
- (3) the *directors* of the *listed company* have a reasonable basis on which to make the working capital statement required by ■ LR 9.5.12 R, ■ LR 13.4.1 R or ■ LR 13.7.1 R.

Circulars: procedure

8.4.13

R

A *sponsor* acting on a transaction falling within ■ LR 8.4.11 R must:

- (1) submit a completed Sponsor's Declaration for the Production of a Circular to the *FSA* on the day the *circular* is to be approved by the *FSA* and prior to the time the *circular* is approved;
- (2) submit a completed Pricing Statement, if applicable, to the *FSA* by 9 a.m on the day the *FSA* is to consider the application; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FSA* in considering the transaction have been disclosed with sufficient prominence in the documentation or otherwise in writing to the *FSA*.

Note: The Sponsor's Declaration for the Production of a Circular and the Pricing Statement forms can be found on the UKLA section of the *FSA*'s website.

Applying for transfer between listing categories

8.4.14

R

In relation to a proposed transfer under ■ LR 5.4A, a *sponsor* appointed in accordance with ■ LR 8.2.1A R must:

- (1) submit a letter to the *FSA* setting out how the *issuer* satisfies each *listing rule* requirement relevant to the category of *listing* to which it wishes to transfer, by no later than when the first draft of the *circular* or announcement required under ■ LR 5.4A is submitted;
- (2) submit a completed Sponsor's Declaration to the *FSA* for the proposed transfer on the day the *circular* or announcement is to be approved by the *FSA* and before it is approved; and
- (3) ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the *FSA* in considering the transfer between *listing* categories have been disclosed with sufficient prominence in the *circular* or announcement referred to in ■ LR 5.4A or otherwise in writing to the *FSA*.

[Note: The Sponsor's Declaration for a transfer can be found on the UKLA section of the *FSA* website.]

8.4.15

R

A *sponsor* must not submit to the *FSA* on behalf of an *issuer* a final *circular* or announcement for approval or a Sponsor's Declaration for a transfer, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

- (1) the *issuer* satisfies all eligibility requirements of the *listing rules* that are relevant to the new category to which it is seeking to transfer;

- (2) the *issuer* has satisfied all requirements relevant to the production of the *circular* required under ■ LR 5.4A.4 R or the announcement required under ■ LR 5.4A.5 R (whichever is relevant);
- (3) the *directors* of the *issuer* have established procedures which enable the *issuer* to comply with the *listing rules*, the *disclosure rules* and the *transparency rules* on an ongoing basis;
- (4) the *directors* of the *issuer* have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the *issuer* and its *group*; and
- (5) the *directors* of the *issuer* have a reasonable basis on which to make the working capital statement (if any) required in connection with the transfer.

8.4.16

R

■ LR 8.4.15 R (3), ■ LR 8.4.15 R (4) and ■ LR 8.4.15 R (5) do not apply in relation to an *issuer* that was required to meet these requirements under its existing *listing* category.

8.5 Responsibilities of listed companies

Notifications to FSA

- 8.5.1 **R** A *listed company* or *applicant* must ensure that the *FSA* is informed promptly of the name and contact details of any *sponsor* appointed in accordance with the *listing rules* (either by the *listed company* or *applicant* or by the *sponsor* itself).
- 8.5.2 **R**
- (1) A *listed company* or *applicant* must notify the *FSA* in writing immediately of the resignation or dismissal of any *sponsor* that it had appointed.
 - (2) In the case of a dismissal, the reasons for the dismissal must be included in the notification.
 - (3) The notification must be copied to the *sponsor*.

Listed company appoints more than one sponsor

- 8.5.3 **R** Where a *listed company* or *applicant* appoints more than one *sponsor*, the *company* must:
- (1) ensure that one of the *sponsors* that is appointed takes primary responsibility for contact with the *FSA* in respect of the entire application or transaction; and
 - (2) inform the *FSA*, in writing, of the name and contact details of the *sponsor* taking responsibility under ■ LR 8.5.3R (1) .

8.5.4 **R** [deleted]

8.5.5 **G** [deleted]

8.6 Criteria for approval as a sponsor

List of sponsors

8.6.1 **G** The *FSA* will maintain a *list of sponsors* on its website.

Application for approval as a sponsor

8.6.2 **R** A *person* wanting to provide *sponsor services*, and to be included on the *list of sponsors*, must apply to the *FSA* for approval as a *sponsor* by submitting the following to the Sponsor Supervision Team at the *FSA*'s address:

- (1) a completed Sponsor Firm Application Form; and
- (2) [deleted]
- (3) the application fee set out in ■ FEES 3 .

[Note: The Sponsor's Firm Application Form can be found on the UKLA section of the *FSA*'s website.]

8.6.3 **R** A *person* wanting to provide *sponsor services* and be included on the *list of sponsors* must also submit:

- (1) all additional documents, explanations and information as required by the *FSA*; and
- (2) verification of any information in such a manner as the *FSA* may specify.

8.6.4 **G** When considering an application for approval as a *sponsor* the *FSA* may:

- (1) carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators;
- (2) request that the applicant or its specified representative answer questions and explain any matter the *FSA* considers relevant to the application;
- (3) take into account any information which it considers appropriate in relation to the application .

(4) [deleted]

[Note: The decision-making procedures that the *FSA* will follow when it considers whether to refuse an application for approval as a *sponsor* are set out in *DEPP*.]

Criteria for approval as a sponsor

8.6.5 **R** The *FSA* will approve a *person* as a *sponsor* only if it is satisfied that the *person* :

- (1) is an *authorised person* or a *member* of a *designated professional body*;
- (2) is competent to perform *sponsor services* ; and
- (3) has appropriate systems and controls in place to ensure that it can carry out its role as a *sponsor* in accordance with this chapter.

8.6.6 **R** A *sponsor* must comply, at all times, with the criteria set out in ■ LR 8.6.5 R.

Competence of a sponsor

8.6.7 **R** A *person* will be competent to provide *sponsor services* if it has a broad range of relevant experience and expertise in providing advice to *listed companies* and on the *listing rules*.

8.6.8 **G** (1) [deleted]

(2) [deleted]

(3) [deleted]

8.6.9 **G** (1) [deleted]

(2) [deleted]

(a) [deleted]

(b) [deleted]

(3) [deleted]

8.6.9A **G** In assessing whether a *person* is competent to provide, or to continue to provide, *sponsor services*, the *FSA* will generally have regard amongst other things to the *person's*:

- (1) prior relevant experience of providing *sponsor services*;
- (2) skills, knowledge and expertise necessary for the proper performance of *sponsor services*; and

- (3) prior corporate finance experience.

8.6.9B **G** In assessing whether a *person* is competent to provide, or to continue to provide, *sponsor services*, the FSA may also take into account, where relevant, the quality of any guidance or advice on the *listing rules* or *disclosure rules* and *transparency rules* the *person* has given in circumstances other than in providing *sponsor services*.

8.6.10 **R** [deleted]

8.6.11 **G** [deleted]

Systems and controls: general

8.6.12 **G** A *sponsor* will generally be regarded as having appropriate systems and controls if there are:

- (1) clear and effective reporting lines in place (including clear and effective management responsibilities) ;
- (2) effective systems and controls for the appropriate supervision of *employees* providing *sponsor services* ;
- (3) effective systems and controls to ensure its compliance with all applicable *listing rules* when performing *sponsor services* ;
- (4) [deleted]
- (5) effective arrangements for creating and retaining for 6 years, adequate records of all matters relating to the provision of *sponsor services* to a *listed company* or *applicant* ;
- (6) effective systems and controls to ensure that it has appropriate staffing arrangements for the performance of *sponsor services* with due care and skill; and
- (7) effective systems and controls to ensure that employees performing *sponsor services* receive appropriate guidance and training for the performance of those services with due care and skill.

8.6.13 **G** The nature and extent of the systems and controls which a *sponsor* will need to maintain will depend upon a variety of factors including:

- (1) the nature, scale and complexity of its business;
- (2) the diversity of its operations;
- (3) the volume and size of the transactions it undertakes;
- (4) the volume and size of the transactions it anticipates undertaking in the following year ; and
- (5) the degree of risk associated with the transactions it undertakes.

Systems and controls: conflicts of interest

8.6.13A **G** A *sponsor* will generally be regarded as having appropriate systems and controls if it has in place effective policies and procedures:

- (1) to ensure that decisions taken on managing conflicts of interest are taken by appropriately senior staff and on a timely basis;
- (2) to monitor whether arrangements put in place to manage conflicts are effective;
- (3) to ensure that individuals within the *sponsor* are appropriately trained to enable them to identify, escalate and manage conflicts of interest; and
- (4) to ensure that appropriate records are kept of decisions relating to identification and management of conflicts and the basis upon which it has reached those decisions.

8.6.13B **G** The policies and procedures referred to in **■ LR 8.6.13A G** are distinct from the actual organisational and administrative arrangements that a *sponsor* is required to put in place and maintain under **■ LR 8.3.9 R** to manage specific conflicts.

8.6.14 **G** [deleted]

8.6.15 **R** [deleted]

8.6.16 **G** [deleted]

- (1) [deleted]
- (2) [deleted]
- (3) [deleted]
 - (a) [deleted]
 - (b) [deleted]
 - (c) [deleted]
- (4) [deleted]

Regular review

8.6.17 **R** A *sponsor* must carry out a regular review to ensure that:

- (1) it continues to be competent to provide *sponsor services*; and
- (2) it has appropriate systems and controls in place to ensure that it can continue to carry out its role as a *sponsor* in accordance with this chapter.

- 8.6.18 **R** A *sponsor* must create, and retain for 6 years, adequate records to demonstrate that it has carried out the regular reviews referred to in **■ LR 8.6.17 R** setting out the basis upon which it has reached any conclusions about whether it continues to meet the criteria in that rule.

Contact persons

- 8.6.19 **R** For each transaction for which it provides *sponsor services*, a *sponsor* must:
- (1) notify the *FSA* as soon as practicable of the name and contact details of the main contact *person* or *persons* in the *sponsor* for that transaction; and
 - (2) ensure that the contact *person* or *persons*:
 - (a) have sufficient knowledge about the *listed company* or *applicant* and the proposed transaction to be able to answer queries from the *FSA* about it; and
 - (b) are available to answer queries from the *FSA* on any business day between 8am and 6pm.

8.7 Supervision of sponsors

- 8.7.1** **G** The *FSA* expects to have an open, co-operative and constructive relationship with a *sponsor* to enable it to have a broad picture of the *sponsor's* activities and its ability to satisfy the criteria for approval as a *sponsor* as set out in **■** LR 8.6.5 R.

Requirement to provide information

- 8.7.1A** **R**
- (1) The *FSA* may by notice in writing given to a *sponsor*, or a *person* applying for approval as a *sponsor*, require it to provide specified documents or specified information to the *FSA*.
 - (2) The *sponsor*, or the *person* applying for approval as a *sponsor*, must as soon as practicable provide to the *FSA* any documents or information that it has been required to provide under (1).
 - (3) This rule applies only to documents or information reasonably required by the *FSA* in connection with the performance of its functions in relation to a *sponsor*, a *person* applying for approval as a *sponsor* or a *company* that has appointed a *sponsor*.

Supervisory tools

- 8.7.2** **G** The *FSA* uses a variety of tools to monitor whether a *sponsor*:
- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in **■** LR 8.6.5 R; and
 - (2) remains in compliance with all applicable *listing rules*.
- 8.7.3** **G** *FSA* staff, after notifying the *sponsor*, may make supervisory visits to a *sponsor* on a periodic and an ad hoc basis.
- 8.7.4** **G** The *FSA* will give reasonable notice to a *sponsor* of requests for meetings or requests for access to a *sponsor's* documents and records.

Requests from other regulators

- 8.7.5 **G** The FSA, on behalf of other regulators, may request information from a *sponsor* or pass information on to other regulators to enable such regulators to discharge their functions.

Fees

- 8.7.6 **R** A *sponsor* must pay the annual fee set out in ■ FEES 4 in order to remain on the *list of sponsors*.

Annual notifications

- 8.7.7 **R** A *sponsor* must provide to the FSA on an annual basis:
- (1) written confirmation that it continues to satisfy the criteria for approval as a *sponsor* as set out in ■ LR 8.6.5 R; and
 - (1A) for each of the criteria in that rule, details of the basis upon which it considers that it meets the criteria.
 - (2) [deleted]
 - (3) [deleted]
 - (4) [deleted]

General notifications

- 8.7.8 **R** A *sponsor* must notify the FSA in writing as soon as possible if:
- (1) the *sponsor* ceases to satisfy the criteria for approval as a *sponsor* set out in ■ LR 8.6.5 R; or
 - (2) the *sponsor*, or any of its *employees* who provide *sponsor services*, are:
 - (a) convicted of any offence involving fraud, theft or other dishonesty; or
 - (b) the subject of a bankruptcy proceeding, a receiving order or an administration order; or
 - (3) any of its *employees* who provide *sponsor services* are disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*; or
 - (4) the *sponsor*, or any of its *employees* who provide *sponsor services*, are subject to any public criticism, regulatory intervention or disciplinary action:
 - (a) by the FSA; or

- (b) by any *designated professional body*; or
 - (c) by any body that is comparable to the *FSA* or a *designated professional body*; or
 - (d) under any comparable legislation in any jurisdiction outside the *United Kingdom*; or
- (5) the *sponsor* resigns or is dismissed by a *listed company* or *applicant*, giving details of any relevant facts or circumstances;
 - (6) the *sponsor* changes its name; or
 - (7) [deleted]
 - (8) a *listed company* or *applicant* denies the *sponsor* access to documents or information that have been the subject of a reasonable request by the *sponsor*; or
 - (9) a review carried out under ■ LR 8.6.17 R reveals any material deficiencies in the *sponsor's* systems and controls; or
 - (10) there is a change of control of the *sponsor*, or the *sponsor's group* carries out any restructuring, which results in a re-organisation of the *directors*, partners or *employees* involved in providing services as a *sponsor*.

8.7.9 **G** General notifications may be made in the first instance by telephone, but must be confirmed promptly in writing.

8.7.10 **G** Written notifications should be sent to the Sponsor Supervision Team at the *FSA's* address.

8.7.11 **R** [deleted]

Transaction notification rules: conflicts declaration

- 8.7.12 **R**
- (1) Each time a *sponsor* is appointed to act as a *sponsor* as required by the *listing rules* it must complete a Conflicts Declaration.
 - (2) The completed Conflicts Declaration must be submitted to the *FSA* at the same time as any documents in connection with a transaction are first submitted to the *FSA*.

[Note: The Conflicts Declaration form can be found on the UKLA section of the *FSA's* website.]

8.7.13 **R** If, after submitting a Conflicts Declaration but prior to the *day* of approval of the *prospectus*, *listing particulars*, *circular* or announcement, a *sponsor* becomes aware that it is no longer able to

comply with ■ LR 8.3.9 R or ■ LR 8.3.11 R, it must notify the *FSA* immediately. Details must be confirmed promptly to the *FSA* in writing.

8.7.14 **R** On the day of approval of the *prospectus* , *listing particulars* , *circular* or announcement :

- (1) a written confirmation that there has been no material change to the Conflicts Declaration; or
- (2) an updated Conflicts Declaration reflecting any and all changes;

must be submitted to the *FSA*.

8.7.15 **G** The *FSA* will notify the *sponsor* of any concerns it has in relation to the *sponsor's* independence as soon as possible following receipt of the Conflicts Declaration as set out in ■ LR 8.7.12 R or ■ LR 8.7.14 R or other notification regarding the *sponsor's* independence.

Performance of functions on behalf of a sponsor

8.7.16 **R** A *sponsor* must not delegate any of its functions as such, or permit another *person* to perform those functions, unless that *person* is on the *list of sponsors*.

- 8.7.17 **R**
- (1) A *sponsor* that delegates any of its functions or permits another *sponsor* to perform its functions is not relieved of its obligations under the *listing rules*.
 - (2) A *sponsor* that performs any function on behalf of another *sponsor* must comply with the requirements set out in ■ LR 8.3.

8.7.18 **R** A *sponsor* must notify the *FSA* in writing as soon as practicable before another *sponsor* performs functions on its behalf of:

- (1) the identity of that *sponsor*; and
- (2) a detailed description of the functions that the *sponsor* is to perform on its behalf.

Discipline of sponsors

8.7.19 **R** If the *FSA* considers that a *sponsor* has breached any provision of the *listing rules* and considers it appropriate to impose a sanction it will publish a statement censuring the *sponsor*.

8.7.20 **G** *EG* sets out the *FSA's* policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*. This includes, at ■ EG 18, its approach to cancellation of a *sponsor's* approval on the *FSA's* own initiative.

Cancellation of a sponsor's approval at the sponsor's request

- 8.7.21** **G** A *sponsor* that intends to request the *FSA* to cancel its approval as a *sponsor* will need to comply with **■** LR 8.7.22 R.
- 8.7.22** **R** A request by a *sponsor* for its approval as a *sponsor* to be cancelled must be in writing and must include:
- (1) the *sponsor's* name;
 - (2) a clear explanation of the background and reasons for the request;
 - (3) the date on which the *sponsor* requests the cancellation to take effect ;
 - (4) a signed confirmation that the *sponsor* will not participate in any services described in **■** LR 8.2 as of the date the request is submitted to the *FSA*; and
 - (5) the name and contact details of the *person* at the *sponsor* with whom the *FSA* should liaise with in relation to the request.
- 8.7.23** **G** A *sponsor* may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.
- 8.7.24** **G**
- (1) [deleted]
 - (2) [deleted]

Listing Rules

Chapter 9

Continuing obligations

PAGE
1





9.1 Preliminary

Application

- 9.1.1 **R** This chapter applies to a *company* that has a *premium listing* of *equity shares* .
- 9.1.2 **R** [deleted]
- 9.1.2A **G** [deleted]
- 9.1.3 **R** [deleted]
- 9.1.4 **R** [deleted]

9.2 Requirements with continuing application

Admission to trading

- 9.2.1 **R** A *listed company* must comply with ■ LR 2.2.3 R at all times.
- 9.2.2 **R** A *listed company* must inform the FSA in writing as soon as possible if it has:
- (1) requested a RIE to admit or re-admit any of its *listed equity shares* to trading; or
 - (2) requested a RIE to cancel or suspend trading of any of its *listed equity shares*; or
 - (3) been informed by a RIE that trading of any of its *listed equity shares* will be cancelled or suspended.

Control of assets and independent business

- 9.2.2A **R** A *listed company* that has *equity shares listed* must comply with ■ LR 6.1.4 R (2) and ■ (3) at all times. This rule does not apply to a *mineral company*, a *scientific research based company*, a *closed-ended investment fund* or an *open-ended investment company*.

Settlement arrangements

- 9.2.3 **R** A *listed company* must comply with ■ LR 6.1.23 R at all times.

- 9.2.4 **R** [deleted]

Compliance with the disclosure rules and transparency rules

- 9.2.5 **G** A *listed company*, whose *equity shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under ■ DTR 2 (Disclosure and control of inside information by issuers).
- 9.2.6 **R** A *listed company* that is not already required to comply with ■ DTR 2 (Disclosure and control of inside information by issuers) must comply with ■ DTR 2 as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.

9.2.6A **G** A *listed company*, whose *equity shares* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

9.2.6B **R** A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another *EEA Member State*) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

Compliance with the Model Code

9.2.7 **R** No dealings in any *securities* may be effected by or on behalf of a *listed company* or any other member in its *group* at a time when, under the provisions of the *Model Code*, a *director* of the *company* would be prohibited from dealing in its *securities*, unless such dealings are entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties by the *company* or any other member of its *group*.

9.2.8 **R** A *listed company* must require every *person discharging managerial responsibilities*, including *directors* to comply with the *Model Code* and to take all proper and reasonable steps to secure their compliance.

9.2.9 **G** A *listed company* may impose more rigorous dealing obligations than those required by the *Model Code*.

9.2.10 **R** Where clearance is given to a *person* to deal in exceptional circumstances (pursuant to paragraph 9 of the *Model Code*) in a *close period*, the notification to a *RIS* required by ■ DTR 3.1.4 R must also include a statement of the exceptional circumstances.

Contact details

9.2.11 **R** A *listed company* must ensure that the *FSA* is provided with up to date contact details of at least one appropriate person nominated by it to act as the first point of contact with the *FSA* in relation to the *company's* compliance with the *listing rules* and the *disclosure rules* and *transparency rules*.

9.2.12 **G** The contact person referred to in ■ LR 9.2.11 R will be expected to be:

- (1) knowledgeable about the *listed company* and the *listing rules* applicable to it;
- (2) capable of ensuring that appropriate action is taken on a timely basis; and

- (3) contactable on *business days* between the hours of 7 a.m. to 7 p.m.

Sponsors

9.2.13 **G** A *listed company* should consider its notification obligations under ■ LR 8.5.

9.2.14 **R** [deleted]

Shares in public hands

9.2.15 **R** A *listed company* must comply with ■ LR 6.1.19 R at all times.

9.2.16 **R** A *listed company* that no longer complies with ■ LR 6.1.19 R must notify the FSA as soon as possible of its non-compliance.

9.2.17 **G** A *listed company* should consider ■ LR 5.2.2 G (2) in relation to its compliance with ■ LR 6.1.19 R.

Publication of unaudited financial information

- 9.2.18 **R**
- (1) This *rule* applies to a *listed company* that has published:
 - (a) any unaudited financial information in a *class 1 circular* or a *prospectus*; or
 - (b) any *profit forecast* or *profit estimate*.
 - (2) The first time a *listed company* publishes financial information as required by ■ LR 9.7 to ■ LR 9.9 after the publication of the unaudited financial information, *profit forecast* or *profit estimate*, it must:
 - (a) reproduce that financial information, *profit forecast* or *profit estimate* in its next annual report and accounts;
 - (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and
 - (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).

9.2.19 **G** ■ LR 9.2.18 R does not apply to:

- (1) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*; or
- (2) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced with the unaudited financial information.



9.3 Continuing obligations : holders

9.3.1 **R** [deleted]

9.3.2 **G** [deleted]

9.3.3 **R** [deleted]

9.3.4 **R** [deleted]

9.3.5 **R** [deleted]

Proxy forms

9.3.6 **R** *A listed company must ensure that, in addition to its obligations under the Companies Act 2006, a proxy form:*

- (1) [deleted]
- (2) provides for at least three -way voting on all resolutions intended to be proposed (except that it is not necessary to provide proxy forms with three -way voting on procedural resolutions); and
- (3) [deleted]
- (4) states that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes.

Proxy forms for re-election of retiring directors

9.3.7 **R** *If the resolutions to be proposed include the re-election of retiring directors and the number of retiring directors standing for re-election exceeds five, the proxy form may give shareholders the opportunity to vote for or against (or abstain from voting on) the re-election of the retiring directors as a whole but must also allow votes to be cast for or against (or for shareholders to abstain from voting on) the re-election of the retiring directors individually.*

9.3.8 **R** [deleted]

Sanctions

9.3.9

R

Where a *listed company* has taken a power in its *constitution* to impose sanctions on a shareholder who is in default in complying with a notice served under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares) :

- (1) sanctions may not take effect earlier than 14 days after service of the notice;
- (2) for a shareholding of less than 0.25% of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the only sanction the *constitution* may provide for is a prohibition against attending meetings and voting;
- (3) for a shareholding of 0.25% or more of the *shares* of a particular *class* (calculated exclusive of *treasury shares*), the *constitution* may provide:
 - (a) for a prohibition against attending meetings and voting;
 - (b) for the withholding of the payment of dividends (including *shares* issued in lieu of dividend) on the *shares* concerned; and
 - (c) for the placing of restrictions on the transfer of *shares*, provided that restrictions on transfer do not apply to a sale to a genuine unconnected third party (such as through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer); and
- (4) any sanctions imposed in accordance with paragraph (2) or (3) above must cease to apply after a specified period of not more than seven days after the earlier of:
 - (a) receipt by the *issuer* of notice that the shareholding has been sold to an unconnected third party through a *RIE* or an *overseas* exchange or by the acceptance of a takeover offer; and
 - (b) due compliance, to the satisfaction of the *issuer*, with the notice under section 793 .

9.3.10

G

An *overseas company* with a *premium listing* is not required to comply with ■ LR 9.3.9 R.

Pre-emption rights

9.3.11

R

A *listed company* proposing to issue *equity shares* for cash or to sell *treasury shares* that are *equity shares* for cash must first offer those *equity shares* in proportion to their existing holdings to:

- (1) existing holders of that class of *equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and

9.3.12

R

■ LR 9.3.11 R does not apply to:

- (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.
- (1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section 570 (Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of *equity shares* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; or
 - (2) a *listed company* undertaking a *rights issue* or *open offer* provided the disapplication of pre-emption rights is with respect to:
 - (a) *equity shares* representing fractional entitlements; or
 - (b) *equity shares* which the *company* considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than its country of incorporation unless that territory is the *United Kingdom*; or
 - (3) a *listed company* selling *treasury shares* for cash to an *employee share scheme*; or
 - (4) an *overseas company* with a *premium listing* that has obtained the consent of its shareholders to issue *equity shares* other than in accordance with ■ LR 9.3.11 R either:
 - (a) within the terms of an authority equivalent to that required by section 570 or 571 of the Companies Act 2006; or
 - (b) in accordance with the law of its country of incorporation provided that the country has implemented Article 29 of Directive 77/91/EEC.

9.4 Documents requiring prior approval

Employees share schemes and long-term incentive plans

9.4.1

R

- (1) This *rule* applies to the following schemes of a *listed company* incorporated in the *United Kingdom* and of any of its *major subsidiary undertaking* (even if that *major subsidiary undertaking* is incorporated or operates overseas):
- (a) an *employees' share scheme* if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and
 - (b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.
- (2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in general meeting before it is adopted.

9.4.2

R

■ LR 9.4.1 R does not apply to the following *long-term incentive schemes*:

- (1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); and
- (2) an arrangement where the only participant is a *director* of the *listed company* (or an individual whose appointment as a *director* of the *listed company* is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.

PAGE
9

9.4.3

R

For a scheme referred to in ■ LR 9.4.2 R (2), the following information must be disclosed in the first annual report published by the *listed company* after the date on which the relevant individual becomes eligible to participate in the arrangement:

- (1) all of the information prescribed in ■ LR 13.8.11 R;
- (2) the name of the sole participant;
- (3) the date on which the participant first became eligible to participate in the arrangement;
- (4) an explanation of why the circumstances in which the arrangement was established were unusual;
- (5) the conditions to be satisfied under the terms of the arrangement; and
- (6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Discounted option arrangements

9.4.4

R

- (1) This *rule* applies to the grant to a *director* or *employee* of a *listed company* or of any *subsidiary undertaking* of a *listed company* of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of the *listed company* or any of its *subsidiary undertakings*.
- (2) A *listed company* must not, without the prior approval by an ordinary resolution of the shareholders of the *listed company* in a general meeting, grant the option, warrant or other right if the price per *share* payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - (a) the market value of the *share* on the date when the exercise price is determined; or
 - (b) the market value of the *share* on the *business day* before that date; or
 - (c) the average of the market values for a number of dealing days within a period not exceeding 30 *days* immediately before that date.

9.4.5

R

■ LR 9.4.4 R does not apply to the grant of an option to subscribe, warrant to subscribe or other similar right to subscribe for *shares* in the capital of a *listed company* or any of its *subsidiary undertakings*:

- (1) under an *employees' share scheme* if participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are entitled to participate in the scheme; or

-
- (2) following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately before the take-over or reconstruction for *shares* in either a *company* of which the *listed company* thereby obtains control or in any of that *company's subsidiary undertakings*.

9.5 Transactions

Rights issue

- 9.5.1 **R** For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:
- (1) the placing relates to at least 25% of the maximum number of *equity securities* offered;
 - (2) the places are committed to take up whatever is placed with them;
 - (3) the price paid by the places does not exceed the price at which the *equity securities* which are the subject of the *rights issue* are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and
 - (4) the *equity securities* which are the subject of the *rights issue* are of the same *class* as the *equity securities* already *listed*.
- 9.5.2 **G** The *FSA* may modify **■** LR 9.5.1 R (1) to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.
- 9.5.3 **G** In a *rights issue*, the *FSA* may list the *equity securities* at the same time as they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.
- 9.5.4 **R** If existing *shareholders* do not take up their rights to subscribe in a *rights issue*:
- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do

not exceed 5.00, the proceeds may be retained for the *company's* benefit; and

- (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

9.5.5 **R** A *listed company* must ensure that for a *rights issue* the following are notified to a *RIS* as soon as possible:

- (1) the issue price and principal terms of the issue; and
- (2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per *share*.

9.5.6 **R** A *listed company* must ensure that the offer relating to a *rights issue* remains open for acceptance for at least 10 *business days*.

Open offers

9.5.7 **R** A *listed company* must ensure that the timetable for an *open offer* is approved by the *RIE* on which its *equity securities* are traded.

9.5.8 **R** A *listed company* must ensure that in relation to communicating information on an *open offer*:

- (1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and
- (2) the *circular* dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a *rights issue*.

Vendor consideration placing

9.5.9 **R** A *listed company* must ensure that in a *vendor consideration placing* all vendors have an equal opportunity to participate in the placing.

Discounts not to exceed 10%

9.5.10 **R** (1) If a *listed company* makes an *open offer*, *placing*, *vendor consideration placing*, *offer for subscription* of *equity shares* or an issue out of treasury (other than in respect of an employees' share scheme) of a *class* already *listed*, the price must not be at a discount of more than 10% to the middle market price of those *shares* at the time of announcing the terms of the offer or at the time of agreeing the placing (as the case may be).

- (2) In paragraph (1), the middle market price of *equity shares* means the middle market quotation for those *equity shares* as derived from the daily official list of the *London Stock Exchange* or any

other publication of an *RIE* showing quotations for *listed securities* for the relevant date.

- (3) Paragraph (1) does not apply to an offer or placing at a discount of more than 10% if:
 - (a) the terms of the offer or placing at that discount have been specifically approved by the issuer's shareholders; or
 - (b) it is an issue of *shares* for cash or the sale of *treasury shares* for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).
- (4) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the offer or placing.

Offer for sale or subscription

9.5.11

R

A *listed company* must ensure that for an *offer for sale* or an *offer for subscription of equity securities*:

- (1) letters of allotment or acceptance are all issued simultaneously and numbered serially (and, where appropriate, split and certified by the *listed company's* registrars);
- (2) if the *equity securities* may be held in uncertificated form, there is equal treatment of those who elect to hold the *equity securities* in certificated form and those who elect to hold them in uncertificated form;
- (3) letters of regret are posted at the same time or not later than three *business days* after the letters of allotment or acceptance; and
- (4) if a letter of regret is not posted at the same time as letters of allotment or acceptance, a notice to that effect is inserted in a national newspaper, to appear on the morning after the letters of allotment or acceptance are posted.

Reconstruction or refinancing

9.5.12

R

- (1) If a *listed company* produces a *circular* containing proposals to be put to shareholders in a general meeting relating to a reconstruction or a re-financing, the *circular* must be produced in accordance with ■ LR 13.3 and must include a working capital statement.
- (2) The requirement for a working capital statement set out in paragraph (1) does not apply to a *closed-ended investment fund*.

- (3) The working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 3 of the *PD Regulation* and on the basis that the reconstruction or the re-financing has taken place.

Fractional entitlements

9.5.13

R

If, for an issue of *equity securities* (other than an issue in lieu of dividend), a shareholders entitlement includes a fraction of a *security*, a *listed company* must ensure that the fraction is sold for the benefit of the holder except that if its value (net of expenses) does not exceed 5.00 it may be sold for the *company's* benefit. Sales of fractions may be made before *listing* is granted.

Further issues

9.5.14

R

When *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one month of the allotment. [Note: Article 64 *CARD*]

Temporary documents of title (including renounceable documents)

9.5.15

R

A *listed company* must ensure that any temporary document of title (other than one issued in global form) for an *equity security*:

- (1) is serially numbered;
- (2) states where applicable:
 - (a) the name and address of the first holder and names of joint holders (if any);
 - (b) for a fixed income *security*, the amount of the next payment of interest or dividend;
 - (c) the pro rata entitlement;
 - (d) the last date on which transfers were or will be accepted for registration for participation in the issue;
 - (e) how the *securities* rank for dividend or interest;
 - (f) the nature of the document of title and proposed date of issue;
 - (g) how fractions (if any) are to be treated; and
 - (h) for a *rights issue*, the time, being not less than 10 *business days*, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and
- (3) if renounceable:
 - (a) states in a heading that the document is of value and negotiable;

- (b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
- (c) states that where all of the *securities* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
- (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
- (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

9.5.16

R

A *listed company* must ensure that any definitive document of title for an *equity share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraphs (5) and (7)):

- (1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable;
- (5) the date of the certificate;
- (6) [deleted]

-
- (7) for *equity shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

9.6 Notifications

Copies of documents

- 9.6.1 **R** A *listed company* must forward to the *FSA* for publication through the *document viewing facility*, two copies of all circulars, notices, reports or other documents to which the *listing rules* apply at the same time as they are issued.
- 9.6.2 **R** A *listed company* must forward to the *FSA*, for publication through the *document viewing facility*, two copies of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting.
- 9.6.3 **R**
- (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FSA* under **■** LR 9.6.1 R or **■** LR 9.6.2 R unless the full text of the document is provided to the *RIS*.
 - (2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

Notifications relating to capital

- 9.6.4 **R** A *listed company* must notify a *RIS* as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:
- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
 - (2) [deleted]
 - (3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that class outstanding following the redemption;

- (4) any extension of time granted for the currency of temporary documents of title; and
- (5) [deleted]
- (6) (except in relation to a block listing of *securities*) the results of any new issue of *equity securities* or a public offering of existing *equity securities*.

9.6.5 **R** [deleted]

9.6.6 **R** Where the *securities* are subject to an underwriting agreement a *listed company* may, at its discretion and subject to **■ DTR 2** (Disclosure and control of inside information by issuers), delay notifying a *RIS* as required by **■ LR 9.6.4R (6)** for up to two *business days* until the obligation by the underwriter to take or procure others to take *securities* is finally determined or lapses. In the case of an issue or offer of *securities* which is not underwritten, notification of the result must be made as soon as it is known.

9.6.7 **R** [deleted]

9.6.8 **R** [deleted]

9.6.9 **G** [deleted]

9.6.10 **G** [deleted]

Notification of board changes and directors' details

9.6.11 **R** *A listed company must notify a RIS of any change to the board including:*

- (1) the appointment of a new *director* stating the appointees name and whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility of the position;
- (2) the resignation, removal or retirement of a *director* (unless the *director* retires by rotation and is re-appointed at a general meeting of the *listed company's* shareholders);
- (3) important changes to the role, functions or responsibilities of a *director*; and
- (4) the effective date of the change if it is not with immediate effect;

as soon as possible and in any event by the end of the *business day* following the decision or receipt of notice about the change by the *company*.

9.6.12 **R** If the effective date of the board change is not yet known, the notification required by ■ LR 9.6.11 R should state this fact and the *listed company* should notify a *RIS* as soon as the effective date has been decided.

9.6.13 **R** A *listed company* must notify a *RIS* of the following information in respect of any new *director* appointed to the board as soon as possible following the decision to appoint the *director* and in any event within five *business days* of the decision:

- (1) details of all directorships held by the *director* in any other publicly quoted *company* at any time in the previous five years, indicating whether or not he is still a *director*;
- (2) any unspent convictions in relation to indictable offences;
- (3) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the *director* was an executive *director* at the time of, or within the 12 months preceding, such events;
- (4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the *director* was a partner at the time of, or within the 12 months preceding, such events;
- (5) details of receiverships of any asset of such *person* or of a partnership of which the *director* was a partner at the time of, or within the 12 months preceding, such event; and
- (6) details of any public criticisms of the *director* by statutory or regulatory authorities (including *designated professional bodies*) and whether the *director* has ever been disqualified by a court from acting as a *director* of a *company* or from acting in the management or conduct of the affairs of any *company*.

9.6.14 **R** A *listed company* must, in respect of any current *director*, notify a *RIS* as soon as possible of:

- (1) any changes in the information set out in ■ LR 9.6.13 R (2) to ■ LR 9.6.13 R (6); and
- (2) any new directorships held by the *director* in any other publicly quoted *company*.

9.6.15 **G** If no information is required to be disclosed pursuant to ■ LR 9.6.13 R, the notification required by ■ LR 9.6.13 R should state this fact.

Notification of lock-up arrangements

9.6.16 **R** A *listed company* must notify a *RIS* as soon as possible of information relating to the disposal of *equity shares* under an exemption allowed in the lock-up arrangements disclosed in accordance with the *PD Regulations*.

9.6.17 **R** A *listed company* must notify a *RIS* as soon as possible of the details of any variation in the lock-up arrangements disclosed in accordance with the *PD Regulations* or any subsequent announcement.

Notification of shareholder resolutions

9.6.18 **R** A *listed company* must notify a *RIS* as soon as possible after a general meeting of all resolutions passed by the *company* other than resolutions concerning ordinary business passed at an annual general meeting.

Change of name

9.6.19 **R** A *listed company* which changes its name must, as soon as possible:

- (1) notify a *RIS* of the change, stating the date on which it has taken effect;
- (2) inform the *FSA* in writing of the change; and
- (3) where the *listed company* is incorporated in the *United Kingdom*, send the *FSA* a copy of the revised certificate of incorporation issued by the Registrar of Companies.

Change of accounting date

9.6.20 **R** A *listed company* must notify a *RIS* as soon as possible of:

- (1) any change in its accounting reference date; and
- (2) the new accounting reference date.

9.6.21 **R** A *listed company* must prepare and publish a second interim report in accordance with **DTR 4.2** if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.

9.6.22 **G** The second interim report must be prepared and published in respect of either:

- (1) the period up to the old accounting reference date; or
- (2) the period up to a date not more than six months prior to the new accounting reference date.



9.7

[Deleted]



9.7A Preliminary statement of annual results, statement of dividends and half-yearly reports

Preliminary statement of annual results

9.7A.1

R

If a *listed company* prepares a preliminary statement of annual results:

- (1) the statement must be published as soon as possible after it has been approved by the board;
- (2) the statement must be agreed with the *company's* auditors prior to publication;
- (3) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (4) the statement must give details of the nature of any likely modification that may be contained in the auditors report required to be included with the annual financial report; and
- (5) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

Statement of dividends

9.7A.2

R

A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity* or to withhold any dividend or interest payment on *listed securities* giving details of:

- (1) the exact net amount payable per *share*;
- (2) the payment date;
- (3) the record date (where applicable); and
- (4) any foreign income dividend election, together with any income tax treated as paid at the lower rate and not repayable.

Omission of information

9.7A.3

G

The FSA may authorise the omission of information required by ■ LR 9.7A.1 R or ■ LR 9.7A.2 R if it considers that disclosure of such information would be contrary to the public interest or seriously detrimental to the *listed company*, provided that such omission would not be likely to mislead the public with regard to facts and circumstances, knowledge of which is essential for the assessment of the *shares*.

9.8 Annual financial report

9.8.1 **R** [deleted]

9.8.2 **R** [deleted]

9.8.3 **R** [deleted]

Information to be included in annual report and accounts

9.8.4 **R** In addition to the requirements set out in **■ DTR 4.1** a *listed company* must include in its annual financial report , where applicable, the following:

- (1) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;
- (2) any information required by **■ LR 9.2.18 R** (Publication of unaudited financial information);
- (3) details of any small related party transaction as required by **■ LR 11.1.10 R (2)(c)**;
- (4) details of any long-term incentive schemes as required by **■ LR 9.4.3 R**;
- (5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;
- (6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;
- (7) in the case of any allotment for cash of *equity securities* made during the period under review otherwise than to the holders of the *company's equity shares* in proportion to their holdings of such *equity shares* and which has not been specifically authorised by the *company's* shareholders:

- (a) the classes of shares allotted and for each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment;
 - (b) the names of the allottees, if less than six in number, and in the case of six or more allottees a brief generic description of each new class of equity holder (e.g. holder of loan stock);
 - (c) the market price of the allotted *securities* on the date on which the terms of the issue were fixed; and
 - (d) the date on which the terms of the issue were fixed;
- (8) the information required by paragraph (7) must be given for any unlisted *major subsidiary undertaking* of the *company*;
- (9) where a *listed company* has listed shares in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;
- (10) details of any *contract of significance* subsisting during the period under review:
- (a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and
 - (b) between the *listed company*, or one of its *subsidiary undertakings*, and a controlling shareholder;
- (11) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a controlling shareholder, subsisting during the period under review, unless:
- (a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and
 - (b) it is not a *contract of significance*;
- (12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends; and
- (13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review.

9.8.5

G

A *listed company* need not include with the annual report and accounts details of waivers of dividends of less than 1% of the total value of any dividend provided that some payment has been made on each *share* of the relevant *class* during the relevant calendar year.

Additional information

9.8.6

R

In the case of a *listed company* incorporated in the *United Kingdom*, the following additional items must be included in its annual financial report :

- (1) a statement setting out all the interests (in respect of which transactions are notifiable to the company under ■ DTR 3.1.2 R) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:
 - (a) all changes in the interests of each *director* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
 - (b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each *director* .

Interests of each *director* includes the interests of *connected persons* of which the *listed company* is, or ought upon reasonable enquiry to become, aware.

- (2) a statement showing, as at a date not more than one month prior to the date of the notice of the annual general meeting:
 - (a) all information disclosed to the *listed company* in accordance with ■ DTR 5 ; or
 - (b) that there have been no disclosures, if no disclosures have been made.
- (3) a statement made by the *directors* that the business is a going concern, together with supporting assumptions or qualifications as necessary, that has been prepared in accordance with *Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009*, published by the Financial Reporting Council in October 2009;
- (4) a statement setting out:
 - (a) details of any shareholders authority for the purchase, by the *listed company* of its own *shares* that is still valid at the end of the period under review;
 - (b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;
 - (c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or

options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc) ; and

- (d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an *employees' share scheme*, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant class of its *securities*) on the same terms, particulars of the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;
- (5) a statement of how the *listed company* has applied the Main Principles set out in Section 1 of the *Combined Code*, in a manner that would enable shareholders to evaluate how the principles have been applied.
- (6) a statement as to whether the *listed company* has:
 - (a) complied throughout the accounting period with all relevant provisions set out in Section 1 of the *Combined Code*; or
 - (b) not complied throughout the accounting period with all relevant provisions set out in Section 1 of the *Combined Code* and if so, setting out:
 - (i) those provisions, if any it has not complied with;
 - (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and
 - (iii) the *company's* reasons for non-compliance; and
- (7) a report to the shareholders by the Board which contains all the matters set out in ■ LR 9.8.8 R.

9.8.6A

G

- (1) The effect of ■ LR 9.8.6 R (1) is that a *listed company* is required to set out a 'snapshot' of the total interests of a *director* and his or her *connected persons*, as at the end of the period under review (including certain information to update it as at a date not more than a month before the date of the notice of the annual general meeting). The interests that need to be set out are limited to those in respect of which transactions fall to be notified under the notification requirement for PDMRs in ■ DTR 3.1.2 R. *Persons* who are

directors during, but not at the end of, the period under review need not be included.

- (2) A *listed company* unable to compile the statement in ■ LR 9.8.6 R (1) from information already available to it may need to seek the relevant information, or confirmation, from the *director* himself, including that in relation to *connected persons*, but would not be expected to obtain information directly from *connected persons*.

9.8.7 **R** An *overseas company* with a *premium listing* must include in its annual report and accounts the information in ■ LR 9.8.6R (5), ■ LR 9.8.6R (6) and ■ LR 9.8.8R (9).

- 9.8.7A **R**
- (1) An *overseas company* with a *premium listing* that is not required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2 (Corporate governance statements) must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.
- (2) An *overseas company* with a *premium listing* which complies with ■ LR 9.8.7 R will be taken to satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R, but (unless it is required to comply with requirements imposed by another *EEA State* that correspond to ■ DTR 7.2) must comply with all of the other requirements of ■ DTR 7.2 as if it were an *issuer* to which that section applies.

Report to shareholders

9.8.8 **R** The report to the shareholders by the Board required by ■ LR 9.8.6 R (7) must contain the following:

- (1) a statement of the *listed company's* policy on executive *directors'* remuneration;
- (2) information presented in tabular form, unless inappropriate, together with explanatory notes as necessary on:
- (a) the amount of each element in the remuneration package for the period under review of each *director*, by name, including but not restricted to, basic salary and fees, the estimated money value of benefits in kind, annual bonuses, deferred bonuses, compensation for loss of office and payments for breach of contract other termination payments;
- (b) the total remuneration for each *director* for the period under review and for the corresponding prior period;
- (c) any significant payments made to former *directors* during the period under review; and

- (d) any share options, including Save-as-you-earn options, for each *director*, by name, in accordance with the requirements of the Directors' Remuneration Report Regulations;
- (3) details of any *long-term incentive schemes*, other than share options as required by paragraph (2)(d), including the interests of each *director*, by name, in the *long-term incentive schemes* at the start of the period under review;
- (4) details of any entitlements or awards granted and commitments made to each *director* under any *long-term incentive schemes* during the period, showing which crystallize either in the same year or in subsequent years;
- (5) details of the monetary value and number of *shares*, cash payments or other benefits received by each *director* under any *long-term incentive schemes* during the period;
- (6) details of the interests of each *director* in the *long-term incentive schemes* at the end of the period;
- (7) an explanation and justification of any element of a *director's* remuneration, other than basic salary, which is pensionable;
- (8) details of any *directors'* service contract with a notice period in excess of one year or with provisions for pre-determined compensation on termination which exceeds one years salary and benefits in kind, giving the reasons for such notice period;
- (9) details of the unexpired term of any *directors'* service contract of a *director* proposed for election or re-election at the forthcoming annual general meeting, and, if any *director* proposed for election or re-election does not have a *directors'* service contract, a statement to that effect;
- (10) a statement of the *listed company's* policy on the granting of options or awards under its *employees' share schemes* and other *long-term incentive schemes*, explaining and justifying any departure from that policy in the period under review and any change in the policy from the preceding year;
- (11) for *money purchase schemes* details of the contribution or allowance payable or made by the *listed company* in respect of each *director* during the period under review; and
- (12) for *defined benefit schemes* :
 - (a) details of the amount of the increase during the period under review (excluding inflation) and of the accumulated total

amount at the end of the period in respect of the accrued benefit to which each *director* would be entitled on leaving service or is entitled having left service during the period under review;

- (b) either:
- (i) the transfer value (less *director's* contributions) of the relevant increase in accrued benefit (to be calculated in accordance with Actuarial Guidance Note GN11 but making no deduction for any under-funding) as at the end of the period; or
 - (ii) so much of the following information as is necessary to make a reasonable assessment of the transfer value in respect of each *director*:
 - (A) age;
 - (B) normal retirement age;
 - (C) the amount of any contributions paid or payable by the director under the terms of the scheme during the period under review;
 - (D) details of spouses and dependants benefits;
 - (E) early retirement rights and options;
 - (F) expectations of pension increases after retirement (whether guaranteed or discretionary); and
 - (G) discretionary benefits for which allowance is made in transfer values on leaving and any other relevant information which will significantly affect the value of the benefits; and
- (c) no disclosure of voluntary contributions and benefits.

Information required by law

9.8.9

G

The requirements of ■ LR 9.8.6R (6) and ■ LR 9.8.8 R relating to corporate governance are additional to the information required by law to be included in the *listed company's* annual report and accounts.

Auditors report

9.8.10

R

A *listed company* must ensure that the auditors review each of the following before the annual report is published:

- (1) ■ LR 9.8.6 R (3) (statement by the directors that the business is a going concern); and

(2) the parts of the statement required by ■ LR 9.8.6R (6) (corporate governance) that relate to the following provisions of the *Combined Code*:

- (a) C1.1;
- (b) C.2.1; and
- (c) C3.1 to C3.7.

9.8.11 **R** A *listed company* must ensure that the auditors review the following disclosures:

- (1) ■ LR 9.8.8 R (2) (amount of each element in the remuneration package and information on share options);
- (2) ■ LR 9.8.8 R (3), ■ LR 9.8.8 R (4) and ■ (5) (details of long term incentive schemes for directors);
- (3) ■ LR 9.8.8 R (11) (money purchase schemes); and
- (4) ■ LR 9.8.8 R (12) (defined benefit schemes).

9.8.12 **R** If, in the opinion of the auditors the *listed company* has not complied with any of the requirements set out in ■ LR 9.8.11 R the *listed company* must ensure that the auditors report includes, to the extent possible, a statement giving details of the non-compliance.

Summary financial statements

9.8.13 **R** Any summary financial statement issued by a *listed company* as permitted under the Companies Act 2006 , must disclose:

- (1) earnings per share; and
- (2) the information required for summary financial statements set out in or under the Companies Act 2006 .



9.9

[Deleted]

THE MODEL CODE (R)

This annex is referred to in LR 9.2 (Requirements with continuing application) and LR 15 (Investment entities).

Table: The Model Code

Introduction

This code imposes restrictions on dealing in the *securities* of a *listed company* beyond those imposed by law. Its purpose is to ensure that *persons discharging managerial responsibilities* do not abuse, and do not place themselves under suspicion of abusing, *inside information* that they may be thought to have, especially in periods leading up to an announcement of the *company's* results.

Nothing in this code sanctions a breach of section 118 of the *Act* (Market abuse), the insider dealing provisions of the Criminal Justice Act or any other relevant legal or regulatory requirements.

Definitions

1 In this code the following definitions, in addition to those contained in the *listing rules*, apply unless the context requires otherwise:

(a) *close period* means:

- (i) the period of 60 days immediately preceding a preliminary announcement of the *listed company's* annual results or, if shorter, the period from the end of the relevant financial year up to and including the time of announcement; or
- (ii) the period of 60 days immediately preceding the publication of its annual financial report or if shorter the period from the end of the relevant financial year up to and including the time of such publication; and
- (iii) if the *listed company* reports on a half yearly basis the period from the end of the relevant financial period up to and including the time of such publication; and
- (iv) if the *listed company* reports on a quarterly basis the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement;

(b) *connected person* has the meaning given in section 96B (2) of the *Act* (Persons discharging managerial responsibilities and connected persons);

(c) *dealing* includes:

- (i) any acquisition or disposal of, or agreement to acquire or dispose of any of the *securities* of the *company*;
 - (ii) entering into a contract (including a contract for difference) the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the price of any of the *securities* of the *company*;
 - (iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put or both) to acquire or dispose of any of the *securities* of the *company*;
 - (iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the *securities* of the *company*;
 - (v) using as security, or otherwise granting a charge, lien or other encumbrance over the *securities* of the *company*;
 - (vi) any transaction, including a transfer for nil consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in the *securities* of the *company*; or
 - (vii) any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any *securities* of the *company*;
- (d) [deleted]
- (e) *prohibited period* means:
- (i) any *close period*; or
 - (ii) any period when there exists any matter which constitutes *inside information* in relation to the *company*;
- (f) *restricted person* means a *person discharging managerial responsibilities* ; and
- (g) *securities of the company* means any publicly traded or quoted *securities* of the *company* or any member of its *group* or any *securities* that are convertible into such *securities*.

Dealings not subject to the provisions of this code

2 The following dealings are not subject to the provisions of this code:

- (a) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (b) the take up of entitlements under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (c) allowing entitlements to lapse under a rights issue or other offer (including an offer of *securities* of the *company* in lieu of a cash dividend);
- (d) the sale of sufficient entitlements nil-paid to take up the balance of the entitlements under a rights issue;
- (e) undertakings to accept, or the acceptance of, a takeover offer;
- (f) dealing where the beneficial interest in the relevant *security* of the *company* does not change;

- (g) transactions conducted between a *person discharging managerial responsibilities* and their spouse, civil partner, child or step-child (within the meaning of section 96B(2) of the *Act*);
- (h) transfers of *shares* arising out of the operation of an *employees' share scheme* into a savings scheme investing in *securities* of the *company* following:
 - (i) exercise of an option under an approved SAYE option scheme; or
 - (ii) release of *shares* from a HM Revenue and Customs approved share incentive plan ;
- (i) with the exception of a disposal of *securities* of the *company* received by a restricted person as a participant, dealings in connection with the following *employees' share schemes* ;
 - (i) an HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating *companies* in that scheme; or
 - (ii) a scheme on similar terms to a HM Revenue and Customs approved SAYE option scheme or share incentive plan, under which participation is extended on similar terms to all or most employees of the participating *companies* in that scheme; or
- (j) the cancellation or surrender of an option under an *employees' share scheme*;
- (k) transfers of the *securities* of the *company* by an independent trustee of an *employees' share scheme* to a beneficiary who is not a restricted person;
- (l) transfers of *securities* of the *company* already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the restricted person is a participant or beneficiary;
- (m) an investment by a restricted person in a scheme or arrangement where the assets of the scheme (other than a scheme investing only in the *securities* of the *company*) or arrangement are invested at the discretion of a third party;
- (n) a dealing by a restricted person in the units of an authorised unit trust or in *shares* in an *open-ended investment company*; and
- (o) bona fide gifts to a restricted person by a third party.

Dealing by restricted persons

- 3 A restricted person must not deal in any *securities* of the *company* without obtaining clearance to deal in advance in accordance with paragraph 4 of this code.

Clearance to deal

- 4 (a) A *director* (other than the chairman or chief executive) or company secretary must not deal in any *securities* of the *company* without first notifying the chairman (or a *director* designated by the board for this purpose) and receiving clearance to deal from him.
- (b) The chairman must not deal in any *securities* of the *company* without first notifying the chief executive and receiving clearance to deal from him or, if the chief executive is not present, without first notifying the senior independent

director, or a committee of the board or other officer of the *company* nominated for that purpose by the chief executive, and receiving clearance to deal from that director, committee or officer .

- (c) The chief executive must not deal in any *securities* of the *company* without first notifying the chairman and receiving clearance to deal from him or, if the chairman is not present, without first notifying the senior independent director, or a committee of the board or other officer of the *company* nominated for that purpose by the chairman, and receiving clearance to deal from that director, committee or officer .
- (d) If the role of chairman and chief executive are combined, that *person* must not deal in any *securities* of the *company* without first notifying the board and receiving clearance to deal from the board.
- (e) *Persons discharging managerial responsibilities* (who are not *directors*) must not deal in any *securities* of the *company* without first notifying the company secretary or a designated *director* and receiving clearance to deal from him.

5 A response to a request for clearance to deal must be given to the relevant restricted person within five *business days* of the request being made.

6 The *company* must maintain a record of the response to any dealing request made by a restricted person and of any clearance given. A copy of the response and clearance (if any) must be given to the restricted person concerned.

7 A restricted person who is given clearance to deal in accordance with paragraph 4 must deal as soon as possible and in any event within two *business days* of clearance being received.

Circumstances for refusal

8 A restricted person must not be given clearance to deal in any *securities* of the *company*:

- (a) during a prohibited period; or
- (b) on considerations of a short term nature. An investment with a maturity of one year or less will always be considered to be of a short term nature.

Dealings permitted during a prohibited period

Dealing in exceptional circumstances

9 A restricted person, who is not in possession of *inside information* in relation to the *company*, may be given clearance to deal if he is in severe financial difficulty or there are other exceptional circumstances. Clearance may be given for such a *person* to sell (but not purchase) *securities* of the *company* when he would otherwise be prohibited by this code from doing so. The determination of whether the *person* in question is in severe financial difficulty or whether there are other exceptional circumstances can only be made by the *director* designated for this purpose.

10 A *person* may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant *securities* of the *company*. A liability of such a *person* to pay tax would not normally constitute severe financial difficulty unless the *person* has no other means of satisfying the liability. A circumstance will be considered exceptional if the *person* in question is required by a court order to

transfer or sell the *securities* of the *company* or there is some other overriding legal requirement for him to do so.

- 11 The *FSA* should be consulted at an early stage regarding any application by a restricted person to deal in exceptional circumstances.

Awards of securities and options

- 12 The grant of options by the board of *directors* under an *employees' share scheme* to individuals who are not restricted persons may be permitted during a prohibited period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the *company* was in a prohibited period.

- 13 The award by the *company* of *securities*, the grant of options and the grant of rights (or other interests) to acquire *securities* of the *company* to restricted persons is permitted in a prohibited period if:

- (a) the award or grant is made under the terms of an *employees' share scheme* and the scheme was not introduced or amended during the relevant prohibited period; and
- (b) either:
 - (i) the terms of such *employees' share scheme* set out the timing of the award or grant and such terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders, or
 - (ii) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme; and
- (c) the terms of the *employees' share scheme* set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
- (d) the failure to make the award or grant would be likely to indicate that the *company* is in a prohibited period.

Exercise of options

- 14 Where a *company* has been in an exceptionally long prohibited period or the *company* has had a number of consecutive prohibited periods, clearance may be given to allow the exercise of an option or right under an *employees' share scheme*, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during a prohibited period and the restricted person could not reasonably have been expected to exercise it at a time when he was free to deal.

- 15 Where the exercise or conversion is permitted pursuant to paragraph 14, clearance may not be given for the sale of the *securities* of the *company* acquired pursuant to such exercise or conversion including the sale of sufficient *securities* of the *company* to fund the costs of the exercise or conversion and/or any tax liability arising from the exercise or conversion unless a binding undertaking to do so was entered into when the *company* was not in a prohibited period.

Qualification shares

16 Clearance may be given to allow a *director* to acquire qualification *shares* where, under the *company's constitution*, the final date for acquiring such *shares* falls during a prohibited period and the *director* could not reasonably have been expected to acquire those shares at another time.

Saving schemes

17 A restricted person may enter into a scheme under which only the *securities* of the *company* are purchased pursuant to a regular standing order or direct debit or by regular deduction from the *person's* salary, or where such *securities* are acquired by way of a standing election to re-invest dividends or other distributions received, or are acquired as part payment of the *person's* remuneration without regard to the provisions of this code, if the following provisions are complied with:

- (a) the restricted person does not enter into the scheme during a prohibited period, unless the scheme involves the part payment of remuneration in the form of *securities* of the *company* and is entered into upon the commencement of the *person's* employment or in the case of a non-executive *director* his appointment to the board;
- (b) the restricted person does not carry out the purchase of the *securities* of the *company* under the scheme during a prohibited period, unless the restricted person entered into the scheme at a time when the *company* was not in a prohibited period and that person is irrevocably bound under the terms of the scheme to carry out a purchase of *securities* of the *company* (which may include the first purchase under the scheme) at a fixed point in time which falls in a prohibited period;
- (c) the restricted person does not cancel or vary the terms of his participation, or carry out sales of *securities* of the *company* within the scheme during a prohibited period; and
- (d) before entering into the scheme, cancelling the scheme or varying the terms of his participation or carrying out sales of the *securities* of the *company* within the scheme, the restricted person obtains clearance in accordance with paragraph 4.

Acting as a trustee

18 Where a restricted person is acting as a trustee, dealing in the *securities* of the *company* by that trust is permitted during a prohibited period where:

- (a) the restricted person is not a beneficiary of the trust; and
- (b) the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the restricted person.

19 The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:

- (a) was taken without consultation with, or other involvement of, the restricted person; or
- (b) was delegated to a committee of which the restricted person is not a member.

Dealing by connected persons and investment managers

- 20 **A person discharging managerial responsibilities** must take reasonable steps to prevent any dealings by or on behalf of any *connected person* of his in any *securities* of the *company* on considerations of a short term nature.
- 21 **A person discharging managerial responsibilities** must seek to prohibit any dealings in the *securities* of the *company* during a close period:
- (a) by or on behalf of any *connected person* of his; or
 - (b) by an investment manager on his behalf or on behalf of any *person* connected with him where either he or any *person* connected has funds under management with that investment fund manager, whether or not discretionary (save as provided by paragraphs 17 and 18).
- 22 **A person discharging managerial responsibilities** must advise all of his *connected persons* and investment managers acting on his behalf:
- (a) of the name of the *listed company* within which he is a *person discharging managerial responsibilities*;
 - (b) of the *close periods* during which they cannot deal in the *securities* of the *company*; and
 - (c) that they must advise the *listed company* immediately after they have dealt in *securities* of the *company*.

Dealing under a trading plan

- 23 A restricted person may deal in *securities* of a *company* pursuant to a *trading plan* if clearance has first been given in accordance with paragraph 4 of this Code to the person entering into the plan and to any amendment to the plan. A restricted person must not cancel a *trading plan* unless clearance has first been given in accordance with paragraph 4 of this Code for its cancellation.
- 24 A restricted person must not enter into a *trading plan* or amend a *trading plan* during a *prohibited period* and clearance under paragraph 4 of this Code must not be given during a *prohibited period* to the entering into, or amendment of, a *trading plan*. Clearance under paragraph 4 of this Code may be given during a *prohibited period* to the cancellation of a *trading plan* but only in the exceptional circumstances referred to in paragraphs 9 and 10 of this Code.
- 25 A restricted person may deal in *securities* of a *company* during a *prohibited period* pursuant to a *trading plan* if:
- (a) the *trading plan* was entered into before the *prohibited period*;
 - (b) clearance under paragraph 4 of this Code has been given to the person entering into the *trading plan* and to any amendment to the *trading plan* before the *prohibited period*; and
 - (c) the *trading plan* does not permit the restricted person to exercise any influence or discretion over how, when, or whether to effect dealings.
- 26 Where a transaction occurs in accordance with a *trading plan*, the restricted person must notify the *issuer* at the same time as he makes the notification required by DTR 3.1.2 R of:
- (a) the fact that the transaction occurred in accordance with a *trading plan*; and

(b) the date on which the relevant *trading plan* was entered into.

Chapter 10

Significant transactions: Premium listing

10.1 Preliminary

Application

10.1.1 **R** This chapter applies to a *company* that has a *premium listing* .

Purpose

10.1.2 **G** The purpose of this chapter is to ensure that shareholders of *companies* with *equity shares listed*:

- (1) are notified of certain transactions entered into by the *listed company*; and
- (2) have the opportunity to vote on larger proposed transactions.

Meaning of "transaction"

10.1.3 **R** In this chapter (except where specifically provided to the contrary) a reference to a transaction by a *listed company*:

- (1) (subject to paragraphs (3),(4) and (5)) includes all agreements (including amendments to agreements) entered into by the *listed company* or its *subsidiary undertakings*;
- (2) includes the grant or acquisition of an option as if the option had been exercised except that, if exercise is solely at the *listed company's* or *subsidiary undertaking's* discretion, the transaction will be classified on exercise and only the consideration (if any) for the option will be classified on the grant or acquisition;
- (3) excludes a transaction of a revenue nature in the ordinary course of business;
- (4) excludes an issue of *securities*, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the *listed company* or of its *subsidiary undertakings*; and

(5) excludes any transaction between the *listed company* and its wholly-owned *subsidiary* undertaking or between its wholly-owned *subsidiary undertakings*.

10.1.4

G

This chapter is intended to cover transactions that are outside the ordinary course of the *listed company's* business and may change a *security* holder's economic interest in the *company's* assets or liabilities (whether or not the change in the assets or liabilities is recognised on the *company's* balance sheet).

10.1.5

G

In assessing whether a transaction is in the ordinary course of a *company's* business under this chapter, the *FSA* will have regard to the size and incidence of similar transactions which the *company* has entered into. The *FSA* may determine that a transaction is not in the ordinary course of business because of its size or incidence.

10.2 Classifying transactions

Classifying transactions

10.2.1 **G** A transaction is classified by assessing its size relative to that of the *listed company* proposing to make it. The comparison of size is made by using the *percentage ratios* resulting from applying the *class test* calculations to a transaction. The *class tests* are set out in ■ LR 10 Annex 1 G (and modified or added to for specialist companies under ■ LR 10.7).

10.2.2 **R** Except as otherwise provided in this chapter, transactions are classified as follows:

- (1) *Class 3 transaction*: a transaction where all *percentage ratios* are less than 5%;
- (2) *Class 2 transaction*: a transaction where any *percentage ratio* is 5% or more but each is less than 25%;
- (3) *Class 1 transaction*: a transaction where any *percentage ratio* is 25% or more; and
- (4) *Reverse takeover*: a transaction consisting of an acquisition by a *listed company* of a business, an *unlisted company* or assets where any *percentage ratio* is 100% or more or which would result in a fundamental change in the business or in a change in board or voting control of the *listed company*.

Certain reverse takeovers to be treated as class 1 transactions

10.2.3 **R** A *reverse takeover* is to be treated as a *class 1 transaction* if all of the following conditions are satisfied in relation to the transaction:

- (1) none of the *percentage ratios* resulting from the calculations under each of the *class tests* in ■ LR 10 Annex 1 G (as modified or added to by ■ LR 10.7 where applicable) exceed 125%;
- (2) the subject of the acquisition is in a similar line of business to that of the acquiring *company*;

- (3) the undertaking the subject of the acquisition complies with all relevant requirements of ■ LR 6;
- (4) there will be no change of board control of the *listed company*; and
- (5) there will be no change of voting control of the *listed company*.

Indemnities and similar arrangements

10.2.4

R

- (1) Any agreement or arrangement with a party (other than a wholly owned *subsidiary undertaking* of the *listed company*):
 - (a) under which a *listed company* agrees to discharge any liabilities for costs, expenses, commissions or losses incurred by or on behalf of that party, whether or not on a contingent basis;
 - (b) which is exceptional; and
 - (c) under which the maximum liability is either unlimited, or is equal to or exceeds an amount equal to 25% of the average of the *listed company's* profits (as calculated for classification purposes) for the last three financial years (losses should be taken as nil profit and included in this average);

is to be treated as a *class 1 transaction*.

- (2) Paragraph (1) does not apply to a *break fee* (see ■ LR 10.2.7 R which deals with *break fees*).

10.2.5

G

For the purposes of ■ LR 10.2.4 R (1), the *FSA* considers the following indemnities not to be exceptional:

- (1) those customarily given in connection with sale and purchase agreements;
- (2) those customarily given to underwriters or placing agents in an underwriting or placing agreement;
- (3) those given to advisers against liabilities to third parties arising out of providing advisory services; and
- (4) any other indemnity that is specifically permitted to be given to a *director* or auditor under the Companies Act 2006 .

10.2.6

G

If the calculation under ■ LR 10.2.4 R (1) produces an anomalous result, the *FSA* may disregard the calculation and modify that *rule* to substitute other relevant indicators of the size of the indemnity or other arrangement given, for example 1% of market capitalisation.

Break fees

10.2.7

R

- (1) A *break fee* or *break fees* payable in respect of a transaction are to be treated as a *class 1 transaction* if the total value of the fee or the fees in aggregate exceeds:
- (a) if the *listed company* is being acquired, 1% of the value of the *listed company* calculated by reference to the offer price; and
 - (b) in any other case, 1% of the market capitalisation of the *listed company*.
- (2) For the purposes of paragraph (1)(a):
- (a) the 1% limit is to be calculated on the basis of the fully diluted *equity share capital* of the *listed company*;
 - (b) any VAT payable is to be taken into account in determining whether the 1% limit would be exceeded (except to the extent that the VAT is recoverable by the *listed company*); and
 - (c) for a securities exchange offer, the value of the *listed company* is to be fixed by reference to the value of the offer at the time the transaction is announced (and is not to be taken as fluctuating as a result of subsequent movements in the price of the consideration securities after the announcement).

Issues by major subsidiary undertakings

10.2.8

R

If:

- (1) a *major subsidiary undertaking* of a *listed company* issues *equity shares* for cash or in exchange for other *securities* or to reduce indebtedness;
- (2) the issue would dilute the *listed company's* percentage interest in the *major subsidiary undertaking*; and
- (3) the economic effect of the dilution is equivalent to a disposal of 25% or more of the aggregate of the gross assets or profits (after the deduction of all charges except taxation) of the *group*;

the issue is to be treated as a *class 1 transaction*.

10.2.9

R

■ LR 10.2.8 R does not apply if the *major subsidiary undertaking* is itself a *listed company*.

Aggregating transactions

10.2.10

R

- (1) Transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification if:
 - (a) they are entered into by the *company* with the same *person* or with *persons* connected with one another;
 - (b) they involve the acquisition or disposal of *securities* or an interest in one particular *company*; or
 - (c) together they lead to substantial involvement in a business activity which did not previously form a significant part of the *company's* principal activities.
- (2) Paragraph (1) does not apply in relation to *break fees*.
- (3) If under this *rule* aggregation of transactions results in a requirement for shareholder approval, then that approval is required only for the latest transaction.

10.2.11

G

The *FSA* may modify these *rules* to require the aggregation of transactions in circumstances other than those specified in ■ LR 10.2.10 R.

Note: If an *issuer* is proposing to enter into a transaction that could be a *Class 1 transaction* or *reverse takeover* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 10.

10.3 Class 3 requirements

Notification of acquisitions involving the issue of securities

10.3.1

R

(1) If:

- (a) a *listed company* agrees the terms of a *class 3 transaction* that involves an acquisition; and
- (b) the consideration for the acquisition includes the issue of *securities* for which *listing* will be sought;

the *company* must notify a *RIS* as soon as possible after the terms of the acquisition are agreed.

(2) The notification must include:

- (a) the amount of the *securities* being issued;
- (b) details of the transaction, including the name of the other party to the transaction; and
- (c) either the value of the consideration, and how this is being satisfied, or the value of the gross assets acquired, whichever is the greater.

Notification of other class 3 transactions

10.3.2

R

(1) If:

- (a) a *listed company* agrees the terms of a *class 3 transaction* of a type other than that referred to in ■ LR 10.3.1 R; and
- (b) it releases any details to the public;

it must also notify those details to a *RIS* by no later than the release of details to the public referred to in paragraph (b).

(2) The notification must include:

- (a) details of the transaction, including the name of the other party to the transaction; and

-
- (b) either the value of the consideration, and how this is being satisfied, or the value of the gross assets acquired or disposed of.

10.4 Class 2 requirements

Notification of class 2 transactions

10.4.1

R

- (1) A *listed company* must notify a *RIS* as soon as possible after the terms of a *class 2 transaction* are agreed.
- (2) The notification must include:
 - (a) details of the transaction, including the name of the other party to the transaction;
 - (b) a description of the business carried on by, or using, the net assets the subject of the transaction;
 - (c) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);
 - (d) the value of the gross assets the subject of the transaction;
 - (e) the profits attributable to the assets the subject of the transaction;
 - (f) the effect of the transaction on the *listed company* including any benefits which are expected to accrue to the *company* as a result of the transaction;
 - (g) details of any service contracts of proposed *directors* of the *listed company*;
 - (h) for a disposal, the application of the sale proceeds;
 - (i) for a disposal, if *securities* are to form part of the consideration received, a statement whether the *securities* are to be sold or retained; and
 - (j) details of key individuals important to the business or *company* the subject of the transaction.

Supplementary notification

10.4.2

R

- (1) A *listed company* must notify a *RIS* as soon as possible if, after the notification under **LR 10.4.1 R**, it becomes aware that:

- (a) there has been a significant change affecting any matter contained in that earlier notification; or
 - (b) a significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (2) The supplementary notification must give details of the change or new matter and also contain a statement that, except as disclosed, there has been no significant change affecting any matter contained in the earlier notification and no other significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.
- (3) In paragraphs (1) and (2), significant means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the *listed company* and the rights attaching to any *securities* forming part of the consideration. It includes a change in the terms of the transaction that affects the *percentage ratios* and requires the transaction to be reclassified into a higher category.

10.5 Class 1 requirements

Notification and shareholder approval

10.5.1

R

A *listed company* must, in relation to a *class 1 transaction*:

- (1) comply with the requirements of ■ LR 10.4 (Class 2 requirements) for the transaction;
- (2) send an explanatory *circular* to its shareholders and obtain their prior approval in a general meeting for the transaction; and
- (3) ensure that any agreement effecting the transaction is conditional on that approval being obtained.

Note: LR 13 sets out requirements for the content and approval of *class 1 circulars*.

Material change to terms of transaction

10.5.2

R

If, after the production of a *circular* and before the completion of a *class 1 transaction* or a *reverse takeover*, there is a material change to the terms of the transaction, the *listed company* must comply again separately with ■ LR 10.5.1 R in relation to the transaction.

10.5.3

G

The *FSA* would (amongst other things) generally consider an increase of 10% or more in the consideration payable to be a material change to the terms of the transaction.

10.6 Reverse takeover requirements

10.6.1 **R** *A listed company must in relation to a reverse takeover comply with the requirements of ■ LR 10.5 (Class 1 requirements) for that transaction.*

Material change to terms of reverse takeover

10.6.1A **G** ■ LR 10.5.2 R and ■ LR 10.5.3 G will apply if there is a material change to the terms of a reverse takeover.

Cancellation of listing

10.6.2 **G** When a listed company completes a reverse takeover, the FSA will generally cancel the listing of its equity shares (see ■ LR 5.2.3 G) and the company will be required to re-apply for the listing of the equity shares and satisfy the relevant requirements for listing (except that ■ LR 6.1.3 R (1)(b) will not apply in relation to the listed company's accounts).

Suspended listing

10.6.3 **G** Before a listed company announces a reverse takeover which has been agreed or is in contemplation or where details of the reverse takeover have leaked, a listed company should consider whether a suspension of listing is appropriate. Generally, when a reverse takeover is announced or leaked, because of its significant size there will be insufficient information in the market about the proposed transaction and the company will be unable to assess accurately its financial position and inform the market accordingly. So, suspension will often be appropriate (see ■ LR 5.1.2 G (3) and ■ (4)). But, if the FSA is satisfied that there is sufficient information in the market about the proposed transaction it may agree with the company that a suspension is not required.

10.7 Transactions by specialist companies

Classification of transactions by listed property companies

10.7.1

R

■ LR 10 Annex 1 G is modified as follows in relation to acquisitions or disposals of *property* by a *listed property company*:

- (1) for the purposes of paragraph 2R(1) (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (2) for the purposes of paragraph 2R(1) (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the *listed property company* and paragraphs 2R(5) and 2R(6) do not apply;
- (3) for the purposes of paragraph 2R(2), the gross assets of a *listed property company* are, at the option of the *company*:
 - (a) the aggregate of the *company's* share capital and reserves (excluding minority interests);
 - (b) the book value of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts); or
 - (c) the published valuation of the *company's properties* (excluding those properties classified as current assets in the latest published annual report and accounts);
- (4) for the purposes of paragraph 4R(1) (the profits test), profits means the *net annual rent*;
- (5) paragraph 5R (the consideration test) does not apply but instead the test in ■ LR 10.7.2 R applies; and
- (6) paragraph 7R (the gross capital test) applies to disposals as well as acquisitions of *property*.

- 10.7.2 **R** (1) In addition to the tests in **■ LR 10 Annex 1 G**, if the transaction is an acquisition of *property* by a *listed property company* and any of the consideration is in the *equity shares* of that *company*, the *listed company* must determine the *percentage ratios* that result from the calculations under the test in (2).
- (2) The share capital test is calculated by dividing the number of consideration *shares* to be issued by the number of *equity shares* in issue (excluding *treasury shares*).

- 10.7.3 **R** **■ LR 10** does not apply to the acquisition or disposal by a *listed property company* of a *property* in the ordinary course of business which:
- (1) for an acquisition, will be classified as a current asset in the *company's* published accounts; or
- (2) for a disposal, was so classified in the *company's* published accounts.

- 10.7.4 **G** **■ LR 10** may apply to subsequent transfers of *property* assets from current to fixed assets or from fixed to current assets in the accounts of a *property company*.

Classification of transactions by listed mineral companies

- 10.7.5 **R** (1) In addition to the tests in **■ LR 10 Annex 1 G**, a *listed mineral company* undertaking a transaction involving significant *mineral resources* must determine the *percentage ratios* that result from the calculations under the test in paragraph (2).
- (2) The reserves test is calculated by dividing the volume or amount of the *proven reserves* and *probable reserves* to be acquired or disposed of by the volume or amount of the aggregate *proven reserves* and *probable reserves* of the *mineral company* making the acquisition or disposal.

- 10.7.6 **G** If the *mineral resources* are not directly comparable, the *FSA* may modify **■ LR 10.7.5 R (2)** to permit valuations to be used instead of amounts or volumes.

- 10.7.7 **R** When calculating the size of a transaction under **■ LR 10 Annex 1 G** and **■ LR 10.7.5 R**, account must be taken of any associated transactions or loans effected or intended to be effected, and any contingent liabilities or commitments.

Classification of transactions by listed scientific research based companies

- 10.7.8 **G** A *listed scientific research based company* undertaking a transaction should consult the *FSA* at an early stage to determine whether industry specific tests are required instead of or in addition to the *class tests* in **■ LR 10 Annex 1 G**.

10.8 Miscellaneous

Class 1 disposals by companies in severe financial difficulty

10.8.1

G

- (1) A *listed company* in severe financial difficulty may find itself with no alternative but to dispose of a substantial part of its business within a short time frame to meet its ongoing working capital requirements or to reduce its liabilities. Due to time constraints it may not be able to prepare a *circular* and convene an extraordinary general meeting to obtain prior shareholder approval.
- (2) The *FSA* may modify the requirements in ■ LR 10.5 to prepare a *circular* and to obtain shareholder approval for such a disposal, if the *company*:
 - (a) can demonstrate that it is in severe financial difficulty; and
 - (b) satisfies the conditions in ■ LR 10.8.2 G to ■ LR 10.8.6 G.
- (3) An application to modify ■ LR 10.5 should be brought to the *FSA*'s attention at the earliest available opportunity and at least five clear *business days* before the terms of the disposal are agreed.

10.8.2

G

The *listed company* should demonstrate to the *FSA* that it could not reasonably have entered into negotiations earlier to enable shareholder approval to be sought.

10.8.3

G

The following documents should be provided in writing to the *FSA*:

- (1) confirmation from the *listed company* that:
 - (a) negotiation does not allow time for shareholder approval;
 - (b) all alternative methods of financing have been exhausted and the only option remaining is to dispose of a substantial part of their business;
 - (c) by taking the decision to dispose of part of the business to raise cash, the directors are acting in the best interests of the *company* and shareholders as a whole and that unless the disposal is completed receivers, administrators or liquidators are likely to be appointed; and
 - (d) if the disposal is to a *related party*, that the disposal by the company to the *related party* is the only available option in the current circumstances.
- (2) confirmation from the *company's sponsor* that, in its opinion and on the basis of information available to it, the *company* is in severe financial

difficulty and that it will not be in a position to meet its obligations as they fall due unless the disposal takes place according to the proposed timetable;

- (3) confirmation from the *persons* providing finance stating that further finance or facilities will not be made available and that unless the disposal is effected immediately, current facilities will be withdrawn; and
- (4) an announcement that complies with ■ LR 10.8.4 G and ■ LR 10.8.5 G.

10.8.4

G

An announcement should be notified to a *RIS* no later than the date the terms of the disposal are agreed and should contain:

- (1) all relevant information required to be notified under ■ LR 10.4.1 R;
- (2) the name of the acquirer and the expected date of completion of the disposal;
- (3) full disclosure about the continuing groups prospects for at least the current financial year;
- (4) a statement that the *directors* believe that the disposal is in the best interests of the *company* and shareholders as a whole. The *directors* should also state that if the disposal is not completed the *company* will be unable to meet its financial commitments as they fall due and consequently will be unable to continue to trade resulting in the appointment of receivers, liquidators or administrators;
- (5) a statement incorporating the details of all the confirmations provided to the *FSA* in ■ LR 10.8.3 G;
- (6) details of any financing arrangements (either current or future) if they are contingent upon the disposal being effected;
- (7) if the disposal is to a *related party*, then a statement as set out in LR 13.6.1R(5) must be given;
- (8) a statement by the *listed company* that in its opinion the working capital available to the continuing group is sufficient for the groups present requirements, that is, for at least 12 months from the date of the announcement, or, if not, how it is proposed to provide the additional working capital thought by the *company* to be necessary.

10.8.5

G

The announcement should contain any further information that the *company* and its *sponsors* consider necessary. This should incorporate historical price sensitive information, which has already been published in relation to the disposal along with any further information required to be disclosed under ■ DTR 2 (disclosure of inside information).

10.8.6

G

- (1) The *FSA* will wish to examine the documents referred to in ■ LR 10.8.3 G (including the *RIS* announcement) before it grants the modification and before the announcement is released.
- (2) The documents should ordinarily be lodged with the *FSA*:

- (a) in draft form at least five clear *business days* before the terms of the transaction are agreed; and
- (b) in final form on the day on which approval is sought.

10.8.7 G In relation to the *listed company's* financial position, ■ DTR 2 (disclosure of inside information) continues to apply while the *company* is seeking a modification.

10.8.8 G The *directors* should also consider whether the *listed company's* financial situation is such that they should request the suspension of its *listing* pending publication of an announcement and clarification of its financial position.

Joint ventures

- 10.8.9 G
- (1) When a *listed company* enters into a joint venture it should consider how this chapter applies.
 - (2) It is common, when entering into a joint venture, for the partners to include exit provisions in the terms of the agreement. These typically give each partner a combination of rights and obligations to either sell their own holding or to acquire their partner's holding should certain triggering events occur.
 - (3) If the *listed company* does not retain sole discretion over the event which requires them to either purchase the joint venture partner's stake or to sell their own, ■ LR 10.1.3 R (2) requires this obligation to be classified at the time it is agreed as though it had been exercised at that time. Further, if the consideration to be paid is to be determined by reference to the future profitability of the joint venture or an independent valuation at the time of exercise, this consideration will be treated as being uncapped. If this is the case, the initial agreement will be classified in accordance with ■ LR 10 Annex 1 G 5R (3) and (3A) at the time it is entered into.
 - (4) If the *listed company* does retain sole discretion over the triggering event, or if the *listed company* is making a choice to purchase or sell following an event which has been triggered by the joint venture partner, the purchase or sale must be classified when this discretion is exercised or when the choice to purchase or sell is made.

The Class Tests

Class tests

1G This Annex sets out the following *class tests*:

- (1) the gross assets test;
- (2) the profits test;
- (3) the consideration test; and
- (4) the gross capital test.

The Gross Assets test

2R (1) The assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the *listed company*.

(2) The gross assets of the *listed company* means the total non-current assets, plus the total current assets, of the *listed company*.

(3) For:

- (a) an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the listed company; or
- (b) a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the *listed company*;

the gross assets the subject of the transaction means the value of 100% of that undertakings assets irrespective of what interest is acquired or disposed of.

(4) For an acquisition or disposal of an interest in an undertaking which does not fall within paragraph (3), the gross assets the subject of the transaction means:

- (a) for an acquisition, the consideration together with liabilities assumed (if any); and
- (b) for a disposal, the assets attributed to that interest in the listed companys accounts.

(5) If there is an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the consideration or, if greater, the book value of those assets as they will be included in the *listed company's* balance sheet.

(6) If there is a disposal of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets in the *listed company's* balance sheet.

3G The *FSA* may modify paragraph 2R to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements referred to in LR 10.2.4 R (indemnities and similar arrangements) are involved.

The Profits test

4R (1) The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the *listed company*.

(2) For the purposes of paragraph (1), profits means:

- (a) profits after deducting all charges except taxation; and

- (b) for an acquisition or disposal of an interest in an undertaking referred to in paragraph 2R (3)(a) or (b) of this Annex, 100% of the profits of the undertaking (irrespective of what interest is acquired or disposed of).

The Consideration test

- 5R
- (1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding *treasury shares*) of the *listed company*.
 - (2) For the purposes of paragraph (1):
 - (a) the consideration is the amount paid to the contracting party;
 - (b) if all or part of the consideration is in the form of *securities* to be traded on a market, the consideration attributable to those *securities* is the aggregate market value of those *securities*; and
 - (c) if deferred consideration is or may be payable or receivable by the *listed company* in the future, the consideration is the maximum total consideration payable or receivable under the agreement.
 - (3) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a *class 2 transaction*) the transaction is to be treated as a *class 1 transaction*.
 - (3A) If the total consideration is not subject to any maximum (and the other class tests indicate the transaction to be a *class 3 transaction*) the transaction is to be treated as a *class 2 transaction*.
 - (4) For the purposes of sub-paragraph (2)(b), the figures used to determine consideration consisting of:
 - (a) *securities* of a *class* already *listed*, must be the aggregate market value of all those *securities* on the last *business day* before the announcement; and
 - (b) a new *class* of *securities* for which an application for *listing* will be made, must be the expected aggregate market value of all those *securities*.
 - (5) For the purposes of paragraph (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary *shares* (excluding *treasury shares*) of the *listed company* at the close of business on the last *business day* before the announcement.
- 6G The *FSA* may modify paragraph 5R to require the inclusion of further amounts in the calculation of the consideration. For example, if the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third party debt, whether actual or contingent, as part of the terms of the transaction.

The Gross Capital test

- 7R
- (1) The gross capital test is calculated by dividing the gross capital of the company or business being acquired by the gross capital of the *listed company*.
 - (2) The test in paragraph (1) is only to be applied for an acquisition of a *company* or business.
 - (3) For the purposes of paragraph (1), the gross capital of the *company* or business being acquired means the aggregate of:
 - (a) the consideration (as calculated under paragraph 5R of this Annex);
 - (b) if a *company*, any of its *shares* and *debt securities* which are not being acquired;
 - (c) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and
 - (d) any excess of current liabilities over current assets.
 - (4) For the purposes of paragraph (1), the gross capital of the *listed company* means the aggregate of:
 - (a) the market value of its *shares* (excluding *treasury shares*) and the issue amount of the *debt security*;

- (b) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and
 - (c) any excess of current liabilities over current assets.
- (5) For the purposes of paragraph (1):
- (a) figures used must be, for *shares* and *debt security* aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those *shares* (or if not available before the announcement, their nominal value) and the issue amount of the *debt security*; and
 - (b) for *shares* and *debt security* aggregated for the purposes of paragraph (3)(b), any *treasury shares* held by the *company* are not to be taken into account.

Figures used to classify assets and profits

- 8R
- (1) For the purposes of calculating the tests in this Annex, except as otherwise stated in paragraphs (2) to (6), figures used to classify assets and profits, must be the figures shown in the latest published audited consolidated accounts or, if a *listed company* has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.
 - (2) If a balance sheet has been published in a subsequently published interim statement then gross assets and gross capital should be taken from the balance sheet published in the interim statement.
 - (3)
 - (a) The figures of the *listed company* must be adjusted to take account of subsequent transactions which have been notified to a *RIS* under LR 10.4 or LR 10.5.
 - (b) The figures of the target company or business must be adjusted to take account of subsequent transactions which would have been a *class 2 transaction* or greater when classified against the target as a whole.
 - (4) Figures on which the auditors are unable to report without modification must be disregarded.
 - (5) When applying the *percentage ratios* to an acquisition by a *company* whose assets consist wholly or predominantly of cash or short-dated *securities*, the cash and short-dated *securities* must be excluded in calculating its assets and market capitalisation.
 - (6) The principles in this paragraph also apply (to the extent relevant) to calculating the assets and profits of the target company or business.
- 9G The *FSA* may modify paragraph 8R(4) in appropriate cases to permit figures to be taken into account.

Anomalous results

- 10G If a calculation under any of the *class tests* produces an anomalous result or if a calculation is inappropriate to the activities of the *listed company*, the *FSA* may modify the relevant *rule* to substitute other relevant indicators of size, including industry specific tests.

Listing Rules

Chapter 11

Related party transactions: Premium listing

PAGE
1



11.1 Related party transactions

Application

11.1.1 **R** This chapter applies to a *company* that has a *premium listing* .

Purpose

- 11.1.2 **G**
- (1) This chapter sets out safeguards that apply to:
 - (a) transactions and arrangements between a *listed company* and a *related party*; and
 - (b) transactions and arrangements between a *listed company* and any other *person* that may benefit a *related party*.
 - (2) The safeguards are intended to prevent a *related party* from taking advantage of its position and also to prevent any perception that it may have done so.

Transaction

- 11.1.3 **R** A reference in this chapter:
- (1) to a transaction or arrangement by a *listed company* includes a transaction or arrangement by its *subsidiary undertaking*; and
 - (2) to a transaction or arrangement is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement.

Definition of "related party"

- 11.1.4 **R** In *LR*, a "*related party*" means:
- (1) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder*; or
 - (2) a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* of the *listed company* or of any other *company* which is (and, if he has ceased to be such, was while he was a *director* or

shadow director of such other *company*) its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking* of its *parent undertaking*; or

- (3) [deleted]
- (4) a *person exercising significant influence*; or
- (5) an *associate* of a *related party* referred to in paragraph (1), (2) or (4).

Definition of "related party transaction"

11.1.5

R

In LR, a "*related party transaction*" means:

- (1) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between a *listed company* and a *related party*; or
- (2) an arrangement pursuant to which a *listed company* and a *related party* each invests in, or provides finance to, another undertaking or asset; or
- (3) any other similar transaction or arrangement (other than a transaction of a revenue nature in the ordinary course of business) between a *listed company* and any other *person* the purpose and effect of which is to benefit a *related party*.

11.1.5A

G

In assessing whether a transaction is in the ordinary course of business under this chapter, the FSA will have regard to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual.

Transactions to which this chapter does not apply

11.1.6

R

■ LR 11.1.7 R to ■ LR 11.1.10 R do not apply to a *related party transaction* if it is a transaction or arrangement:

- (1) of a kind referred to in paragraph 1 of ■ LR 11 Annex 1R R (a small transaction)); or
- (2) of a kind referred to in paragraph 2 to 10 of ■ LR 11 Annex 1R R and does not have any unusual features.

Note: If an *issuer* is proposing to enter into a transaction that could be a *related party transaction* it is required under ■ LR 8 to obtain the guidance of a *sponsor* to assess the potential application of ■ LR 11.

Requirements for related party transactions

11.1.7

R

If a *listed company* enters into a *related party transaction*, the *listed company* must:

- (1) make a notification in accordance with ■ LR 10.4.1 R (Notification of class 2 transactions) that contains the details required by that *rule* and also:
 - (a) the name of the *related party*; and
 - (b) details of the nature and extent of the *related party's* interest in the transaction or arrangement;
- (2) send a *circular* to its shareholders containing the information required by ■ LR 13.3 and ■ LR 13.6;
- (3) obtain the approval of its shareholders for the transaction or arrangement either:
 - (a) before it is entered into; or
 - (b) if the transaction or arrangement is expressed to be conditional on that approval, before it is completed; and
- (4) ensure that the *related party*:
 - (a) does not vote on the relevant resolution; and
 - (b) takes all reasonable steps to ensure that the *related party's associates* do not vote on the relevant resolution.

11.1.8

G

If a meeting of the *listed company* has been called to approve a transaction or arrangement and, after the date of the notice of meeting but before the meeting itself, a party to that transaction or arrangement has become a *related party*, then to comply with ■ LR 11.1.7 R the *listed company* should:

- (1) ensure that the *related party* concerned does not vote on the relevant resolution and that the *related party* takes all reasonable steps to ensure that its *associates* do not vote on the relevant resolution; and
- (2) send a further *circular*, for receipt by shareholders at least one clear *business day* before the last time for lodging proxies for the meeting, containing any information required by ■ LR 13.3 (Contents of all circulars) and ■ LR 13.6 (Related party circulars) that was not contained in the original *circular* with the notice of meeting.

11.1.9

G

■ LR 11.1.7 R and ■ LR 11.1.8 G will apply to the variation or novation of an existing agreement between the *listed company* and a *related party* whether or not, at the time the original agreement was entered into, that party was a *related party*.

Modified requirements for smaller related party transactions

11.1.10

R

- (1) This rule applies to a *related party transaction* if each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%.
- (2) Where this rule applies, **LR 11.1.7 R** does not apply but instead the *listed company* must before entering into the transaction or arrangement (as the case may be):
 - (a) inform the *FSA* in writing of the details of the proposed transaction or arrangement;
 - (b) provide the *FSA* with written confirmation from an independent adviser acceptable to the *FSA* that the terms of the proposed transaction or arrangement with the *related party* are fair and reasonable as far as the shareholders of the *listed company* are concerned; and
 - (c) undertake in writing to the *FSA* to include details of the transaction or arrangement in the *listed company's* next published annual accounts, including, if relevant, the identity of the *related party*, the value of the consideration for the transaction or arrangement and all other relevant circumstances.

Aggregation of transactions in any 12 month period

11.1.11

R

- (1) If a *listed company* enters into transactions or arrangements with the same *related party* (and any of its *associates*) in any 12 month period and the transactions or arrangements have not been approved by shareholders the transactions or arrangements must be aggregated.
- (2) If any *percentage ratio* is 5% or more for the aggregated transactions or arrangements, the *listed company* must comply with **LR 11.1.7 R** in respect of the latest transaction or arrangement.

Note: **LR 13.6.1 R** (8) requires details of each of the transactions or arrangements being aggregated to be included in the circular.

- (3) If transactions or arrangements that are small transactions under **LR 11 Annex 1R R** paragraph 1 are aggregated under paragraph (1) of this rule and for the aggregated small transactions each of the *percentage ratios* is less than 5%, but one or more of the *percentage ratios* exceeds 0.25%, the *listed company* must comply with:
 - (a) **LR 11.1.10 R** (2)(b) in respect of the latest small transaction; and

11.1.12

(b) ■ LR 11.1.10 R (2)(a) and ■ LR 11.1.10R (2)(c) in respect of the aggregated small transactions.

[Deleted]

Transactions to which related party transaction rules do not apply

Small transaction

1 A transaction or arrangement where each of the applicable *percentage ratios* is equal to or less than 0.25%.

Issue of new securities and sale of treasury shares

Transaction agreed before person became a related party

1A A transaction the terms of which:

- (1) were agreed at a time when no party to the transaction or person who was to receive the benefit of the transaction was a *related party*; and
- (2) have not been amended, or required the exercise of discretion by the *listed company* under those terms, since the party or person become a *related party*.

Issue of new securities and sale of treasury shares

2 A transaction that consists of:

- (1) the take up by a *related party* of new *securities* or *treasury shares* under its entitlement in a pre-emptive offering;
- (2) an issue of new *securities* made under the exercise of conversion or subscription rights attaching to a *listed class* of *securities*.

Employees' share schemes and long-term incentive schemes

3 The:

- (1) receipt of any asset (including cash or *securities* of the *listed company* or any of its *subsidiary undertakings*) by a *director* of the *listed company*, its *parent undertaking* or any of its *subsidiary undertakings*; or
- (2) grant of an option or other right to a *director* of the *listed company*, its *parent undertaking*, or any of its *subsidiary undertakings* to acquire (whether or not for consideration) any asset (including cash or new or existing *securities* of the *listed company* or any of its *subsidiary undertakings*); or
- (3) provision of a gift or loan to the trustees of an employee benefit trust to finance the provision of assets as referred to in (1) or (2);

in accordance with the terms of an *employees' share scheme* or a *long-term incentive scheme*.

Credit

4 A grant of credit (including the lending of money or the guaranteeing of a loan):

- (1) to the *related party* on normal commercial terms;

(2) to a *director* for an amount and on terms no more favourable than those offered to employees of the group generally; or

(3) by the *related party* on normal commercial terms and on an unsecured basis.

Directors' indemnities and loans

5 (1) A transaction that consists of:

(a) granting an indemnity to a *director* of the *listed company* (or any of its *subsidiary undertakings*) if the terms of the indemnity are in accordance with those specifically permitted to be given to a *director* under the Companies Act 2006;

(b) maintaining a contract of insurance if the insurance is in accordance with that specifically permitted to be maintained for a *director* under that the Companies Act 2006 (whether for a *director* of the *listed company* or for a *director* of any of its *subsidiary undertakings*); or

(c) a loan or assistance to a *director* by a *listed company* or any of its *subsidiary undertakings* if the terms of the loan or assistance are in accordance with those specifically permitted to be given to a *director* under section 204 or 205 of the Companies Act 2006.

(2) Paragraph (1) applies to a *listed company* that is not subject to the Companies Act 2006 if the terms of the indemnity or contract of insurance are in accordance with those that would be specifically permitted under that Act (if it applied).

Underwriting

6 (1) The underwriting by a *related party* of all or part of an issue of *securities* by the *listed company* (or any of its *subsidiary undertakings*) if the consideration to be paid by the *listed company* (or any of its *subsidiary undertakings*) for the underwriting:

(a) is no more than the usual commercial underwriting consideration; and

(b) is the same as that to be paid to the other underwriters (if any).

(2) Paragraph (1) does not apply to the extent that a *related party* is underwriting *securities* which it is entitled to take up under an issue of *securities*.

7 [deleted]

Joint investment arrangements

8 (1) An arrangement where a *listed company*, or any of its *subsidiary undertakings*, and a *related party* each invests in, or provides finance to, another undertaking or asset if the following conditions are satisfied:

(a) the amount invested, or provided, by the *related party* is not more than 25% of the amount invested, or provided, by the *listed company* or its *subsidiary undertaking* (as the case may be) and the *listed company* has advised the *FSA* in writing that this condition has been met; and

(b) an independent adviser acceptable to the *FSA* has provided a written opinion to the *FSA* stating that the terms and circumstances of the

investment or provision of finance by the *listed company* or its *subsidiary undertakings* (as the case may be) are no less favourable than those applying to the investment or provision of finance by the *related party*.

- (2) The advice in paragraph (1)(a) and the opinion in paragraph (1)(b) must be provided before the investment is made or the finance is provided.

Insignificant subsidiary undertaking

- 9 (1) A transaction or arrangement where each of the conditions in paragraphs (2) to (6) (as far as applicable) is satisfied.

- (2) The party to the transaction or arrangement is only a *related party* because:
- (a) it is (or was within the 12 months before the date of the transaction or arrangement) a *substantial shareholder* or its *associate*; or
 - (b) it is a *person* who is (or was within the 12 months before the date of the transaction or arrangement) a *director* or *shadow director* or his *associate*;

of a *subsidiary undertaking* or *subsidiary undertakings* of the *listed company* that has, or if there is more than one *subsidiary undertaking* that have in aggregate, contributed less than 10% of the profits of, and represented less than 10% of the assets of, the *listed company* for the relevant period.

- (3) The *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been in the *listed company's* group for 1 year or more.

- (4) In paragraph (2), "relevant period" means:

- (a) if the *subsidiary undertaking* or each of the *subsidiary undertakings* (as the case may be) have been part of the *listed company's* group for more than 1 year but less than 3 years, each of the financial years before the date of the transaction or arrangement for which accounts have been published; and
- (b) if the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) have been part of the *listed company's* group for 3 years or more, each of the 3 financial years before the date of the transaction or arrangement for which accounts have been published.

- (5) If the *subsidiary undertaking* or any of the *subsidiary undertakings* (as the case may be) are themselves party to the transaction or arrangement or if *securities* in the *subsidiary undertaking* or any of the *subsidiary undertakings* or their assets are the subject of the transaction or arrangement, then the ratio of consideration to market capitalisation of the *listed company* is less than 10%.

- (6) In this *rule*, the figures to be used to calculate profits, assets and consideration to market capitalisation are the same as those used to classify profits, assets and consideration to market capitalisation in LR 10 Annex 1 G (as modified or added to by LR 10.7 where applicable).

Chapter 12

Dealing in own securities and treasury shares: Premium listing

12.1 Application

Application

12.1.1 **R** This chapter applies to a *company* that has a *premium listing* of *equity shares*.

12.1.2 **R** This chapter contains *rules* applicable to a *listed company* that:

- (1) purchases its own *equity shares*; or
- (2) purchases its own *securities* other than *equity shares*; or
- (3) sells or transfers *treasury shares*; or
- (4) purchases or redeems its own *securities* during a *prohibited period*; or
- (5) purchases its own *securities* from a *related party*.

Exceptions

12.1.3 **R** ■ LR 12.2 to ■ LR 12.5 do not apply to a transaction entered into:

- (1) in the ordinary course of business by a securities dealing business; or
- (2) on behalf of third parties either by the *company* or any member of its *group*;

if the *listed company* has established and maintains effective *Chinese walls* between those responsible for any decision relating to the transaction and those in possession of *inside information* relating to the *listed company*.

12.2 Prohibition on purchase of own securities

12.2.1

R

A *listed company* must not purchase or redeem (or make any early redemptions of) its own *securities* and must ensure that no purchases in its *securities* are effected on its behalf or by any member of its *group* during a *prohibited period* unless:

- (1) the *company* has in place a buy-back programme where the dates and quantities of *securities* to be traded during the relevant period are fixed and have been disclosed in a notification made in accordance with ■ LR 12.4.4 R; or
- (2) the *company* has in place a buy-back programme managed by an independent third party which makes its trading decisions in relation to the *company's securities* independently of, and uninfluenced by, the *company*; or
- (3) the *company* is purchasing or redeeming *securities* other than *shares* or *securities* whose price or value would be likely to be significantly affected by the publication of the information giving rise to the *prohibited period*; or
- (4) the *company* is redeeming *securities* (other than *equity shares*) which, at the time of issue, set out:
 - (a) the date of redemption;
 - (b) the number of *securities* to be redeemed or the formula used to determine that number; and
 - (c) the redemption price or the formula used to determine the price.

12.3 Purchase from a related party

12.3.1

R

Where a purchase by a *listed company* of its own *equity securities* or *preference shares* is to be made from a *related party*, whether directly or through intermediaries, ■ LR 11 (Related party transactions) must be complied with unless:

- (1) a *tender offer* is made to all holders of the *class of securities*;
or
- (2) in the case of a market purchase pursuant to a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *listed company* and any *related party*.

12.4 Purchase of own equity shares

Purchases of less than 15%

- 12.4.1 **R** Unless a *tender offer* is made to all holders of the *class*, purchases by a *listed company* of less than 15% of any *class* of its *equity shares* (excluding *treasury shares*) pursuant to a general authority granted by shareholders, may only be made if the price to be paid is not more than the higher of:
- (1) 5% above the average market value of the *company's equity shares* for the 5 *business days* prior to the day the purchase is made; and
 - (2) that stipulated by Article 5(1) of the *Buy-back and Stabilisation Regulation*. [Note: This Article is reproduced at MAR 1 Ann 1]

Purchases of 15% or more

- 12.4.2 **R** Purchases by a *listed company* of 15% or more of any *class* of its *equity shares* (excluding *treasury shares*) must be by way of a *tender offer* to all shareholders of that *class*.

- 12.4.3 **G** Where a series of purchases are made pursuant to a general authority granted by shareholders, which in aggregate amount to 15% or more of the number of *equity shares* of the relevant *class* in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a *tender offer* need only be made in respect of any purchase that takes the aggregate to or above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

Notification prior to purchase

- 12.4.4 **R**
- (1) Any decision by the board to submit to shareholders a proposal for the *listed company* to be authorised to purchase its own *equity shares* must be notified to a *RIS* as soon as possible.
 - (2) A notification required by paragraph (1) must set out whether the proposal relates to:
 - (a) specific purchases and if so, the names of the *persons* from whom the purchases are to be made; or
 - (b) a general authorisation to make purchases.

- (3) The requirement set out in paragraph (1) does not apply to a decision by the board to submit to shareholders a proposal to renew an existing authority to purchase own *equity shares*.

12.4.5 **R** A *listed company* must notify a *RIS* as soon as possible of the outcome of the shareholders' meeting to decide the proposal described in ■ LR 12.4.4 R.

Notification of purchases

12.4.6 **R** Any purchase of a *listed company's* own *equity shares* by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* as soon as possible, and in any event by no later than 7:30 a.m. on the *business day* following the calendar *day* on which the purchase occurred. The notification must include:

- (1) the date of purchase;
- (2) the number of *equity shares* purchased;
- (3) the purchase price for each of the highest and lowest price paid, where relevant;
- (4) the number of *equity shares* purchased for cancellation and the number of *equity shares* purchased to be held as *treasury shares*; and
- (5) where *equity shares* were purchased to be held as *treasury shares*, a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*; and
 - (b) the number of *equity shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the purchase and non-cancellation of such *equity shares*.

Consent of other classes

12.4.7 **R** Unless ■ LR 12.4.8 R applies, a *company* with *listed securities* convertible into, or exchangeable for, or carrying a right to subscribe for *equity shares* of the *class* proposed to be purchased must (prior to entering into any agreement to purchase such *shares*):

- (1) convene a separate meeting of the holders of those *securities*; and
- (2) obtain their approval for the proposed purchase of *equity shares* by a special resolution.

12.4.8 **R** ■ LR 12.4.7 R does not apply if the trust deed or terms of issue of the relevant *securities* authorise the *listed company* to purchase its own *equity shares*.

12.4.9 **R** A *circular* convening a meeting required by ■ LR 12.4.7 R must include (in addition to the information in ■ LR 13 (Contents of circulars)):

- (1) a statement of the effect on the conversion expectations of holders in terms of attributable assets and earnings, on the basis that the *company* exercises the authority to purchase its *equity shares* in full at the maximum price allowed (where the price is to be determined by reference to a future market price the calculation must be made on the basis of market prices prevailing immediately prior to the publication of the *circular* and that basis must be disclosed); and
- (2) any adjustments to the rights of the holders which the *company* may propose (in such a case, the information required under paragraph (1) must be restated on the revised basis).

Other similar transactions

12.4.10 **G** A *listed company* intending to enter into a transaction that would have an effect on the *company* similar to that of a purchase of own *equity shares* should consult with the FSA to discuss the application of ■ LR 12.4.



12.5 Purchase of own securities other than equity shares

12.5.1 **R** Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant *securities*, where a *listed company* intends to purchase any of its *securities* convertible into its *equity shares* with a *premium listing* it must:

- (1) ensure that no dealings in the relevant *securities* are carried out by or on behalf of the *company* or any member of its *group* until the proposal has either been notified to a *RIS* or abandoned; and
- (2) notify a *RIS* of its decision to purchase.

Notification of purchases, early redemptions and cancellations

12.5.2 **R** Any purchases, early redemptions or cancellations of a *company's* own *securities* convertible into *equity shares* with a *premium listing*, by or on behalf of the *company* or any other member of its *group* must be notified to a *RIS* when an aggregate of 10% of the initial amount of the relevant *class* of *securities* has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that *class* acquired thereafter.

12.5.3 **R** The notification required by **■ LR 12.5.2 R** must be made as soon as possible and in any event no later than 7:30 a.m. on the *business day* following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:

- (1) the amount of *securities* acquired, redeemed or cancelled since the last notification; and
- (2) whether or not the *securities* are to be cancelled and the number of that *class* of *securities* that remain outstanding.

12.5.4 **R** [deleted]

Period between purchase and notification

12.5.5 **R** In circumstances where the purchase is not being made pursuant to a *tender offer* and the purchase causes a relevant threshold in **LR 12.5.2 R** to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with **LR 12.5.2 R** to **LR 12.5.4 R**.

Convertible securities

12.5.6 **R** [deleted]

Warrants and options

12.5.7 **R** Where, within a period of 12 months, a *listed company* purchases warrants or options over its own *equity shares* which, on exercise, convey the entitlement to *equity shares* representing 15% or more of the *company's* existing issued *shares* (excluding *treasury shares*), the *company* must send to its shareholders a *circular* containing the following information:

- (1) a statement of the *directors'* intentions regarding future purchases of the *company's* warrants and options;
- (2) the number and terms of the warrants or options acquired and to be acquired and the method of acquisition;
- (3) where warrants or options have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and
- (4) details of the prices to be paid.

12.6 Treasury shares

Prohibition on sales or transfers of treasury shares

- 12.6.1 **R** Subject to ■ LR 12.6.2 R, sales for cash, or transfers for the purposes of, or pursuant to, an *employees' share scheme*, of *treasury shares* must not be made during a *prohibited period*.

Exemptions

- 12.6.2 **R** ■ LR 12.6.1 R does not apply to the following sales or transfers by a *listed company of treasury shares*:

- (1) transfers of *treasury shares* in connection with the operation of an *employees' share scheme* where the transfer facilitates dealings that do not fall within the provisions of the *Model Code*; or
- (2) sales or transfers by the *company of treasury shares* (other than *equity shares*) of a class whose price or value would not be likely to be significantly affected by the publication of the information giving rise to the *prohibited period*.

Notification of capitalisation issues and of sales, transfers and cancellations of treasury shares

- 12.6.3 **R** If by virtue of its holding *treasury shares*, a *listed company* is allotted *shares* as part of a capitalisation issue, the *company* must notify a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar *day* on which allotment occurred of the following information:

- (1) the date of the allotment;
- (2) the number of *shares* allotted;
- (3) a statement as to what number of *shares* allotted have been cancelled and what number is being held as *treasury shares*; and

- (4) where *shares* allotted are being held as *treasury shares*, a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the allotment; and
 - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the allotment.

12.6.4

R

Any sale for cash, transfer for the purposes of or pursuant to an *employees' share scheme* or cancellation of *treasury shares* by a *listed company* must be notified to a *RIS* as soon as possible and in any event by no later than 7:30 a.m. on the *business day* following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

- (1) the date of the sale, transfer or cancellation;
- (2) the number of *shares* sold, transferred or cancelled;
- (3) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and
- (4) a statement of:
 - (a) the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation; and
 - (b) the number of *shares* of each *class* that the *company* has in issue less the total number of *treasury shares* of each *class* held by the *company* following the sale, transfer or cancellation.

Chapter 13

Contents of circulars: Premium listing



13.1 Preliminary

Application

13.1.1 **R** This chapter applies to a *company* that has a *premium listing* .

Listed company to ensure circulars comply with chapter

13.1.2 **R** A *listed company* must ensure that *circulars* it issues to holders of its *listed equity shares* comply with the requirements of this chapter.

Incorporation by reference

13.1.3 **R** Information may be incorporated in a *circular* by reference to relevant information contained in:

- (1) a *prospectus* or *listing particulars*; or
- (2) any other published *document* that has been filed with the *FSA*.

13.1.4 **R** Information incorporated by reference must be the latest available to the *listed company*.

13.1.5 **R** Information required by ■ LR 13.3.1 R (1) ■ (2) must not be incorporated in the *circular* by reference to information contained in another document.

13.1.6 **R** When information is incorporated by reference, a cross reference list must be provided in the *circular* to enable *security* holders to identify easily specific items of information. The cross reference list must specify where the information can be accessed by *security* holders.



13.2 Approval of circulars

Circulars to be approved

- 13.2.1 **R** A *listed company* must not circulate or publish a *circular* unless it has been approved by the *FSA*.

Circulars not requiring approval

- 13.2.2 **R** A *circular* does not need to be approved under **■ LR 13.2.1 R** if:
- (1) it is of a type referred to in **■ LR 13.8** or only relates to a proposed change of name or, in any other case, the *FSA* has agreed that it does not need to be approved;
 - (2) it complies with **■ LR 13.3** and also, if it is a circular referred to in **■ LR 13.8**, any relevant requirements in that section; and
 - (3) neither it, nor the transaction or matter to which it relates, has unusual features.

When circulars about purchase of own equity shares need approval

- 13.2.3 **R**
- (1) A *circular* relating to a resolution to give a *listed company* authority to purchase its own *equity shares* must be approved by the *FSA* under **■ LR 13.2.1 R** if:
 - (a) the purchase by the *company* of its own *equity shares* is to be made from a *related party* (whether directly or through intermediaries); or
 - (b) the exercise in full of the authority sought would result in the purchase of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*).
 - (2) A *circular* referred to in paragraph (1)(a) does not need to be approved if:
 - (a) a tender is made to all holders of the *class of securities* on the same terms; or

- (b) for a market purchase under a general authority granted by shareholders, it is made without prior understanding, arrangement or agreement between the *company* and any *related party*.

Approval procedures

13.2.4 **R** The following documents (to the extent applicable) must be lodged with the *FSA* in final form before it will approve a *circular*:

- (1) a Sponsors Declaration for the Production of a Circular completed by the *sponsor*;
- (2) for a *class 1 circular* or *related party circular*, a letter setting out any items of information required by this chapter that are not applicable in that particular case;
- (3) the *sponsor's* Conflicts Declaration ; and
- (4) any other document that the *FSA* has sought in advance from the *listed company* or its *sponsor*.

13.2.5 **R** Two copies of the following documents in draft form must be submitted at least 10 clear *business days* before the date on which it is intended to publish the *circular*:

- (1) the *circular*; and
- (2) the letters and documents referred to in **■ LR 13.2.4 R (1)** and **■ (2)**.

13.2.6 **R** The *sponsor's* Conflicts Declaration in final form must be submitted at least 10 clear *business days* before the date on which it is intended to publish the *circular*.

13.2.7 **R** If a *circular* submitted for approval is amended, two copies of amended drafts must be resubmitted, marked to show changes made to conform with *FSA* comments and to indicate other changes.

Approval of circulars

13.2.8 **G** The *FSA* will approve a *circular* if it is satisfied that the requirements of this chapter are satisfied.

13.2.9 **G** The *FSA* will only approve a *circular* between 9a.m. and 5.30p.m. on a *business day* (unless alternative arrangements are made in advance).

Note: LR 9.6.1 R requires a *company* to forward to the *FSA* two copies of all *circulars* issued (whether or not they require approval) for publication on the *document viewing facility*.



13.3 Contents of all circulars

Contents of all circulars

13.3.1

R

Every *circular* sent by a *listed company* to holders of its *listed securities* must:

- (1) provide a clear and adequate explanation of its subject matter giving due prominence to its essential characteristics, benefits and risks;
- (2) state why the *security* holder is being asked to vote or, if no vote is required, why the *circular* is being sent;
- (3) if voting or other action is required, contain all information necessary to allow the *security* holders to make a properly informed decision;
- (4) if voting or other action is required, contain a heading drawing attention to the document's importance and advising *security* holders who are in any doubt as to what action to take to consult appropriate independent advisers;
- (5) if voting is required, contain a recommendation from the Board as to the voting action *security* holders should take for all resolutions proposed, indicating whether or not the proposal described in the *circular* is, in the Board's opinion, in the best interests of *security* holders as a whole;
- (6) state that if all the *securities* have been sold or transferred by the addressee the *circular* and any other relevant documents should be passed to the *person* through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- (7) if new *securities* are being issued in substitution for existing *securities*, explain what will happen to existing documents of title;
- (8) not include any reference to a specific date on which listed *securities* will be marked "ex" any benefit or entitlement which has not been

agreed in advance with the *RIE* on which the *company's securities* are or are to be traded;

- (9) if it relates to a transaction in connection with which *securities* are proposed to be *listed*, include a statement that application has been or will be made for the *securities* to be *admitted* and, if known, a statement of the following matters:
 - (a) the dates on which the *securities* are expected to be *admitted* and on which dealings are expected to commence;
 - (b) how the new *securities* rank for dividend or interest;
 - (c) whether the new *securities* rank equally with any existing *listed securities*;
 - (d) the nature of the document of title;
 - (e) the proposed date of issue;
 - (f) the treatment of any fractions;
 - (g) whether or not the *security* may be held in uncertificated form; and
 - (h) the names of the *RIEs* on which *securities* are to be traded;
- (10) if a *person* is named in the *circular* as having advised the *listed company* or its *directors*, a statement that the adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included; and
- (11) if the *circular* relates to cancelling *listing*, state whether it is the *company's* intention to apply to cancel the *securities' listing*.

13.3.2 **R** If another *rule* provides that a *circular* of a particular type must include specified information, then that information is (unless the contrary intention appears) in addition to the information required under this section.

Pro forma financial information in certain circulars.....

13.3.3 **R** If a *listed company* includes pro forma financial information in a *class 1 circular*, a *related party circular* or a *circular* relating to the purchase by the *company* of 25% or more its issued *equity shares* (excluding *treasury shares*), it must comply with the requirements for pro forma financial information set out in the *PD Regulation*.



13.4 Class 1 circulars

Class 1 circulars

13.4.1

R

A *class 1 circular* must also include the following information:

- (1) the information given in the notification (see ■ LR 10.4.1R);
- (2) the information required by ■ LR 13 Annex 1R R;
- (3) the information required by ■ LR 13.5 (if applicable); and
- (4) a declaration by its *directors* in the following form (with appropriate modifications):

"The directors of [the company], whose names appear on page [], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.";

- (5) a statement of the effect of the acquisition or disposal on the *group's* earnings and assets and liabilities; and
- (6) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement to the effect that the statement or report is included, in the form and context in which it is included, with the *person's* consent.

13.4.1A

G

The information necessary under ■ LR 13.3.1 R (3) includes all the material terms of the *class 1 transaction* including the consideration.

13.4.2

R

If a *class 1 circular* contains a modified accountant's report, as described in ■ LR 13.5.25 R, the *class 1 circular* must set out:

- (1) whether the modification is significant to shareholders;
- (2) if the modification is significant to shareholders, the reason for its significance; and
- (3) a statement from the *directors* explaining why they are able to recommend the proposal set out in the *class 1 circular* notwithstanding the modified accountant's report.

Takeover offers

13.4.3

R

- (1) If a *class 1 circular* relates to a takeover offer which is recommended by the offeree's board and the *listed company* has had access to due diligence information on the offeree at the time the *class 1 circular* is published, the *listed company* must prepare and publish the working capital statement on the basis that the acquisition has taken place.
- (2) If a *class 1 circular* relates to a takeover offer which has not been recommended by the offeree's board or the *listed company* has not had access to due diligence information on the offeree at the time the *class 1 circular* is published, then the *listed company* must comply with paragraphs (3) to (6).
- (3) The *listed company* must prepare and publish the working capital statement on the *listed company* on the basis that the acquisition has not taken place. The working capital statement prepared on the basis that the acquisition has taken place must be updated and published and sent to shareholders within 28 days of the offer becoming or being declared wholly unconditional. The *circular* must state that the statements on a combined basis will be made available as soon as possible.
- (4) Other information on the offeree required by ■ LR 13 Annex 1R R should be disclosed in the *class 1 circular* on the basis of information published or made available by the offeree and of which the *listed company* is aware and is free to disclose.
- (5) If the takeover offer becomes unconditional, any change or addition to the information disclosed which is material in relation to the *listed company*, should be disclosed in a *circular* published (in the absence of exceptional circumstances) within 28 days after the offer becoming or being declared wholly unconditional.
- (6) If the takeover offer has been recommended but the *listed company* does not have access to due diligence information on

the offeree, the *listed company* must disclose in the *class 1 circular* why access has not been given to that information.

Acquisition or disposal of property

13.4.4

R

If a *class 1 transaction* relates to:

- (1) the acquisition or disposal of *property*; or
- (2) the acquisition of a *property company* that is not *listed*;

the *class 1 circular* must include a *property valuation report*.

13.4.5

R

If a *listed company* makes significant reference to the value of a *property* in a *class 1 circular*, the *class 1 circular* must include a *property valuation report*.

Acquisition or disposal of mineral resources

13.4.6

R

If a *class 1 transaction* relates to an acquisition or disposal of *mineral resources* the *class 1 circular* must include:

- (1) a *mineral expert's report*; and
- (2) a glossary of the technical terms used in the *mineral expert's report*.

13.4.7

G

For a disposal, the *FSA* may modify the information requirements in **LR 13.4.6 R** if the information would not provide significant additional information.

Acquisition of a scientific research based company or related assets

13.4.8

R

If a *class 1 transaction* relates to the acquisition of a *scientific research based company* or related assets, the *class 1 circular* must contain an explanation of the transaction's impact on the acquirer's business plan and the information set out in Section 1c of Part III (Scientific research based companies) of the *CESR recommendations*.



13.5 Financial information in Class 1 Circulars

When financial information must be included in a class 1 circular

13.5.1

R

Financial information, as set out in this section, must be included by a *listed company* in a *class 1 circular* if:

- (1) the *listed company* is seeking to acquire an interest in a *target* which will result in a consolidation of the *target's* assets and liabilities with those of the *listed company*; or
- (2) the *listed company* is seeking to dispose of an interest in a *target* which will result in the assets and liabilities no longer being consolidated; or
- (3) the *target* ("A") has itself acquired a *target* ("B") and:
 - (a) A acquired B within the three year reporting period set out in ■ LR 13.5.13 R (1) or after the date of the last published accounts; and
 - (b) the acquisition of B, at the date of its acquisition by A, would have been classified as a *class 1 acquisition* in relation to the *listed company* at the date of acquisition of A by the *listed company*.

13.5.2

G

A *listed company* that is entering into a *class 1 transaction* which does not fall within ■ LR 13.5.1 R must include in a *class 1 circular* such financial information as the FSA may specify.

13.5.3

G

■ LR 13.5.1 R will not normally apply to a *property company* making an acquisition or disposal of *property*.

Form of accounting information

13.5.4

R

- (1) A *listed company* must present all financial information that is disclosed in a *class 1 circular* in a form that is consistent with the accounting policies adopted in its own latest annual consolidated accounts.

(2) The requirement set out in paragraph (1) does not apply to financial information presented in accordance with ■ LR 13.5.36 R.

13.5.5 **G** Accounting policies include accounting standards and accounting disclosures.

Source of information

13.5.6 **R** A *listed company* must cite the source of all financial information that it discloses in a *class 1 circular*.

13.5.7 **G** In complying with ■ LR 13.5.6 R a *listed company* should:

- (1) state whether the financial information was extracted from accounts, internal financial accounting records, internal management accounting records, an external or other source;
- (2) state whether financial information that was extracted from audited accounts was extracted without material adjustment; and
- (3) indicate which aspects of the financial information relate to:
 - (a) historical financial information;
 - (b) forecast or estimated financial information; or
 - (c) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*;
 with reference made to where the basis of presentation can be found.

13.5.8 **R** If financial information has not been extracted directly from audited accounts, the *class 1 circular* must:

- (1) set out the basis and assumptions on which the financial information has been prepared; and
- (2) include a statement that the financial information is unaudited or not reported on by an accountant.

13.5.9 **R** A *listed company* must provide investors with all necessary information to understand the context and relevance of non-statutory figures, including a reconciliation to statutory equivalents.

Prominence of information

13.5.10 **R** A *listed company* must give audited historical financial information greater prominence in a *class 1 circular* than any forecast, estimated, pro forma or non-statutory financial information.

Summary of financial information

13.5.11 **R** A *listed company* that provides a summary of financial information in a *class 1 circular* must include in the *circular* a statement that investors

should read the whole document and not rely solely on the summarised financial information.

Financial information table

13.5.12 **R** A *listed company* that is required by ■ LR 13.5.1 R to produce financial information in a *class 1 circular* must include in the *circular* a *financial information table*.

Financial information table: reporting period

13.5.13 **R** A *financial information table* must cover one of the following reporting periods:

- (1) a period of three years up to the end of the latest financial period for which the *target* or its parent has prepared audited accounts;
- (2) a lesser period than the period set out in paragraph (1) if the *target's* business has been in existence for less than three years; or
- (3) for a *class 1 disposal*, the period set out in ■ LR 13.5.19 R.

Financial information table: class 1 acquisitions

13.5.14 **R** A *listed company* must include, in a *financial information table*, financial information that covers:

- (1) the *target*; and
- (2) the *target's subsidiary undertakings*, if any.

13.5.15 **R** A *listed company* must include in a separate *financial information table*, financial information that covers those *undertakings* which are to become the *target's subsidiary undertakings*, if applicable.

13.5.16 **R** (1) This rule applies if a *listed company* is seeking to acquire an interest in a *target* ("A") that has itself acquired a *target* ("B") and:

- (a) A acquired B within the three year reporting period set out in ■ LR 13.5.13 R (1) or after the date of the last published accounts; and
- (b) the acquisition of B, at the date of its acquisition by A, would have been classified as a *class 1 acquisition* in relation to the *listed company* at the date of acquisition of A by the *listed company*.

(2) A *listed company* must include in a *financial information table* pre-acquisition financial information on B that covers the period

from the commencement of the three year reporting period set out in ■ LR 13.5.13 R (1) up to the date of acquisition by A.

13.5.17

G

If the *target* made a series of acquisitions that:

- (1) are not caught individually by ■ LR 13.5.16 R; and
- (2) were made during or subsequent to the reporting period set out in ■ LR 13.5.13 R (1) or ■ (2);

the *FSA* may require additional financial information about those acquisitions to be included in the *financial information table*.

13.5.18

R

A *listed company* must ensure that a *financial information table* includes, for each of the periods covered by the table:

- (1) a balance sheet and its explanatory notes;
- (2) an income statement and its explanatory notes;
- (3) a cash flow statement and its explanatory notes;
- (4) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;
- (5) the accounting policies; and
- (6) any additional explanatory notes.

Financial information table: class 1 disposal

13.5.19

R

(1) In the case of a *class 1 disposal* a *financial information table* must include, for the *target*:

- (a) the last audited consolidated balance sheet; and
- (b) the audited consolidated income statements for the last three years;

if audited accounts have been prepared for the *target*.

(2) If audited accounts have not been prepared for the *target*, the information required by paragraph (1) must be extracted from the consolidation schedules that underlie the *listed company's* audited consolidated accounts. The income statements must be drawn up to at least the level of profit or loss for the period.

(3) If the *target* has not been owned by the *listed company* for the entire reporting period set out in paragraph (1)(b), the information

required by paragraph (1) may be extracted from the *target's* accounting records.

13.5.20 **G** If a dispensation of ■ LR 13.5.19 R has been granted because it is not possible to provide a meaningful allocation of costs, such as interest and tax, the *class 1 circular* should contain a statement to this effect.

Financial information table: accountant's opinion.....

13.5.21 **R** A *financial information table* must be accompanied by an accountant's opinion unless ■ LR 13.5.27 R, ■ LR 13.5.28 R or ■ LR 13.5.29 G applies.

13.5.22 **R** An accountant's opinion must set out:

- (1) whether, for the purposes of the *class 1 circular*, the *financial information table* gives a true and fair view of the financial matters set out in it; and
- (2) whether the *financial information table* has been prepared in a form that is consistent with the accounting policies adopted in the *listed company's* latest annual accounts.

13.5.23 **R** An accountant's opinion must be given by an independent accountant who is qualified to act as an auditor.

13.5.24 **G** An accountant will be independent if he or she complies with the standards and guidelines on independence issued by its national accountancy and auditing bodies.

13.5.25 **R** If an accountant's report, which contains the accountant's opinion required by ■ LR 13.5.21 R, is modified details of all material matters must be set out in the *class 1 circular*, including:

- (1) all the reasons for the modification; and
- (2) a quantification of the effects, if both relevant and practicable.

13.5.26 **R** If the accounts of a *target* that falls within ■ LR 13.5.14 R to ■ LR 13.5.16 R contain a *modified auditor's report*, details of the material matters giving rise to the modification must be set out in the *class 1 circular*.

Accountant's opinion: acquisitions of publicly traded companies.....

13.5.27 **R**

- (1) This *rule* applies if the *target* is:
 - (a) *admitted to trading*; or
 - (b) a *company* whose *securities* are listed on an *overseas investment exchange* or admitted to trading on an *overseas regulated market*;

and a material adjustment needs to be made to the *target's* financial statements to achieve consistency with the *listed company's* accounting policies.

- (2) A *listed company* must include the following in the *class 1 circular*:
- (a) a reconciliation of financial information on the *target*, for all periods covered by the *financial information table*, on the basis of the *listed company's* accounting policies;
 - (b) an accountant's opinion that sets out:
 - (i) whether the reconciliation of financial information in the *financial information table* has been properly compiled on the basis stated; and
 - (ii) whether the adjustments are appropriate for the purpose of presenting the financial information (as adjusted) on a basis consistent in all material respects with the *listed company's* accounting policies.

When an accountant's opinion is not required

13.5.28

R

An accountant's opinion is not required if the *target* is:

- (1) *admitted to trading*; or
- (2) a *company* whose *securities* are listed on an *overseas investment exchange* or admitted to trading on an *overseas regulated market*;

and no material adjustment needs to be made to the *target's* financial statements to achieve consistency with the *listed company's* accounting policies.

13.5.29

G

In the case of a *class 1 disposal* a *listed company* is not required to include an accountant's opinion with the *financial information table*.

Half-yearly and quarterly financial information

13.5.30

R

If the *target* of an acquisition has published half-yearly or quarterly financial information subsequent to the period set out in ■ LR 13.5.13 R (1) or ■ (2), such financial information must be:

- (1) reproduced in the *class 1 circular*; and
- (2) reconciled in accordance with ■ LR 13.5.27 R (2), if applicable.

Pro forma financial information

13.5.31

G

■ LR 13.3.3 R sets out requirements for pro forma information in a *class 1 circular*.

Profit forecasts and profit estimates

- 13.5.32 **R** If a *listed company* includes a *profit forecast* or a *profit estimate* in a *class 1 circular* it must:
- (1) comply with the requirements for a *profit forecast* or *profit estimate* set out in Annex 1 of the *PD Regulation* except that a *listed company* does not need to include a report on the forecast or estimate from an accountant in the *class 1 circular*; and
 - (2) include a statement confirming that the *profit forecast* or *profit estimate* has been properly compiled on the basis of assumptions stated and that the basis of accounting is consistent with the accounting policies of the *listed company*.

- 13.5.33 **R** If, prior to the *class 1 transaction*, a *profit forecast* or *profit estimate* was published that:

- (1) relates to the *listed company*, a significant part of the *listed company group*, or the *target*; and
- (2) is still outstanding;

the *listed company* must include that *profit forecast* or *profit estimate* in the *class 1 circular* or include an explanation of why the *profit forecast* or *profit estimate* is no longer valid.

- 13.5.34 **G** A *listed company* should consider **■** LR 9.2.18 R regarding information that must be published after a *class 1 transaction*.

- 13.5.35 **G** **■** LR 13.5.32 R and **■** LR 13.5.33 R do not apply to class 1 disposals.

Subsequent publication of unaudited financial information

- 13.5.36 **R**
- (1) A *listed company* that publishes unaudited financial information in a *class 1 circular* must:
 - (a) reproduce that financial information in its next annual report and accounts;
 - (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (a); and
 - (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (b) and those reproduced under paragraph (a).
 - (2) Paragraph (1) does not apply to:

- (a) pro forma financial information prepared in accordance with Annex 1 and Annex 2 of the *PD Regulation*; or
- (b) any preliminary statements of annual results or half-yearly or quarterly reports that are reproduced in the *class 1 circular*; or
- (c) any additional analysis of financial information that is set out in a *financial information table*.



13.6 Related party circulars

Related party circulars

13.6.1

R

A *related party circular* must also include:

- (1) in all cases the following information referred to in the *PD Regulations* relating to the *company*:

Paragraph of Annex 1 of the *PD Regulations*;

- (a) Annex 1 item 5.1.1 - Issuer name;
- (b) Annex 1 item 5.1.4 - Issuer address;
- (c) Annex 1 item 18.1 - Major shareholders;
- (d) Annex 1 item 20.9 - Significant changes;
- (e) Annex 1 item 22 - Material contracts (if it is information which shareholders of the *company* would reasonably require to make a properly informed assessment of how to vote);
- (f) Annex 1 item 24 - Documents on display;

- (2) for a transaction or arrangement where the *related party* is (or was within the 12 months before the transaction or arrangement), a *director* or *shadow director*, or an *associate* of a *director* or *shadow director*, of the *company* (or of any other *company* which is its *subsidiary undertaking* or *parent undertaking* or a fellow *subsidiary undertaking*) the following information referred to in the *PD Regulations* relating to that *director*:

Paragraph of Annex 1 of the *PD Regulations*:

- (a) Annex 1 item 16.2 - Service contracts;
- (b) Annex 1 item 17.2 - Directors' interests in shares;
- (c) Annex 1 item 19 - Related party transactions;

- (3) full particulars of the transaction or arrangement, including the name of the *related party* concerned and of the nature and extent of the interest of the party in the transaction or arrangement and also a statement that the reason the *security* holder is being asked to vote on the transaction or arrangement is because it is with a *related party*;
- (4) for an acquisition or disposal of an asset where any *percentage ratio* is 25% or more and for which appropriate financial information is not available, an independent valuation;
- (5) a statement by the board that the transaction or arrangement is fair and reasonable as far as the *security* holders of the *company* are concerned and that the *directors* have been so advised by an independent adviser acceptable to the *FSA*;
- (6) if applicable, a statement that the *related party* will not vote on the relevant resolution, and that the *related party* has undertaken to take all reasonable steps to ensure that its *associates* will not vote on the relevant resolution, at the meeting;
- (7) for a transaction where any *percentage ratio* is 25% or more, the information required to be included in a *class 1 circular*;
- (8) if ■ LR 11.1.11 R (Aggregation of transactions) applies, details of each of the transactions or arrangements being aggregated; and
- (9) if a statement or report attributed to a *person* as an expert is included in a *circular* (other than a statement or report incorporated by reference from a *prospectus* or *listing particulars*), a statement that it is included, in the form and context in which it is included, with the consent of that *person*.

13.6.2 **R** For the purposes of the statement by the board referred to in ■ LR 13.6.1 R (5):

- (1) any *director* who is, or an *associate* of whom is, the *related party*, or who is a *director* of the *related party* should not have taken part in the board's consideration of the matter; and
- (2) the statement should specify that such persons have not taken part in the board's consideration of the matter.

13.6.3 **G** For the purpose of advising the *directors* under ■ LR 13.6.1 R (5), an independent adviser may take into account but not rely on commercial assessments of the *directors*.

Pro forma financial information

13.6.4 **G** ■ LR 13.3.3 R sets out requirements for pro forma information in *related party circulars*.



13.7 Circulars about purchase of own equity shares

Purchase of own equity shares

13.7.1

R

- (1) A *circular* relating to a resolution proposing to give the *company* authority to purchase its own *equity securities* must also include:
 - (a) if the authority sought is a general one, a statement of the *directors'* intentions about using the authority;
 - (b) if known, the method by which the *company* intends to acquire its *equity shares* and the number to be acquired in that way;
 - (c) a statement of whether the *company* intends to cancel the *equity shares* or hold them in treasury;
 - (d) if the authority sought related to a proposal to purchase from specific parties, a statement of the names of the persons from whom *equity shares* are to be acquired together with all material terms of the proposal;
 - (e) details about the price, or the maximum and minimum price, to be paid; and
 - (f) the total number of warrants and options to subscribe for *equity shares* that are outstanding at the latest practicable date before the *circular* is published and both the proportion of issued share capital (excluding *treasury shares*) that they represent at that time and will represent if the full authority to buyback *shares* (existing and being sought) is used.

- (2) If the exercise in full of the authority sought would result in the purchase of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*) the *circular* must also include the following information referred to in the *PD Regulation* :
 - (a) Annex 1 item 4 - Risk factors;
 - (b) Annex 1 item 12 - Trend information;
 - (c) Annex 1 item 17.2 - Director's interests in shares;
 - (d) Annex 1 item 18.1 - Major interests in shares;

- (e) Annex 1 item 20.9 - Significant changes;
- (f) Annex 3 item 3.1 - Working capital (this must be based on the assumption that the authority sought will be used in full at the maximum price allowed and this assumption must be stated). This information is not required to be included in a *circular* issued by a *closed-ended investment fund*.

Pro forma financial information

13.7.2

G

■ LR 13.3.3 R sets out requirements for pro forma information in a *circular* relating to the purchase by the *company* of 25% or more of the *company's* issued *equity shares* (excluding *treasury shares*).



13.8 Other circulars

Authority to allot shares

13.8.1

R

A *circular* relating to a resolution proposing to grant the *directors'* authority to allot shares or other securities pursuant to section 551 (Power of directors to allot shares etc: authorisation by company) of the Companies Act 2006 must include:

- (1) a statement of the maximum amount of shares or other securities which the *directors* will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (2) a statement of the number of *treasury shares* held by the *company* as at the date of the *circular* and the percentage which that amount represents of the total ordinary share capital in issue (excluding *treasury shares*) as at the latest practicable date before publication of the *circular*;
- (3) a statement by the *directors* as to whether they have any present intention of exercising the authority, and if so for what purpose; and
- (4) a statement as to when the authority will lapse.

Disapplying pre-emption rights

13.8.2

R

A *circular* relating to a resolution proposing to disapply the statutory pre-emption rights under section 561 of the Companies Act 2006 (Existing shareholders' right of pre-emption) must include:

- (1) a statement of the maximum amount of *equity securities* which the disapplication will cover; and
- (2) if there is a general disapplication for *equity securities* for cash made otherwise than to existing shareholders in proportion to their existing holdings, the percentage which the amount generally disappplied represents of the total *equity* share capital

in issue as at the latest practicable date before publication of the *circular*.

Increase in authorised share capital

13.8.3

R

A *circular* relating to a resolution proposing to increase the *company's* authorised share capital must include:

- (1) a statement of the proposed percentage increase in the authorised share capital of the relevant class; and
- (2) a statement of the reason for the increase.

Reduction of capital

13.8.4

R

A *circular* relating to a resolution proposing to reduce the *company's* capital must include a statement of the reasons for, and the effects of, the proposal.

Capitalisation or bonus issue

13.8.5

R

- (1) A *circular* relating to a resolution proposing a capitalisation or bonus issue must include:
 - (a) the reason for the issue;
 - (b) a statement of the last date on which transfers were or will be accepted for registration to participate in the issue;
 - (c) details of the proportional entitlement; and
 - (d) a description of the nature and amount of reserves which are to be capitalised.
- (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend alternative

13.8.6

R

- (1) A *circular* containing an offer to shareholders of the right to elect to receive *shares* instead of all or part of a cash dividend must include:
 - (a) a statement of the total number of *shares* that would be issued if all eligible shareholders were to elect to receive *shares* for their entire shareholdings, and the percentage which that number represents of the *equity shares* (excluding *treasury shares*) in issue at the date of the *circular*;
 - (b) in a prominent position, details of the equivalent cash dividend foregone to obtain each *share* or the basis of the calculation of the number of *shares* to be offered instead of cash;

- (c) a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received;
 - (d) a statement of the date for ascertaining the *share* price used as a basis for calculating the allocation of *shares*;
 - (e) details of the proportional entitlement;
 - (f) details of what is to happen to fractional entitlements;
 - (g) the record date; and
 - (h) a form of election relating to the scrip dividend alternative which:
 - (i) is worded so as to ensure that shareholders must elect positively in order to receive shares instead of cash; and
 - (ii) includes a statement that the right is non-transferable.
- (2) Any timetable set out in the *circular* must have been approved by the *RIE* on which the *company's equity securities* are traded.

Scrip dividend mandate schemes/dividend reinvestment plans

13.8.7

R

- (1) A *circular* relating to any proposal where shareholders are entitled to complete a mandate in order to receive *shares* instead of future cash dividends must include:
- (a) the information in ■ LR 13.8.6 R (1)(d) and ■ (f);
 - (b) the basis of the calculation of the number of *shares* to be offered instead of cash;
 - (c) a statement of last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;
 - (d) details of when adjustment to the number of *shares* subject to the mandate will take place;
 - (e) details of when cancellation of a mandate instruction will take place;
 - (f) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
 - (g) the procedure for notifying shareholders of the details of each scrip dividend; and
 - (h) a statement of the circumstances, if known, under which the *directors* may decide not to offer a scrip alternative in respect of any dividend.

- (2) The timetable in the *circular* for each scrip alternative covered by a scrip dividend mandate plan must have been approved by the *RIE* on which the *company's equity shares* are traded.

Notices of meetings

13.8.8

R

- (1) When holders of *listed equity shares* are sent a notice of meeting which includes any business, other than ordinary business at an annual general meeting, an explanatory *circular* must accompany the notice. If the other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the *directors' report*.
- (2) A *circular* or other document convening an annual general meeting at which only ordinary business is to be conducted and, if applicable, any other matter covered by this section is to be considered or proposed, need not be submitted to the *FSA* for prior approval if, for the other matter to be considered or proposed, the *circular* or other document complies with the relevant provisions of this section.
- (3) A *circular* or other document convening an annual general meeting where only ordinary business is proposed does not need to comply with ■ LR 13.3.1 R (4), ■ (5) and ■ (6).

13.8.9

G

A *circular* or other document convening an annual general meeting where special business is proposed will need to comply with all of ■ LR 13.3.1 R (including paragraphs (4), (5) and (6) in respect of special business).

Amendments to constitution

13.8.10

R

A *circular* to shareholders about proposed amendments to the *constitution* must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
- (a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FSA* may determine; and
- (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

13.8.11

R

Employees' share scheme etc

A *circular* to shareholders about the approval of an *employee's share scheme* or *long-term incentive scheme* must:

- (1) include either the full text of the scheme or a description of its principal terms;
- (2) include, if *directors* of the *listed company* are trustees of the scheme, or have a direct or indirect interest in the trustees, details of the trusteeship or interest;
- (3) state that the provisions (if any) relating to:
 - (a) the persons to whom, or for whom, *securities*, cash or other benefits are provided under the scheme (the "participants");
 - (b) limitations on the number or amount of the *securities*, cash or other benefits subject to the scheme;
 - (c) the maximum entitlement for any one participant; and
 - (d) the basis for determining a participant's entitlement to, and the terms of, *securities*, cash or other benefit to be provided and for the adjustment thereof (if any) if there is a capitalisation issue, *rights issue* or *open offer*, sub-division or consolidation of *shares* or reduction of capital or any other variation of capital;

cannot be altered to the advantage of participants without the prior approval of shareholders in general meeting (except for minor amendments to benefit the administration of the scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the scheme or for the *company* operating the scheme or for members of its group);
- (4) state whether benefits under the scheme will be pensionable and, if so, the reasons for this; and
- (5) if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
 - (a) from the date of sending the *circular* until the close of the relevant general meeting at a place in or near the City of London or such other place the *FSA* may determine; and
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

13.8.12 **R** The resolution contained in the notice of meeting accompanying the *circular* must refer either to:

- (1) the scheme itself (if circulated to shareholders); or
- (2) the summary of its principal terms included in the *circular*.

13.8.13 **R** The resolution approving the adoption of an *employees' share scheme* or *long-term incentive scheme* may authorise the *directors* to establish further schemes based on any scheme which has previously been approved by shareholders but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any *shares* made available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

Amendments to employees' share scheme etc

13.8.14 **R** A *circular* to shareholders about proposed amendments to an *employees' share scheme* or a *long-term incentive scheme* must include:

- (1) an explanation of the effect of the proposed amendments; and
- (2) the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection.

Discounted option arrangements

13.8.15 **R** If shareholders' approval is required by ■ LR 9.4.4 R, the *circular* to shareholders must include the following information:

- (1) details of the persons to whom the *options, warrants* or rights are to be granted; and
- (2) a summary of the principal terms of the *options, warrants* or rights.

Reminders of conversion rights

13.8.16 **R** (1) A *circular* to holders of *listed securities* convertible into *shares* reminding them of the times when conversion rights are exercisable must include:

- (a) the date of the last day for lodging conversion forms and the date of the expected sending of the certificates;
- (b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;
- (c) the basis of conversion in the form of a table setting out capital and income comparisons;

- (d) a brief explanation of the tax implications of conversion for holders resident for tax purposes in the *United Kingdom*;
 - (e) if there is a trustee, or other representative, of the *securities* holders to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;
 - (f) reference to future opportunities to convert and whether the terms of conversion will be the same as or will differ from those available at present, or, if there are no such opportunities, disclosure of that fact;
 - (g) reference to letters of indemnity, for example, if certificates have been lost;
 - (h) if power exists to allot *shares* issued on conversion to another person, reference to forms of nomination; and
 - (i) a statement as to whether holders exercising their rights of conversion will retain the next interest payment due on the *securities*.
- (2) The *circular* must not contain specific advice as to whether or not to convert the *securities*.

Class 1 circulars

The following table identifies (by reference to certain paragraphs of Annex 1 and Annex 3 of the *PD Regulations*) the additional information required to be included in a *class 1 circular* relating to the *listed company* and the undertaking the subject of the transaction.

Information	Listed Company	Undertaking the subject of the transaction
Annex 1 item 4 - Risk factors	*	*
Annex 1 item 5.1.1 - Company name	*	
Annex 1 item 5.1.4 - Company address	*	
Annex 1 item 12 - Trend information	*	*
Annex 1 item 16.2 - Service contracts	*	
Annex 1 item 17.2 - Director's interests in shares	*	
Annex 1 item 18.1 - Major interests in shares	*	
Annex 1 item 19 - Related party transactions	*	
Annex 1 item 20.8 - Litigation	*	*
Annex 1 item 20.9 - Significant changes	*	*
Annex 1 item 22 - Material contracts	*	*
Annex 1 item 24 - Documents on display	*	
Annex 3 item 3.1 - Working capital	*	*

LR 13 Annex 1.1

1 The information required by this Annex must be presented as follows:

- (1) the information required by Annex 1 item 22 (material contracts), Annex 1 item 20.8 (litigation) and Annex 1 item 20.9 (significant change)
 - (a) for an acquisition, in separate statements for the *listed company* and its *subsidiary undertakings* and for the undertaking, business or assets to be acquired; or
 - (b) for a disposal, in separate statements for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place), and for the undertaking, business or assets to be disposed of;
- (2) the information required by Annex 3 item 3.1 (working capital) and, if relevant Annex 1 item 12 (trend information):

- (a) in the case of an acquisition, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the acquisition has taken place); or
- (b) in the case of a disposal, in a single statement for the *listed company* and its *subsidiary undertakings* (on the basis that the disposal has taken place).

2 In determining what information is required to be included by virtue of Annex 1 item 22 (material contracts) if a *prospectus* or *listing particulars* are not required, regard should be had to whether information about that provision is information which *securities* holders of the *issuer* would reasonably require for the purpose of making a properly informed assessment about the way in which to exercise the voting rights attached to their *securities* or the way in which to take any other action required of them related to the subject matter of the *circular*.

3 The information required by this Annex is modified as follows:

- (1) if the *listed company* is issuing *shares* for which *listing* is sought, the information regarding major interests in *shares* (Annex 1 item 18.1) and *directors'* interests in *shares* (Annex 1 item 17.2) must be given for the share capital both as existing and as enlarged by the *shares* for which *listing* is sought;
- (2) information required by Annex 1 item 19 (related party transactions) and Annex 1 item 16.2 (directors' service contracts) does not need to be given if it has already been published before the circular is sent; and
- (3) information referred to in Annex 3 item 3.1 (Working capital) is not required to be included in a *class 1 circular* published by a *closed-ended investment fund*.

Chapter 14

Standard listing (shares)



14.1 Application

14.1.1

R

This chapter applies to a *company* with, or applying for, a *standard listing of equity shares* other than :

- (1) *equity shares* issued by a *company* that is an *investment entity* unless it has a *premium listing* of a class of its *equity shares*; and
- (2) *preference shares* that are *specialist securities*.

14.2 Requirements for listing

14.2.1 **R** An *applicant* which is applying for *standard listing (shares)* must comply with all of **LR 2 (Requirements for listing: All securities)**.

Shares in public hands

- 14.2.2 **R**
- (1) If an application is made for the *admission* of a *class* of *shares*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.
 - (2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states.
 - (3) For the purposes of paragraph (1), a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands.
 - (4) For the purposes of paragraphs (1), (2) and (3), *shares* are not held in public hands if they are held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*;
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*;
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*;
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant class.

- (5) For the purposes of paragraph (3), *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[Note: Article 48 CARD]

- 14.2.3 **G** The FSA may modify ■ LR 14.2.2 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public. For that purpose, the FSA may take into account *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 CARD]

Shares of a non-EEA company

- 14.2.4 **R** The FSA will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the FSA is satisfied that the absence of the listing is not due to the need to protect investors. [Note: Article 51 CARD]

Listing applications

- 14.2.5 **G** A *company* applying for a *standard listing* of *equity shares* will need to comply with ■ LR 3 (Listing applications: All securities).

- 14.2.6 **R** [deleted]

14.3 Continuing obligations

Admission to trading

- 14.3.1 **R** Other than in regard to *securities* to which ■ LR 4 applies, the *listed equity securities* of a *company* must be admitted to trading on a *regulated market* for *listed securities* operated by a *RIE* .

Shares in public hands

- 14.3.2 **R** (1) A *company* must comply with ■ LR 14.2.2 R at all times.
- (2) A *company* that no longer complies with ■ LR 14.2.2 R must notify the *FSA* as soon as possible of its non-compliance.

- 14.3.3 **G** A *company* should consider ■ LR 5.2.2G (2) in relation to its compliance with ■ LR 14.2.2 R.

Further issues

- 14.3.4 **R** Where *shares* of the same *class* as *shares* that are *listed* are allotted, an application for *admission to listing* of such *shares* must be made as soon as possible and in any event within one year of the allotment. [Note: Article 64 *CARD*]

- 14.3.5 **R** [deleted]

Copies of documents

- 14.3.6 **R** A *company* must forward to the *FSA*, for publication through the *document viewing facility*, two copies of:
- (1) all *circulars*, notices, reports or other documents to which the *listing rules* apply, at the same time as any such documents are issued; and
 - (2) all resolutions passed by the *company* other than resolutions concerning ordinary business at an annual general meeting, as soon as possible after the relevant general meeting.

- 14.3.7 **R** (1) A *company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FSA* under ■ LR 14.3.6 R unless the full text of the document is provided to the *RIS*.
- (2) A notification made under (1) must set out where copies of the relevant document can be obtained.

Contact details

- 14.3.8 **R** A *company* must ensure that the *FSA* is provided with up to date contact details of appropriate *persons* nominated by it to act as the first point of contact with the *FSA* in relation to the *company's* compliance with the *listing rules* and the *disclosure rules* and *transparency rules*, as applicable.

Temporary documents of title (including renounceable documents)

- 14.3.9 **R** A *company* must ensure that any temporary document of title (other than one issued in global form) for a *share*:
- (1) is serially numbered;
 - (2) states where applicable:
 - (a) the name and address of the first holder and names of joint holders (if any);
 - (b) the pro rata entitlement;
 - (c) the last date on which transfers were or will be accepted for registration for participation in the issue;
 - (d) how the *shares* rank for dividend or interest;
 - (e) the nature of the document of title and proposed date of issue;
 - (f) how fractions (if any) are to be treated; and
 - (g) for a *rights issue*, the time, being not less than 10 *business days*, in which the offer may be accepted, and how *shares* not taken up will be dealt with; and
 - (3) if renounceable:
 - (a) states in a heading that the document is of value and negotiable;
 - (b) advises holders of *shares* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
 - (c) states that where all of the *shares* have been sold by the addressee (other than ex rights or ex capitalisation), the

document should be passed to the person through whom the sale was effected for transmission to the purchaser;

- (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
- (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
- (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
- (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

Definitive documents of title

14.3.10

R

A *company* must ensure that any definitive document of title for a *share* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of (5) and (7)):

- (1) the authority under which the *company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *shares* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *share* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *share* is transferable;
- (5) the date of the certificate;
- (6) for a fixed income *security*, the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion; and
- (7) for *shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.

Disclosure and Transparency Rules

14.3.11 **G** A *company* whose *shares* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under the *disclosure rules* and *transparency rules*.

14.3.12 **R** [deleted]

14.3.13 **G** [deleted]

14.3.14 **R** [deleted]

Registrar

14.3.15 **R** (1) This *rule* applies to an *overseas company* for whom the *United Kingdom* is a host Member State for the purposes of the *Transparency Directive*.

(2) An *overseas company* must appoint a registrar in the *United Kingdom* if:

(a) there are 200 or more holders resident in the *United Kingdom*; or

(b) 10% of more of the *shares* are held by *persons* resident in the *United Kingdom*.

14.3.15A **G** An *overseas company* for whom the *United Kingdom* is the home Member State for the purposes of the *Transparency Directive* should see ■ LR 14.3.22 G and ■ LR 14.3.23 R.

14.3.16 **G** [deleted]

Notifications relating to capital

14.3.17 **R** A *company* must notify a *RIS* as soon as possible (unless otherwise indicated in this *rule*) of the following information relating to its capital:

(1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;

(2) [deleted]

(3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that *class* outstanding following the redemption;

(4) [deleted]

- (5) any extension of time granted for the currency of temporary documents of title;
- (6) [deleted]
- (7) the results of any new issue of *listed equity securities* or of a public offering of existing *shares* or other *equity securities*.

14.3.18 **R** Where the *shares* are subject to an underwriting agreement a *company* may, at its discretion and subject to ■ DTR 2 (Disclosure and control of inside information by issuers) delay notifying a *RIS* as required by ■ LR 14.3.17 R (7) for up to two *business days* until the obligation by the underwriter to take or procure others to take *shares* is finally determined or lapses. In the case of an issue or offer of *shares* which is not underwritten, notification of the result must be made as soon as it is known.

14.3.19 **R** [deleted]

14.3.20 **R** [deleted]

14.3.21 **R** [deleted]

Compliance with the transparency rules

14.3.22 **G** A *company*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

14.3.23 **R** A *listed company* that is not already required to comply with the *transparency rules* (or with corresponding requirements imposed by another *EEA Member State*) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.

14.3.24 **R** A *listed company* that is not already required to comply with ■ DTR 7.2 (Corporate governance statements), or with corresponding requirements imposed by another *EEA State*, must comply with ■ DTR 7.2 as if it were an *issuer* to which that section applies.



14.4 [Deleted]

Chapter 15

Closed-Ended Investment Funds: Premium listing



15.1 Application

15.1.1 **R** This chapter applies to a *closed-ended investment fund* applying for, or with, a *premium listing*.

15.1.2 [Deleted]



15.2 Requirements for listing

- 15.2.1 **R** To be *listed*, an *applicant* must comply with:
- (1) ■ LR 2 (Requirements for listing);
 - (2) the following provisions of ■ LR 6 (Additional requirements for premium listing (commercial company));
 - (a) ■ LR 6.1.3 R (1)(d) and ■ (e), if the *applicant* is a *new applicant* for the *admission* of *equity shares* and it has published or filed audited accounts;
 - (b) ■ LR 6.1.3 R (2);
 - (c) ■ LR 6.1.16 R to ■ LR 6.1.24 G; and
 - (3) ■ LR 15.2.2 R to ■ LR 15.2.13A R.

Shares of a non-EEA company

- 15.2.1A **R** The *FSA* will not admit *shares* of a *company* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FSA* is satisfied that the absence of the listing is not due to the need to protect investors.

[Note: Article 51 CARD]

Investment activity

- 15.2.2 **R** An *applicant* must invest and manage its assets in a way which is consistent with its object of spreading investment risk.

- 15.2.3 **G** [deleted]

- 15.2.3A **R** (1) An *applicant* and its *subsidiary undertakings* must not conduct any trading activity which is significant in the context of its *group* as a whole.

- (2) This rule does not prevent the businesses forming part of the investment portfolio of the *applicant* from conducting trading activities themselves.

15.2.4 **R** [deleted]

15.2.4A **G** Although there is no restriction on an *applicant* taking a controlling stake in an investee company, to ensure a spread of investment risk an *applicant* should avoid:

- (1) cross-financing between the businesses forming part of its investment portfolio including, for example, through the provision of undertakings or security for borrowings by such businesses for the benefit of another; and
- (2) the operation of common treasury functions as between the *applicant* and investee companies.

Cross-holdings

15.2.5 **R** (1) No more than 10%, in aggregate, of the value of the total assets of an *applicant* at admission may be invested in other listed *closed-ended investment funds*.

- (2) The restriction in (1) does not apply to investments in *closed-ended investment funds* which themselves have published investment policies to invest no more than 15% of their total assets in other listed *closed-ended investment funds*.

Feeder funds

15.2.6 **R** (1) If an *applicant* principally invests its funds in another *company* or fund that invests in a portfolio of *investments* (a "master fund"), the *applicant* must ensure that:

- (a) the master fund's investment policies are consistent with the *applicant's* published investment policy and provide for spreading investment risk; and
- (b) the master fund in fact invests and manages its investments in a way that is consistent with the *applicant's* published investment policy and spreads investment risk.

- (2) Paragraph (1) applies whether the *applicant* invests its funds in the master fund directly or indirectly through other intermediaries.

- (3) Where the *applicant* invests in the master fund through a chain of intermediaries between the applicant and the master fund, the *applicant* must ensure that each intermediary in the chain complies with paragraphs (1)(a) and (b).

Investment policy

- 15.2.7 **R** An *applicant* must have a published investment policy that contains information about the policies which the *closed-ended investment fund* will follow relating to asset allocation, risk diversification, and gearing, and that includes maximum exposures.
- 15.2.8 **G** The information in the investment policy, including quantitative information concerning the exposures mentioned in **LR 15.2.7 R**, should be sufficiently precise and clear as to enable an investor to:
- (1) assess the investment opportunity;
 - (2) identify how the objective of risk spreading is to be achieved; and
 - (3) assess the significance of any proposed change of investment policy.

15.2.9 **R** [deleted]

15.2.10 **G** [deleted]

Independence

- 15.2.11 **R** The board of *directors* or equivalent body of the *applicant* must be able to act independently:
- (1) of any *investment manager* appointed to manage *investments* of the *applicant*; and
 - (2) if the *applicant* (either directly or through other intermediaries) has an investment policy of principally investing its funds in another *company* or fund that invests in a portfolio of investments ("a master fund"), of the master fund and of any *investment manager* of the master fund.
- 15.2.11A **R** **LR 15.2.11 R (2)** does not apply if the *company* or fund which invests its funds in another *company* or fund is a *subsidiary undertaking* of the *applicant*.
- 15.2.12 **G** [deleted]
- 15.2.12A **R** For the purposes of **LR 15.2.11 R**, a majority of the board or equivalent body of the *applicant* (including the Chairman) must not be:
- (1) *directors, employees, partners, officers or professional advisers* of or to:
 - (a) an *investment manager* of the *applicant*; or

- (b) a master fund or *investment manager* referred to in ■ LR 15.2.11 R (2); or
 - (c) any other *company* in the same *group* as the *investment manager* of the *applicant*; or
- (2) *directors, employees* or professional advisers of or to other investment *companies* or funds that are:
- (a) managed by the same *investment manager* as the *investment manager* to the *applicant*: or
 - (b) managed by any other *company* in the same *group* as the *investment manager* to the *applicant*.

15.2.13 G [deleted]

15.2.13A R A *person* referred to in ■ LR 15.2.12A R (1) or ■ (2) who is a *director* of the *applicant* must be subject to annual re-election by the *applicant's* shareholders.

15.2.14 [Deleted]

15.2.15 [Deleted]

15.2.16 [Deleted]

15.2.17 [Deleted]

15.2.18 [Deleted]



15.3 Listing applications and procedures

15.3.1 **G** An *applicant* is required to comply with ■ LR 3 (Listing applications).

Sponsors

15.3.2 **G** An *applicant* that is seeking admission of its *equity shares* is required to retain a *sponsor* in accordance with ■ LR 8 (Sponsors).

15.3.3 **R** In addition to the circumstances set out in ■ LR 8.2.1 R when a *sponsor* must be appointed, an *applicant* must appoint a *sponsor* on each occasion that it makes an application for *admission of equity shares* which requires the production of *listing particulars*.

Multi-class fund or umbrella fund

15.3.4 **R** An application for the *listing of securities* of a multi-class fund or umbrella fund must provide details of the various classes or designations of *securities* intended to be issued by the *applicant*.

15.3.5 [Deleted]

15.3.6 [Deleted]

15.3.7 [Deleted]

15.3.8 [Deleted]

15.3.9 [Deleted]

15.3.10 [Deleted]



15.4 Continuing obligations

Compliance with LR 9

- 15.4.1 **R** *A closed-ended investment fund* must comply with all of the requirements of **LR 9** (Continuing obligations) subject to the modifications and additional requirements set out in this section.

Investment policy

- 15.4.1A **R** *A closed-ended investment fund* must, at all times, have a published investment policy which complies with **LR 15.2.7 R**.

- 15.4.1B **G** *A closed-ended investment fund* should have regard to the guidance in **LR 15.2.8 G** at all times.

Investment activity and compliance with investment policy

- 15.4.2 **R** *A closed-ended investment fund* must, at all times, invest and manage its assets:

- (1) in a way which is consistent with its object of spreading investment risk; and
- (2) in accordance with its published investment policy.

- 15.4.3 **G** [deleted]

- 15.4.3A **R** *A closed-ended investment fund* must comply with **LR 15.2.3A R** at all times.

- 15.4.4 **R** [deleted]

- 15.4.4A **G** *A closed-ended investment fund* should have regard to the guidance in **LR 15.2.4A G** at all times.

Cross-holdings

- 15.4.5 **R** A *closed-ended investment fund* must, when making an acquisition of a constituent investment, observe the principles relating to cross-holdings in ■ LR 15.2.5 R.

Feeder funds

- 15.4.6 **R** If a *closed-ended investment fund* principally invests its funds in the manner set out in ■ LR 15.2.6 R, the *closed-ended investment fund* must ensure that ■ LR 15.2.6 R is complied with at all times.

- 15.4.6A **G** ■ LR 15.2.6 R and ■ LR 15.4.6 R are not intended to require the *closed-ended investment fund* to be able to control or direct the master fund or intermediary (as the case may be). But if the *closed-ended investment fund* becomes aware that the master fund or intermediary (as the case may be) is not investing or managing its investments in accordance with that rule it will need to immediately consider withdrawal of its funds from the master fund or intermediary (as the case may be) or other appropriate action so that it is no longer in breach of the *rules*.

Independence

- 15.4.7 **R** ■ LR 15.2.11 R to ■ LR 15.2.13A R apply at all times to a *closed-ended investment fund*.

Shareholder approval for material changes to investment policy

- 15.4.8 **R** A *closed-ended investment fund* must obtain the prior approval of its shareholders to any material change to its published investment policy.
- 15.4.9 **G** In considering what is a material change to the published investment policy, the *closed-ended investment fund* should have regard to the cumulative effect of all the changes since its shareholders last had the opportunity to vote on the investment policy or, if they have never voted, since the *admission to listing*.

Conversion of an existing listed class of equity shares

- 15.4.10 **R** An existing *listed class* of *equity shares* may not be converted into a new *class* or an *unlisted class* unless prior approval has been given by the shareholders of that existing *class*.

Further issues

- 15.4.11 **R**
- (1) Unless authorised by its shareholders, a *closed-ended investment fund* may not issue further *shares* of the same class as existing *shares* (including issues of *treasury shares*) for cash at a price below the net asset value per *share* of those *shares* unless they are first offered pro rata to existing holders of *shares* of that class.
 - (2) When calculating the net asset value per *share*, *treasury shares* held by the *closed-ended investment fund* should not be taken into account.

Cancellation of premium listing

15.4.11A G A *closed-ended investment fund* must comply with ■ LR 5.2.7A R

15.4.12 [Deleted]

15.4.13 [Deleted]

15.4.14 [Deleted]

15.4.15 [Deleted]

15.4.16 [Deleted]

15.4.17 [Deleted]

15.4.18 [Deleted]

15.4.19 [Deleted]

15.4.20 [Deleted]

15.4.21 [Deleted]

15.4.22 [Deleted]

15.4.23 [Deleted]

15.4.24 [Deleted]

15.4.25 [Deleted]

15.5 Transactions

Compliance with the Model Code

15.5.1

R

- (1) *A closed-ended investment fund must comply with the provisions of the Model Code.*
- (2) ■ LR 9.2.7 R to ■ LR 9.2.10 R do not apply to a *closed-ended investment fund*.
- (3) Paragraph (1) does not apply to:
 - (a) *dealings by persons discharging managerial responsibilities in the closed-ended investment fund;*
 - (b) *purchases by the closed-ended investment fund of its own securities; and*
 - (c) *sales of treasury shares for cash or transfers (except for sales and transfers by the closed-ended investment fund of treasury shares in the circumstances set out in ■ LR 12.6.2 R);*

if the *closed-ended investment fund* satisfies the requirements of (4).
- (4) The transactions described in (3) may be entered into during a *close period* if:
 - (a) *the closed-ended investment fund is satisfied that all inside information which the directors and the entity may have in periods leading up to an announcement of results has previously been notified to a RIS; and*
 - (b) *the closed-ended investment fund notifies a RIS that it is satisfied that all inside information has previously been notified.*

Significant transactions

15.5.2

R

A closed-ended investment fund must comply with ■ LR 10 (Significant transactions), except in relation to transactions that are executed in accordance with the scope of its published investment policy.

Transactions with related parties

15.5.3 **G** ■ LR 11 (Related party transactions) applies to a *closed-ended investment fund*.

15.5.4 **R** In addition to the definition in ■ LR 11.1.4 R a *related party* includes any *investment manager* of the *closed-ended investment fund*.

Additional exemption from related party requirements

15.5.5 **R** (1) ■ LR 11.1.7 R to ■ LR 11.1.11 R do not apply to an arrangement between a *closed-ended investment fund* and its *investment manager* where the arrangement is such that each invests in or provides finance to an entity or asset and the investment or provision of finance is either:

- (a) made at the same time and on substantially the same economic and financial terms; or
- (b) referred to in the *closed-ended investment fund's* published investment policy; or
- (c) made in accordance with a pre-existing agreement between the *closed-ended investment fund* and its *investment manager*.

(2) For the purposes of paragraph (1)(c), a pre-existing agreement is an agreement which was entered into at the time the *investment manager* was appointed.

- 15.5.6 [Deleted]
- 15.5.7 [Deleted]
- 15.5.8 [Deleted]
- 15.5.9 [Deleted]
- 15.5.10 [Deleted]
- 15.5.11 [Deleted]
- 15.5.12 [Deleted]
- 15.5.13 [Deleted]
- 15.5.14 [Deleted]
- 15.5.15 [Deleted]
- 15.5.16 [Deleted]
- 15.5.17 [Deleted]
- 15.5.18 [Deleted]
- 15.5.19 [Deleted]
- 15.5.20 [Deleted]
- 15.5.21 [Deleted]
- 15.5.22 [Deleted]
- 15.5.23 [Deleted]



15.6 Notifications and periodic financial information

Changes to tax status

15.6.1 **R** A *closed-ended investment fund* must notify any change in its taxation status to a *RIS* as soon as possible.

Annual financial report

15.6.2 **R** In addition to the requirements in ■ LR 9.8 (Annual financial report), a *closed-ended investment fund* must include in its annual financial report:

- (1) a statement (including a quantitative analysis) explaining how it has invested its assets with a view to spreading investment risk in accordance with its published investment policy;
- (2) a statement, set out in a prominent position, as to whether in the opinion of the *directors*, the continuing appointment of the *investment manager* on the terms agreed is in the interests of its shareholders as a whole, together with a statement of the reasons for this view;
- (3) the names of the fund's *investment managers* and a summary of the principal contents of any agreements between the *closed-ended investment fund* and each of the *investment managers*, including but not limited to:
 - (a) an indication of the terms and duration of their appointment;
 - (b) the basis for their remuneration; and
 - (c) any arrangements relating to the termination of their appointment, including compensation payable in the event of termination;
- (4) [deleted]
- (5) the full text of its current published investment policy; and
- (6) a comprehensive and meaningful analysis of its portfolio.

Annual financial report additional requirements for property investment entities

15.6.3 **R** A *closed-ended investment fund* that, as at the end of its financial year, has invested more than 20% of its assets in *property* must include in its annual financial report a summary of the valuation of its portfolio, carried out in accordance with ■ LR 15.6.4 R.

15.6.4 **R** A valuation required by ■ LR 15.6.3 R must:

- (1) either:
 - (a) be made in accordance with the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or
 - (b) where the valuation does not comply in all applicable respects with the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors, include a statement which sets out a full explanation of such non-compliance; and
- (2) be carried out by an external valuer as defined in the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors.

15.6.5 **R** The summary described in ■ LR 15.6.3 R must include:

- (1) the total value of *properties* held at the year end;
- (2) totals of the cost of *properties* acquired;
- (3) the net book value of *properties* disposed of during the year; and
- (4) an indication of the geographical location and type of *properties* held at the year end.

Statement regarding compliance with Combined Code

15.6.6 **R**

- (1) This *rule* applies to a *closed-ended investment fund* that has no executive *directors*.
- (2) A *closed-ended investment fund's* statement required by ■ LR 9.8.6 R (6) need not include details about the following principles and provisions of the *Combined Code* except to the extent that those principles or provisions relate specifically to non-executive *directors*:
 - (a) Principle B.1 (including Code Provisions B.1.1 to B.1.6); and

(b) Principle B.2 (including Code Provisions B.2.1 to B.2.4).

Annual financial and half yearly report

15.6.7

R

In addition to the requirements in ■ LR 9 (Continuing obligations), half-yearly reports and, if applicable, preliminary statements of annual results must include information showing the split between:

- (1) dividend and interest received; and
- (2) other forms of income (including income of associated companies).

Notification of cross-holdings

15.6.8

R

A closed-ended investment fund must notify to a RIS within five business days of the end of each quarter a list of all investments in other listed closed-ended investment funds, as at the last business day of that quarter, which themselves do not have stated investment policies to invest no more than 15% of their total assets in other listed closed-ended investment funds.

15.6.9

[Deleted]

15.6.10

[Deleted]

15.6.11

[Deleted]

 **15.7** **[Deleted]**

Chapter 16

Open-ended investment companies: Premium listing

16.1 Application

- 16.1.1 **R** This chapter applies to an *open-ended investment company* applying for, or with, a *premium listing* which is:
- (1) an *ICVC* that has been granted an *authorisation order* by the *FSA*; or
 - (2) an *overseas collective investment scheme* that is a *recognised scheme*.



16.2 Requirements and eligibility for listing

16.2.1

R

To be *listed*, an *applicant* must comply with:

- (1) ■ LR 2 (Requirements for listing); and
- (2) only ■ LR 6.1.22 R to ■ LR 6.1.24 G of ■ LR 6 (Additional requirements for premium listing commercial company).

16.2.2

[Deleted]

16.2.3

[Deleted]

16.2.4

[Deleted]

16.2.5

[Deleted]

16.2.6

[Deleted]

16.2.7

[Deleted]

16.2.8

[Deleted]

16.2.9

[Deleted]

16.2.10

[Deleted]



16.3 Listing applications

16.3.1 **G** An *applicant* for admission is required to comply with ■ LR 3 (Listing applications).

16.3.2 **G** The *FSA* will admit to *listing* such number of *securities* as the *applicant* may request for the purpose of future issues. At the time of issue the *securities* will be designated to the relevant *class*.

Sponsors

16.3.3 **G** An *applicant* that is seeking *admission* of its *equity shares* must retain a *sponsor* in accordance with ■ LR 8 (Sponsors).

16.3.4 **R** In addition to the circumstances set out in ■ LR 8.2.1 R when a *sponsor* must be appointed, an *applicant* must appoint a *sponsor* when it makes an application for *admission* of *equity shares* which requires the production of *listing particulars*.

16.3.5 **G** [deleted]

Multi-class fund or umbrella fund

16.3.6 **R** An *applicant* which is a multi-class or umbrella fund which seeks to create a new *class* of *security* without increasing its share capital for which *listing* has previously been granted, must provide the *FSA* with the details of the new *class* and no further application for *listing* is required.

16.3.7 [Deleted]



16.4 Requirements with continuing application

- 16.4.1 **R** An *open-ended investment company* must comply with:
 - (1) ■ LR 9 (Continuing obligations) except ■ LR 9.2.6B R and ■ LR 9.2.15 R ;
 - (2) ■ LR 15.5.1 R;
 - (3) ■ LR 15.6.1 R; and
 - (4) the condition set out in ■ LR 16.1.1 R (1) or (2).

- 16.4.2 **R** ■ LR 15.6.6 R applies to an *open-ended investment company* if it has no executive *directors*.

- 16.4.3 **R** The interests of a single *person* or entity which exceeds 10% of the issued *shares* (calculated exclusive of *treasury shares*) of any *class* of *share* in the capital of the *open-ended investment company* must, so far as they are known to it, be notified to a *RIS* as soon as possible following the *open-ended investment company* becoming aware of those interests.

- 16.4.4 **R** ■ LR 10 (Significant transactions) and ■ LR 12 (Dealing in own securities and treasury shares) do not apply to an *open-ended investment company*.

- Cancellation of premium listing**.....
- 16.4.5 **R** An *open-ended investment company* must comply with ■ LR 5.2.7A R

- 16.4.6 [Deleted]

Chapter 17

Debt and debt-like securities: Standard listing

17.1 Application

- 17.1.1** **R** This chapter applies to
- (1) an *issuer* of any of the following types of *securities*:
 - (a) *debt securities*;
 - (b) *asset-backed securities*;
 - (c) *certificates representing debt securities*;
 - (d) *specialist securities* of the following types:
 - (i) *convertible securities* which convert to *debt securities*;
 - (ii) *convertible securities* which convert to *equity securities*;
 - (iii) *convertible securities* which are exchangeable for *securities* of another *company*; and
 - (iv) *preference shares*
- 17.1.2** **G** An *issuer*, as described in ■ LR 17.1.1 R includes:
- (1) a *state monopoly*;
 - (2) a *state finance organisation*;
 - (3) a statutory body; and
 - (4) an *OECD state guaranteed issuer*.
- 17.1.3** **G** A state, a regional or local authority or a *public international body* with *listed debt securities* should see ■ LR 17.5 for its continuing obligations



17.2 Requirements for listing and listing applications

Requirements for listing

17.2.1

G

An *issuer* to whom this chapter applies will need to comply with ■ LR 2 (Requirements for listing - all securities).

Listing Applications

17.2.2

G

An *issuer* to whom this chapter applies will need to comply with ■ LR 3 (Listing applications).

17.3 Requirements with continuing application

Copies of documents

- 17.3.1 **R**
- (1) An *issuer* must forward to the FSA, for publication through the *document viewing facility*, two copies of any document required by ■ LR 17.3 or ■ LR 17.4 at the same time the document is issued.
 - (2) An *issuer* must notify a RIS as soon as possible when a document has been forwarded to the FSA under paragraph (1) unless the full text of the document is provided to the RIS.
 - (3) A notification made under paragraph (2) must set out where copies of the relevant document can be obtained.

Admission to trading

- 17.3.2 **R**
- (1) An *issuer's securities* must be admitted to trading on a RIE's market for *listed securities* at all times.
 - (2) An *issuer* must inform the FSA in writing without delay if it has:
 - (a) requested a RIE to admit or re-admit any of its *listed securities* to trading; or
 - (b) requested a RIE to cancel or suspend trading of any of its *listed securities*; or
 - (c) been informed by a RIE that the trading of any of its *listed securities* will be cancelled or suspended.

17.3.3 **R** [deleted]

Annual accounts

17.3.3A **R** ■ LR 17.3.4 R to ■ LR 17.3.6 G apply to an *issuer* that is not already required to comply with ■ DTR 4.

17.3.4 **R**

- (1) An *issuer* must publish its annual report and annual accounts as soon as possible after they have been approved.

- (2) An *issuer* must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
- (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and
 - (b) have been independently audited and reported on, in accordance with:
 - (i) the auditing standards applicable in an *EEA State*; or
 - (ii) an equivalent auditing standard.

17.3.5

G

- (1) If an *issuer* prepares both own and consolidated annual accounts it may publish either form provided that the unpublished accounts do not contain any significant additional information.
- (2) If the annual accounts do not give a true and fair view of the assets and liabilities, financial position and profits or losses of the *issuer* or *group*, additional information must be provided to the satisfaction of the *FSA*.
- (3) An *issuer* incorporated or established in a *non-EEA State* which is not required to draw up its accounts so as to give a true and fair view but is required to draw them up to an equivalent standard, may draw up its accounts to this equivalent standard.

17.3.6

G

An *issuer* that meets the following criteria is not required to comply with ■ LR 17.3.4 R:

- (1) The *issuer* is an *issuer of asset backed securities* and would if it were a debt *issuer* to which ■ DTR 4 applied be relieved of the obligations to draw up and publish annual, half yearly financial reports and interim management statements in accordance with ■ DTR 4.4.2 R provided the *issuer* is not otherwise required to comply with any other requirement for the publication of annual reports and accounts.
- (2) (a) the *issuer*:
 - (i) is a wholly owned subsidiary of a *listed company*;
 - (ii) issues *listed securities* that are unconditionally and irrevocably guaranteed by the *issuer's listed holding company* or equivalent arrangements are in place;
 - (iii) is included in the consolidated accounts of its *listed holding company*; and
 - (iv) is not required to comply with any other requirement for the preparation of annual report and accounts; and

(b) non publication of the *issuer's* accounts would not be likely to mislead the public with regard to facts and circumstances that are essential for assessing the *securities*.

17.3.7 **R** [deleted]

Disclosure Rules and Transparency Rules

17.3.8 **G** An *issuer*, whose *securities* are admitted to trading on a *regulated market* in the *United Kingdom*, should consider its obligations under **■ DTR 2** (Disclosure and control of inside information by issuers).

17.3.9 **R** An *issuer* that is not already required to comply with **■ DTR 2** must comply with **■ DTR 2** as if it were an *issuer* for the purposes of the *disclosure rules and transparency rules*.

17.3.9A **G** An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under **■ DTR 4** (Periodic financial reporting), **■ DTR 5** (Vote holder and issuer notification rules) and **■ DTR 6** (Access to information).

17.3.9B **R** An *issuer* that is not already required to comply with the *transparency rules* must comply with **■ DTR 6.3** as if it were an *issuer* for the purposes of the *transparency rules*.

Amendments to trust deeds

17.3.10 **R** An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* about proposed amendments to a *trust deed* includes:

- (1) an explanation of the effect of the proposed amendments; and
- (2) either the full terms of the proposed amendments, or a statement that they will be available for inspection:
 - (a) from the date the *circular* is sent until the close of the relevant general meeting at a place in or near the City of London or such other place as the *FSA* may determine; and
 - (b) at the place of the general meeting for at least 15 minutes before and during the meeting.

17.3.11 [Deleted]

Early redemptions

17.3.12 **R** (1) An *issuer* must ensure that any *circular* it issues to holders of its *listed securities* relating to a resolution proposing to redeem *listed securities* before their due date for redemption includes:

- (a) an explanation of the reasons for the early redemption;

- (b) a statement of the market values for the *securities* on the first dealing day in each of the six months before the date of the *circular* and on the latest practicable date before sending the *circular*;
 - (c) a statement of any interests of any *director* in the *securities*;
 - (d) if there is a trustee, or other representative, of the holders of the *securities* to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the *circular* or stated that it has no objection to the resolution being put to a meeting of the *securities* holders;
 - (e) the timetable for redemption; and
 - (f) an explanation of the procedure to be followed by the *securities* holders.
- (2) The *circular* must not contain specific advice about whether or not to accept the proposal for redemption.
 - (3) The timetable for redemption in the *circular* must have been approved by the *RIE* on which the *listed securities* are traded.

Documents of title

17.3.13

R

An *issuer* must ensure that any definitive document of title for a *security* (other than a bearer *security*) includes the following matters on its face (or on the reverse in the case of paragraph (5)):

- (1) the authority under which the *issuer* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);
- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable; and
- (5) [deleted]
- (6) the interest payable and the interest payment dates and on the reverse (with reference shown on the face) an easily legible summary of the rights as to redemption or repayment and (where applicable) conversion.



17.4 [deleted]

17.4.1 **R** [deleted]

17.4.2 **R** [deleted]

17.4.3 **R** [deleted]

17.4.4 **G** [deleted]

17.4.5 **R** [deleted]

17.4.6 **R** [deleted]

17.4.7 **R** In the case of *debt securities* guaranteed by another *company*, an *issuer* must submit to the *FSA* the annual report and accounts of the *company* that is providing the guarantee unless that *company* is *listed* or adequate information is otherwise available.

17.4.8 **R** In the case of *convertible securities* which are exchangeable for *securities* of another *company*, an *issuer* must submit to the *FSA* the annual report and accounts of that other *company* unless that *company* is *listed* or adequate information is otherwise available.

Disclosure: asset-backed securities

17.4.9 **R** Where an *issuer* proposes to issue further *debt securities* that are:

- (1) backed by the same assets; and
- (2) not fungible with existing classes of *debt securities*; or
- (3) not subordinated to existing classes of *debt securities*;

the *issuer* must inform the holders of the existing classes of *debt securities*.

**17.5 Requirements for states, regional and local
authorities and public international bodies**

17.5.1 **R** This chapter does not apply to a state, a regional or local authority and a *public international body* with *listed debt securities* except that such an *issuer* must comply with **LR 17.3.2 R** (Admission to trading).

Compliance with transparency rules

17.5.2 **R**

(1) This *rule* applies to a state, a regional or local authority and a *public international body* with *listed debt securities* for whom the *United Kingdom* is its home Member State for the purposes of the *Transparency Directive*.

(2) An *issuer* referred to in paragraph (1) that is not already required to comply with the *transparency rules* must comply with:

- (a) **DTR 5.6.3 R** (disclosure of changes in rights);
- (b) **DTR 6.1.2 R** (amendments to constitution);
- (c) **DTR 6.1.3R (2)** (equality of treatment);
- (d) **DTR 6.2** (Filing information and use of language); and
- (e) **DTR 6.3** (Dissemination of information).

Chapter 18

Certificates representing certain securities: Standard listing

18.1 Application

18.1.1

R

This chapter applies to:

- (1) a *depository*; and
- (2) an *issuer* of the *securities* which are represented by certificates.



18.2 Requirements for listing

Issuer of securities is taken to be the issuer

- 18.2.1 **R** If an application is made for the *admission of certificates representing certain securities*, the *issuer* of the *securities* which the certificates represent is the *issuer* for the purpose of the *listing rules* and the application will be dealt with as if it were an application for the *admission* of the *securities*.

Certificates representing certain securities

- 18.2.2 **R** For *certificates representing certain securities* to be admitted to *listing* an *issuer* of the *securities* which the certificates represent must comply with ■ LR 18.2.3 R to ■ LR 18.2.7 G.

- 18.2.3 **R** An *issuer* must be:

- (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; and
- (2) operating in conformity with its *constitution*. [Note: Articles 42 and 52 CARD]

- 18.2.4 **R** For the certificates to be *listed*, the *securities* which the certificates represent must:

- (1) conform with the law of the *issuer's* place of incorporation;
- (2) be duly authorised according to the requirements of the *issuer's constitution*; and
- (3) have any necessary statutory or other consents. [Note: Articles 45 and 53 CARD]

- 18.2.5 **R**
- (1) For the certificates to be *listed*, the *securities* which the certificates represent must be freely transferable. [Note: Articles 46, 54 and 60 CARD]
 - (2) For the certificates to be *listed*, the *securities* which the certificates represent must be fully paid and free from all liens and from any

restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).

18.2.6 **G** The FSA may modify **■** LR 18.2.5 R to allow partly paid *securities* if it is satisfied that their transferability is not restricted and investors have been provided with appropriate information to enable dealings in the *securities* to take place on an open and proper basis. [Note: Articles 46 and 54 CARD]

18.2.7 **G** The FSA may, in exceptional circumstances, modify or dispense with **■** LR 18.2.5 R where the *issuer* has the power to disapprove the transfer of *securities* if the FSA is satisfied that this power would not disturb the market in those *securities*.

Certificates representing equity securities of an overseas company

- 18.2.8 **R**
- (1) If an application is made for the *admission* of a *class* of *certificates representing shares* of an *overseas company*, a sufficient number of certificates must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.
 - (2) For the purposes of paragraph (1), account may also be taken of holders in one or more states that are not *EEA States*, if the certificates are listed in the state or states.
 - (3) For the purposes of paragraph (1), a sufficient number of certificates will be taken to have been distributed to the public when 25% of the certificates for which application for *admission* has been made are in public hands.
 - (4) For the purposes of paragraphs (1), (2) and (3), certificates are not held in public hands if they are held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the certificates of the relevant *class*.

18.2.9 **G** The FSA may modify ■ LR 18.2.8 R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of certificates of the same *class* and the extent of their distribution to the public. For that purpose, the FSA may take into account certificates of the same *class* that are held (even though they are not listed) in states that are not *EEA States*. [Note: Article 48 CARD]

Certificates representing equity securities of a UK company

18.2.10 **R** Certificates representing *equity shares* of a *company* incorporated in the *United Kingdom* will be admitted to *listing* only if the *shares* they represent are already *listed* or are the subject of an application for *listing* at the same time.

Certificates representing securities of an investment entity.

18.2.10A **R** Certificates representing *equity securities* of an *investment entity* (wherever incorporated or established) will be *admitted to listing* only if the *equity securities* they represent are already *listed* or are the subject of an application for *listing* at the same time.

Additional requirements for the certificates

18.2.11 **R** To be *listed*, the *certificates representing certain securities* must satisfy the requirements set out in ■ LR 2.2.2 R to ■ LR 2.2.11 R. For this purpose, in those *rules* references to *securities* are to be read as references to the *certificates representing certain securities* for which application for *listing* is made.

18.2.12 **R** To be *listed*, the *certificates representing certain securities* must not impose obligations on the *depository* that issues the certificates except to the extent necessary to protect the certificate-holders rights to, and the transmission of entitlements of, the *securities*.

Additional requirements for a depository

18.2.13 **R** A *depository* that issues *certificates representing certain securities* must be a suitably authorised and regulated financial institution acceptable to the FSA.

18.2.14 **R** A *depository* that issues *certificates representing certain securities* must hold on trust (or under equivalent arrangements) for the sole benefit of the certificate holders the *securities* to which the certificates relate, all rights relating to the *securities* and all money and benefits that it may receive in respect of them, subject only to payment of the remuneration and proper expenses of the *issuer* of the certificates.



18.3 Listing applications

- 18.3.1 **R** *An applicant for admission of certificates representing certain securities must comply with ■ LR 3.2 and ■ LR 3.4.4 R to ■ LR 3.4.8 R subject to the following modifications.*
- 18.3.1A **R** *An applicant for admission of certificates representing certain securities must submit a letter to the FSA setting out how it satisfies the requirements in ■ LR 2 and ■ LR 18.2 no later than when the first draft of a *prospectus* for the certificates is submitted, or if the FSA is not approving a *prospectus*, at a time agreed with the FSA.*
- 18.3.2 **R** *In addition to the documents referred to in ■ LR 3.4.6 R, an applicant for admission of certificates representing certain securities must keep a copy of the executed deposit agreement for six years after the admission of the relevant certificates.*
- 18.3.3 **G** [deleted]

18.4 Continuing obligations

- 18.4.1** **R** An *issuer* of *debt securities* which the certificates represent must comply with the continuing obligations set out in **■ LR 17.3** (Requirements with continuing application) in addition to the requirements of this section.
- 18.4.2** **R** A *UK issuer* of *equity shares* which the certificates represent must comply with the continuing obligations set out in **■ LR 9** (Continuing obligations) in addition to the requirements of this section.
- 18.4.3** **R** An *overseas company* that is the *issuer* of the *equity shares* which the certificates represent must comply with:
- (1) the requirements of this section;
 - (2) the continuing obligations set out in **■ LR 14.3** (Continuing obligations) (other than in **■ LR 14.3.2 R** and **■ LR 14.3.15 R**), **■ LR 18.2.8 R** and **■ LR 18.4.3A R**; and
 - (3) **■ DTR 2** (Disclosure and control of inside information by issuers), as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.
- Annual accounts continuing obligations**.....
- 18.4.3A** **R**
- (1) An *issuer* within **■ LR 18.4.3 R** must publish its annual report and annual accounts as soon as possible after they have been approved.
 - (2) An issuer within **■ LR 18.4.3 R** must approve and publish its annual report and accounts within six months of the end of the financial period to which they relate.
 - (3) The annual report and accounts must:
 - (a) have been prepared in accordance with the *issuer's* national law and, in all material respects, with national accounting standards or *IAS*; and
 - (b) have been independently audited and reported on, in accordance with:

- (i) the auditing standards applicable in an *EEA State*; or
- (ii) an equivalent auditing standard.

18.4.3B **R** For the purposes of ■ LR 18.4.3 R (2), a reference to complying with the obligations in ■ LR 14.3 is to be read as a reference to complying with those obligations in respect of the certificates.

Change of depositary

18.4.4 **R** Prior to any change of the *depositary* of *certificates representing certain securities*, the new *depositary* must satisfy the *FSA* that it meets the requirements of ■ LR 18.2.11 R to ■ LR 18.2.14 R.

Notification of change of depositary

- 18.4.5 **R**
- (1) An *issuer* of *securities* represented by *listed certificates representing certain securities* must notify a *RIS* of any change of *depositary*.
 - (2) The notification required by paragraph (1) must be made as soon as possible, and in any event by 7.30 a.m. on the *business day* following the change of *depositary*, and contain the following information:
 - (a) the name, registered office and principal administrative establishment if different from the registered office of the *depositary*;
 - (b) the date of incorporation and length of life of the *depositary*, except where indefinite;
 - (c) the legislation under which the *depositary* operates and the legal form which it has adopted under the legislation; and
 - (d) any changes to the information regarding the *certificates representing certain securities*.

Documents of title

18.4.6 **R** An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *certificates representing equity securities*.

Compliance with Transparency Rules

18.4.7 **G** An *issuer*, whose *securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

18.4.8 **R** [18.4.8 to follow]

18.4.9

R

An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an *issuer* for the purposes of the *transparency rules*.

18

Chapter 19

Securitised derivatives: Standard listing

19.1 Application

19.1.1 **R** This chapter applies to an *issuer* of:

- (1) *retail securitised derivatives*;
- (2) *specialist securitised derivatives*; and
- (3) other derivative products if the *FSA* has specifically approved their *listing* under this chapter.

Other derivative products

19.1.2 **R** For the purposes of this chapter, an *issuer* of other derivative products that have received the specific approval of the *FSA* to be *listed* under this chapter must comply with the *rules* applicable to an *issuer* of *specialist securitised derivatives* unless otherwise stated.

R The *FSA* will not admit to *listing*, under this chapter, other derivative products that are likely to be bought and traded by investors who are not *specialist investors*, unless the derivative product falls within the scope of *specified investments* in Part III of the *Regulated Activities Order*.

19.2 Requirements for listing

19.2.1 **R** An *applicant* for the *admission of securitised derivatives* must comply with ■ LR 2 (Requirements for listing - all securities) and the following requirements.

Requirements for listing: the issuer

19.2.2 **R** An *applicant* for the *admission of securitised derivatives* must either:

- (1) have *permission* under the *Act* to carry on its activities relating to *securitised derivatives* and be either a *bank* or a *securities and futures firm*;
- (2) if the *applicant* is an *overseas company*:
 - (a) be regulated by an *overseas* regulator responsible for the regulation of banks, securities firms or futures firms and which has a lead regulation agreement for financial supervision with the *FSA*; and
 - (b) be carrying on its activities relating to *securitised derivatives* within the approved scope of its business; or
- (3) arrange for its obligations in relation to the *securitised derivatives*, to be unconditionally and irrevocably *guaranteed* by, or benefit from an arrangement which is equivalent in its effect to such a *guarantee* provided by, an entity which satisfies (1) or (2).

Requirements for listing

19.2.3 **R** For a *securitised derivative* to be *listed*, its *underlying instrument* must be traded on a regulated, regularly operating, recognised open market, unless it is:

- (1) a currency; or
- (2) an index; or
- (3) an interest rate; or

(4) a basket of any of the above.

19.2.4 **R** The FSA may modify or dispense with the requirement in ■ LR 19.2.3 R for other derivative products.

Requirements for listing: retail products.....

19.2.5 **R** To be *listed*, a *retail securitised derivative* must:

(1) satisfy the requirements set out in ■ LR 19.2.3 R; and

(2) not be a *contingent liability investment*.

19.2.6 **R** To be *listed*, if a *retail securitised derivative* gives its holder a right of exercise, its terms and conditions must provide that:

(1) for cash settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, the exercise of the *securitised derivative* is automatic; or

(2) for physically settled *securitised derivatives* that are *in the money* at the *exercise time* on the *expiration date*, if the holder fails to deliver an *exercise notice* by the time stipulated in the terms and conditions, the *issuer* will, irrespective of the failure to exercise, pay to the holder an amount in cash in lieu of the holders failure to deliver the *exercise notice*, the amount and method of calculation of this amount to be determined by the *issuer*.



19.3 Listing applications

Listing application procedures

19.3.1

R

An *applicant* for *admission* of *securitised derivatives* must comply with:

- (1) ■ LR 3.2 (Application for admission to listing); and
- (2) ■ LR 3.4.4 R to ■ LR 3.4.8 R.

19.3.2

R

In addition to the documents referred to in ■ LR 3.4.6 R, an *applicant* for *admission* of *securitised derivatives* must keep a copy of the securitised derivative agreement or securitised derivative instrument or similar document for six years after the *admission* of the relevant *securitised derivative*.

19.4 Continuing obligations

Application

- 19.4.1 **R** An *issuer* that has only *securitised derivative listed* is subject to the continuing obligations set out in this chapter.
- 19.4.2 **R** An *issuer* that has both *securitised derivatives* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities so listed*.

Admission to trading

- 19.4.3 **R**
- (1) An *issuer's listed securitised derivatives* must be admitted to trading on a *RIE's* market for *listed securities* at all times.
 - (2) An *issuer* must inform the *FSA* in writing as soon as possible if it has:
 - (a) requested a *RIE* to admit or re-admit any of its *listed securitised derivatives* to trading; or
 - (b) requested a *RIE* to cancel or suspend trading of any of its *listed securitised derivatives*; or
 - (c) been informed by a *RIE* that the trading of any of its *listed securitised derivatives* will be cancelled or suspended.
- 19.4.4 **R** [deleted]
- 19.4.5 **R** [deleted]
- 19.4.6 **R** [deleted]
- 19.4.7 **R** If an issue is *guaranteed* by an *unlisted company*, an *issuer* must submit the guarantor's accounts to the *FSA*.
- 19.4.8 **R** [deleted]
- 19.4.9 **R** [deleted]

Settlement arrangements

- 19.4.10 **R** (1) An *issuer* must ensure that appropriate settlement arrangements for its *listed securitised derivatives* are in place.
- (2) *Listed securitised derivatives* must be eligible for electronic settlement, which includes settlement by a relevant system, as that term is defined in the Uncertificated Securities Regulations 1995 (SI 1995/3272).

Disclosure rules and transparency rules

- 19.4.11 **R** An *issuer* must comply with ■ DTR 2.1 to ■ DTR 2.7 as if it were an *issuer* for the purposes of the *disclosure rules* and *transparency rules*.

- 19.4.11A **G** An *issuer*, whose securities are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules) and ■ DTR 6 (Access to information).

- 19.4.11B **R** For the purposes of compliance with the *transparency rules*, the *FSA* considers that an *issuer of securitised derivatives* should comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer of debt securities as defined in the *transparency rules*.

- 19.4.11C **G** An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title

- 19.4.12 **R** An *issuer* must comply with the requirements in ■ LR 9.5.15 R (temporary documents of title) and ■ LR 9.5.16 R (definitive documents of title) so far as relevant to *securitised derivatives*.



19.5 Disclosures

19.5.1 **R** An *issuer* must submit to the *FSA* two copies of any document required by ■ LR 19.5.2 R to ■ LR 19.5.10 R at the same time as the document is issued.

19.5.2 **R** [deleted]

19.5.3 **R** [deleted]

19.5.4 **R** [deleted]

19.5.5 **R** [deleted]

19.5.6 **R** [deleted]

19.5.7 **R** An *issuer* must notify a *RIS* of all notices to holders of *listed securitised derivatives* no later than the date of despatch or publication.

19.5.8 **R** [deleted]

Underlying instruments

19.5.9 **R** An *issuer* must notify a *RIS* of any adjustment or modification it makes to the *securitised derivative* as a result of any change in or to the *underlying instrument* including details of the underlying event that necessitated the adjustment or modification.

Suspension of listing

19.5.10 **R** An *issuer* must inform the *FSA* immediately if it becomes aware that an *underlying instrument* that is listed or traded outside the *United Kingdom* has been suspended.

Note: ■ LR 5.1.2G (7) and (8) and ■ LR 5.4.6 G are of relevance to an *issuer* of *securitised derivatives*.

Listing Rules

Chapter 20

Miscellaneous Securities: Standard listing

PAGE
1





20.1 Application

20.1.1

R

This chapter applies to an *issuer of miscellaneous securities*.

20.1.2

G

Miscellaneous securities include *warrants* and *options* and other similar *securities*.



20.2 Requirements for listing

20.2.1

R

An *applicant* for the *admission of miscellaneous securities* must comply with ■ LR 2 (Requirements for listing: All securities).

20



20.3 Listing applications

20.3.1

R

Listing application procedures

An *applicant* for admission of *miscellaneous securities* must comply with:

- (1) ■ LR 3.2 (Application for admission to listing); and
- (2) ■ LR 3.4.4 R to ■ LR 3.4.8 R.



20.4 Continuing obligations

Application

- 20.4.1 **R** An issuer that has only *miscellaneous securities listed* is subject to the continuing obligations set out in this chapter.
- 20.4.2 **R** An issuer that has both *miscellaneous securities* and other *securities listed* is subject to the continuing obligations set out in this chapter and the continuing obligations that are applicable to the other *securities so listed*.

Admission to trading

- 20.4.3 **R**
- (1) An issuer's *listed miscellaneous securities* must be admitted to trading on a RIE's market for *listed securities* at all times.
 - (2) An issuer must inform the FSA in writing as soon as possible if it has:
 - (a) requested a RIE to admit or re-admit any of its *listed miscellaneous securities* to trading; or
 - (b) requested a RIE to cancel or suspend trading of any of its *listed miscellaneous securities*; or
 - (c) been informed by a RIE that the trading of any of its *listed miscellaneous securities* will be cancelled or suspended.

- 20.4.4 **R** An issuer with *listed miscellaneous securities* must comply with ■ LR 2.2.12 R at all times.

Disclosure rules and transparency rules

- 20.4.5 **R** An issuer must comply with ■ DTR 2.1 to ■ DTR 2.7 as if it were an issuer for the purposes of the *disclosure rules* and *transparency rules*.

- 20.4.6 **G** An issuer, whose *miscellaneous securities* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).

20.4.7 **R** An *issuer* that is not already required to comply with the *transparency rules* must comply with ■ DTR 6.3 as if it were an issuer for the purposes of the *transparency rules*.

Documents of title
.....

20.4.8 **R** An *issuer* must comply with the requirements in ■ LR 9.5.15 R (Temporary documents of title (including renounceable documents)) and ■ LR 9.5.16 R (Definitive documents of title) so far as relevant to *miscellaneous securities*.

20.5 Disclosures

- 20.5.1 **R** An *issuer* must submit to the FSA two copies of any document required by ■ LR 20.5.2 R to ■ LR 20.5.3 R at the same time as the document is issued.
- 20.5.2 **R** An *issuer* must notify a RIS of all notices to holders of *listed miscellaneous securities* no later than the date of despatch or publication.
- Underlying securities**
- 20.5.3 **R** An *issuer* must notify a RIS of any adjustment or modification it makes to a *miscellaneous security* as a result of any change to a *security* over which the *listed miscellaneous security* carries a right to buy or subscribe.
- Suspension of listing**
- 20.5.4 **R** An *issuer* must inform the FSA immediately if it becomes aware that any *security* over which the *listed miscellaneous security* carries a right to buy or subscribe that is listed or traded outside the *United Kingdom* has been suspended.
- 20.5.5 **G** ■ LR 5.1.2 G (7) and ■ LR 5.1.2 G (8) and ■ LR 5.4.6 G may be of relevance to an *issuer* of *miscellaneous securities*.

Appendix 1

Relevant definitions

1.1 Relevant definitions

App 1.1.1

Note: The following definitions relevant to the *listing rules* are extracted from the *Glossary*.

<i>Act</i>	The Financial Services and Markets Act 2000.	
<i>admission or admission to listing</i>	admission of <i>securities</i> to the <i>official list</i> .	
<i>admission to trading</i>	admission of <i>securities</i> to trading on an <i>RIE's</i> market for <i>listed securities</i> .	
<i>advertisement</i>	(as defined in the <i>PD Regulation</i>) announcements:	
	(a)	relating to a specific offer to the public of securities or to an admission to trading on a regulated market; and
	(b)	aiming to specifically promote the potential subscription or acquisition of securities.
<i>applicant</i>	an <i>issuer</i> which is applying for <i>admission of securities</i> .	
<i>asset backed security</i>	(as defined in the <i>PD Regulation</i>) <i>securities</i> which:	
	(1)	represent an interest in assets, including any rights intended to assure servicing, or the receipt or timeliness of receipts by holders of assets of amounts payable there under; or
	(2)	are secured by assets and the terms of which provide for payments which relate to payments or reasonable projections of payments calculated by reference to identified or identifiable assets.
<i>associate</i>	in relation to a <i>director</i> , <i>substantial shareholder</i> , or <i>person exercising significant influence</i> , who is an individual:	
	(1)	that individual's spouse , civil partner or child (together "the individual's family");

	(2)	the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an <i>occupational pension scheme</i> or an <i>employees' share scheme</i> which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties;
	(3)	<p>any <i>company</i> in whose <i>equity securities</i> the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:</p> <p>(a) to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or</p> <p>(b) to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters.</p>
		For the purpose of paragraph (3), if more than one <i>director</i> of the <i>listed company</i> , its <i>parent undertaking</i> or any of its <i>subsidiary undertakings</i> is interested in the <i>equity securities</i> of another <i>company</i> , then the interests of those <i>directors</i> and their <i>associates</i> will be aggregated when determining whether that <i>company</i> is an associate of the <i>director</i> .
		in relation to a <i>substantial shareholder</i> or <i>person exercising significant influence</i> , which is a <i>company</i> :
	(1)	any other <i>company</i> which is its <i>subsidiary undertaking</i> or <i>parent undertaking</i> or fellow <i>subsidiary undertaking</i> of the <i>parent undertaking</i> ;
	(2)	any <i>company</i> whose <i>directors</i> are accustomed to act in accordance with the <i>substantial shareholder's</i> or <i>person exercising significant influence's</i> directions or instructions ;
	(3)	any <i>company</i> in the capital of which the <i>substantial shareholder</i> or <i>person exercising significant influence</i> and any other <i>company</i> under paragraph (1) or (2) taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) able to exercise power of the type described in paragraph (3)(a) or (b) above of this definition.
<i>authorised person</i>		(in accordance with section 31 of the <i>Act</i> (Authorised persons)) one of the following:
	(a)	a <i>person</i> who has a <i>Part IV permission</i> to carry on one or more <i>regulated activities</i> ;
	(b)	an <i>incoming EEA firm</i> ;
	(c)	an <i>incoming Treaty firm</i> ;
	(d)	a <i>UCITS qualifier</i> ;
	(e)	an <i>ICVC</i> ;
	(f)	the <i>Society of Lloyd's</i> .

<i>bank</i>	(a)	a <i>firm</i> with a <i>Part IV permission</i> which includes <i>accepting deposits</i> , and: (i) which is a <i>credit institution</i> ; or (ii) whose <i>Part IV permission</i> includes a requirement that it comply with the <i>rules</i> in <i>GENPRU</i> and <i>BIPRU</i> relating to <i>banks</i> ; but which is not a <i>building society</i> , a <i>friendly society</i> or a <i>credit union</i> ;
	(b)	an <i>EEA bank</i> which is a <i>full credit institution</i> .
<i>base prospectus</i>		a base prospectus referred to in PR 2.2.7 R
<i>book value of property</i>		(in relation to a <i>property company</i>) the value of a <i>property</i> (which is not classified as a net current asset) before the deduction of mortgages or borrowings as shown in the <i>company's</i> latest annual report and accounts.
<i>break fee</i>		a fee payable by a <i>listed company</i> if certain specified events occur which have the effect of materially impeding a transaction or causing the transaction to fail.
<i>building block</i>		(as defined in the <i>PD Regulation</i>) a list of additional information requirements, not included in one of the schedules, to be added to one or more schedules, as the case may be, depending on the type of instrument and/or transaction for which a prospectus or base prospectus is drawn up.
<i>business day</i>	(1)	(in relation to anything done or to be done in (including to be submitted to a place in) any part of the <i>United Kingdom</i>), any <i>day</i> which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the <i>United Kingdom</i> ;
	(2)	(in relation to anything done or to be done by reference to a market outside the <i>United Kingdom</i>) any <i>day</i> on which that market is normally open for business.
<i>Buy-back and Stabilisation Regulation</i>		Commission Regulation (EC) of 22 December 2003 implementing the <i>Market Abuse Directive</i> as regards exemptions for buy-back programmes and stabilisation of financial instruments (No 2273/2003).
<i>CARD</i>		<i>Consolidated Admissions and Reporting Directive</i> .
<i>certificate representing certain securities</i>		the <i>investment</i> specified in article 80 of the <i>Regulated Activities Order</i> (Certificates representing certain securities), which is in summary: a certificate or other instrument which confers contractual or property rights (other than rights consisting of <i>options</i>):
	(a)	in respect of any <i>share</i> , <i>debenture</i> , <i>alternative debenture</i> , <i>government and public security</i> or <i>warrant</i> held by a <i>person</i> other than the <i>person</i> on whom the rights are conferred by the certificate or instrument; and
	(b)	the transfer of which may be effected without requiring the consent of that <i>person</i> ;
		but excluding any certificate or other instrument which confers rights in respect of two or more <i>investments</i> issued by different <i>persons</i> or in respect of two or more different <i>government and public securities</i> issued by the same <i>person</i> .

<i>certificate representing debt securities</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>debentures, alternative debentures, or government and public securities</i> .
<i>certificate representing equity securities</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>equity securities</i> .
<i>certificate representing shares</i>	a <i>certificate representing certain securities</i> where the certificate or other instrument confers rights in respect of <i>equity shares</i> .
<i>CESR recommendations</i>	the recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no 809/2004 published by the Committee of European Securities Regulators.
<i>charge</i>	(in relation to <i>securitised derivatives</i>) means any payment identified under the terms and conditions of the <i>securitised derivatives</i> .
<i>Chinese wall</i>	an arrangement that requires information held by a <i>person</i> in the course of carrying on one part of its business to be withheld from, or not to be used for, <i>persons</i> with or for whom it acts in the course of carrying on another part of its business.
<i>circular</i>	any document issued to holders of <i>listed securities</i> including notices of meetings but excluding <i>prospectuses, listing particulars, annual reports and accounts, interim reports, proxy cards and dividend or interest vouchers</i> .
<i>class</i>	<i>securities</i> the rights attaching to which are or will be identical and which form a single issue or issues.
<i>class 1 acquisition</i>	a <i>class 1 transaction</i> that involves an acquisition by the relevant <i>listed company</i> or its <i>subsidiary undertaking</i> .
<i>class 1 circular</i>	a <i>circular</i> relating to a <i>class 1 transaction</i> .
<i>class 1 disposal</i>	a <i>class 1 transaction</i> that consists of a disposal by the relevant <i>listed company</i> or its <i>subsidiary undertaking</i> .
<i>class 1 transaction</i>	a transaction classified as a class 1 transaction under LR 10.
<i>class 2 transaction</i>	a transaction classified as a class 2 transaction under LR 10 .
<i>class 3 transaction</i>	a transaction classified as a class 3 transaction under LR 10.
<i>class tests</i>	the tests set out in LR 10 Ann 1 (and for certain specialist companies, those tests as modified or added to by LR 10.7), which are used to determine how a transaction is to be classified for the purposes of the <i>listing rules</i> .
<i>closed-ended</i>	(in relation to investment entities) an <i>investment company</i> which is not an <i>open-ended investment company</i> .
<i>closed-ended investment fund</i>	an entity:

	(a)	which is an undertaking with limited liability, including a company, limited partnership, or <i>limited liability partnership</i> ; and
	(b)	whose primary object is investing and managing its assets (including pooled funds contributed by holders of its <i>listed securities</i>):
		(i) in property of any description; and
		(ii) with a view to spreading investment risk.
<i>close period</i>		as defined in paragraph 1(a) of the <i>Model Code</i> .
<i>COBS</i>		the Conduct of Business sourcebook, from 1 November 2007 .
<i>Combined Code</i>		in relation to an <i>issuer</i> :
	(1)	in respect of a reporting period commencing on or after 29 June 2008 , the Combined Code on Corporate Governance published in June 2008 by the Financial Reporting Council; or
	(2)	in respect of a reporting period commencing before 29 June 2008 , the Combined Code on Corporate Governance published in June 2006 by the Financial Reporting Council.
<i>company</i>		any <i>body corporate</i> .
<i>competent authority</i>		(in relation to the functions referred to in Part VI of the <i>Act</i>):
	(a)	the authority designated under Schedule 8 to the <i>Act</i> (transfer of functions under Part VI (Official listing)) as responsible for performing those functions under the <i>Act</i> ; for the time being the <i>FSA</i> in its capacity as such; or
	(b)	an authority exercising functions corresponding to those functions under the laws of another <i>EEA State</i> .
<i>connected client</i>		in relation to a <i>sponsor</i> or securities house, any client of the <i>sponsor</i> or securities house who is:
	(a)	a partner, <i>director</i> , employee or controller (as defined in section 422 of the <i>Act</i>) of the <i>sponsor</i> or securities house or of an undertaking described in paragraph (d);
	(b)	the spouse , civil partner or child of any individual described in paragraph (a);
	(c)	a <i>person</i> in his capacity as trustee of a private trust (other than a pension scheme or an <i>employees' share scheme</i>) the beneficiaries of which include any <i>person</i> described in paragraph (a) or (b); or
	(d)	an undertaking which in relation to the <i>sponsor</i> or securities house is a group undertaking.
<i>connected person</i>		as defined in section 96B(2) of the <i>Act</i> .

<i>Consolidated Admissions and Reporting Directive</i>	Directive of the European Parliament and of the Council on the admission of securities to official stock exchange listing and on information to be published on those securities (No 2001/34/EC).
<i>constitution</i>	memorandum and articles of association or equivalent constitutional document.
<i>contingent liability investment</i>	a <i>derivative</i> under the terms of which the <i>client</i> will or may be liable to make further payments (other than <i>charges</i> , and whether or not secured by <i>margin</i>) when the transaction falls to be completed or upon the earlier <i>closing out</i> of his position.
<i>contract of significance</i>	a contract which represents in amount or value (or annual amount or value) a sum equal to 1% or more, calculated on a <i>group</i> basis where relevant, of:
	(1) in the case of a capital transaction or a transaction of which the principal purpose or effect is the granting of credit, the aggregate of the <i>group's</i> share capital and reserves; or
	(2) in other cases, the total annual purchases, sales, payments or receipts, as the case may be, of the <i>group</i> .
<i>convertible securities</i>	a <i>security</i> which is:
	(1) convertible into, or exchangeable for, other <i>securities</i> ; or
	(2) accompanied by a warrant or option to subscribe for or purchase other <i>securities</i> .
<i>deal</i>	a <i>dealing</i> transaction;
<i>dealing</i>	(in accordance with paragraph 2 of Schedule 2 to the Act (Regulated activities)) buying, selling, subscribing for or underwriting <i>investments</i> or offering or agreeing to do so, either as <i>principal</i> or as agent, including, in the case of an <i>investment</i> which is a <i>contract of insurance</i> , carrying out the contract.
<i>debt security</i>	<i>debentures</i> , <i>alternative debentures</i> , debenture stock, loan stock, bonds, certificates of deposit or any other instrument creating or acknowledging indebtedness.
<i>deferred bonus</i>	any arrangement pursuant to the terms of which an <i>employee</i> or <i>director</i> may receive a bonus (including cash or any security) in respect of service and/or performance in a period not exceeding the length of the relevant financial year notwithstanding that the bonus may, subject only to the <i>person</i> remaining a <i>director</i> or <i>employee</i> of the group, be receivable by the <i>person</i> after the end of the period to which the award relates.
<i>defined benefit scheme</i>	in relation to a <i>director</i> , means a pension scheme which is not a <i>money purchase scheme</i> .
<i>depository</i>	a <i>person</i> that issues <i>certificates representing certain securities</i> that have been admitted to listing or are the subject of an application for <i>admission to listing</i> .
DEPP	the Decision Procedure and Penalties manual
<i>designated professional body</i>	a professional body designated by the Treasury under section 326 of the Act (Designation of professional bodies) for the purposes of Part XX of the Act (Provision of Financial Services by Members of the

	<p>Professions); as at 21 June 2001 the following professional bodies have been designated in the Financial Services and Markets Act 2000 (Designated Professional Bodies) Order 2001 (SI 2001/1226):</p> <p>(a) The Law Society (England and Wales);</p> <p>(b) The Law Society of Scotland;</p> <p>(c) The Law Society of Northern Ireland;</p> <p>(d) The Institute of Chartered Accountants in England and Wales;</p> <p>(e) The Institute of Chartered Accountants of Scotland;</p> <p>(f) The Institute of Chartered Accountants in Ireland;</p> <p>(g) The Association of Chartered Certified Accountants;</p> <p>(h) The Institute of Actuaries.</p>
<i>director</i>	(in accordance with section 417(1)(a) of the <i>Act</i>) a <i>person</i> occupying in relation to it the position of a director (by whatever name called) and, in relation to an <i>issuer</i> which is not a <i>body corporate</i> , a <i>person</i> with corresponding powers and duties.
<i>disclosure rules</i>	(in accordance with sections 73A(1) and 73A(3) of the <i>Act</i>) rules relating to the disclosure of information in respect of <i>financial instruments</i> which have been admitted to trading on a <i>regulated market</i> or for which a request for <i>admission to trading</i> on such a market has been made.
<i>document</i>	any piece of recorded information, including (in accordance with section 417(1) of the <i>Act</i> (Interpretation)) information recorded in any form; in relation to information recorded otherwise than in legible form, references to its production include references to producing a copy of the information in legible form.
<i>document viewing facility</i>	a location identified on the <i>FSA</i> website where the public can inspect documents referred to in the <i>listing rules</i> as being documents to be made available at the document viewing facility.
<i>DTR</i>	the sourcebook containing the <i>disclosure rules</i> , <i>transparency rules</i> and <i>corporate governance rules</i> .
<i>EEA State</i>	(in accordance with paragraph 8 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) a State which is a contracting party to the agreement on the European Economic Area signed at Oporto on 2 May 1992, as it has effect for the time being; as at 1 May 2004, the following are the <i>EEA States</i> : Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden and the <i>United Kingdom</i> .
<i>EG</i>	the Enforcement Guide
<i>employee</i>	an individual:

	(a)	who is employed or appointed by a <i>person</i> in connection with that <i>person's</i> business, whether under a contract of service or for services or otherwise; or
	(b)	whose services, under an arrangement between that <i>person</i> and a third party, are placed at the disposal and under the control of that <i>person</i> ;
		but excluding an <i>appointed representative</i> or, where applicable, a <i>tied agent</i> of that <i>person</i> .
<i>employees' share scheme</i>		has the same meaning as in section 1166 of the Companies Act 2006 .
<i>equity security</i>		<i>equity shares</i> and <i>securities</i> convertible into <i>equity shares</i> .
<i>equity share</i>		<i>shares</i> comprised in a <i>company's equity share capital</i> .
<i>equity share capital</i>		(for a <i>company</i>), its issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.
<i>equivalent document</i>		a document containing information equivalent to a <i>prospectus</i> for the purposes of PR 1.2.2 R (2) or (3) or PR 1.2.3 R (3) or (4).
<i>exercise notice</i>		(in relation to <i>securitised derivatives</i>), a document that notifies the <i>issuer</i> of a holder's intention to exercise its rights under the <i>securitised derivative</i> .
<i>exercise price</i>		(in relation to <i>securitised derivatives</i>), the price stipulated by the <i>issuer</i> at which the holder can buy or sell the <i>underlying instrument</i> from or to the <i>issuer</i> .
<i>exercise time</i>		(in relation to <i>securitised derivatives</i>), the time stipulated by the <i>issuer</i> by which the holder must exercise their rights.
<i>expiration date</i>		(in relation to <i>securitised derivatives</i>), the date stipulated by the <i>issuer</i> on which the holder's rights in respect of the <i>securitised derivative</i> ends.
<i>extraction</i>		(in relation to <i>mineral companies</i>), includes mining, quarrying or similar activities and the reworking of mine tailings or waste dumps.
<i>final terms</i>		the document containing the final terms of each issue which is intended to be <i>listed</i> .
<i>financial information table</i>		financial information presented in a tabular form that covers the reporting period set out in LR 13.5.13R in relation to the entities set out in LR 13.5.14R, and to the extent relevant LR 13.5.15R and LR 13.5.16R.
<i>FSA</i>		the Financial Services Authority.
<i>50/50 joint venture</i>		[deleted]
<i>50/50 joint venture partner</i>		[deleted]
<i>group</i>	(1)	except in LR 6.1.19 R and LR 8.7.8R (10), an <i>issuer</i> and its <i>subsidiary undertakings</i> (if any); and

	(2)	in LR 6.1.19 R, and LR 8.7.8R (10), as defined in section 421 of the <i>Act</i> .
<i>guarantee</i>	(in relation to <i>securitised derivatives</i>), either:	
	(1)	a guarantee given in accordance with LR 19.2.2R(3) (if any); or
	(2)	any other guarantee of the issue of <i>securitised derivatives</i> .
<i>guidance</i>	guidance given by the <i>FSA</i> under the <i>Act</i> .	
<i>Handbook</i>	the <i>FSA</i> 's Handbook of rules and guidance.	
<i>Home Member State or Home State</i>	(as defined in section 102C of the <i>Act</i>) in relation to an issuer of <i>transferable securities</i> , the <i>EEA State</i> which is the "home Member State" for the purposes of the <i>prospectus directive</i> (which is to be determined in accordance with Article 2.1(m) of that directive).	
<i>Host Member State or Host State</i>	(as defined in Article 2.1(n) of the <i>prospectus directive</i>) the State where an offer to the public is made or admission to trading is sought, when different from the <i>home Member State</i> .	
<i>IAS</i>	<i>International Accounting Standards</i> .	
<i>inside information</i>	as defined in section 118C of the <i>Act</i> .	
<i>insider list</i>	a list of persons with access to <i>inside information</i> as required by DTR 2.8.1 R.	
<i>International Accounting Standards</i>	international accounting standards within the meaning of EC Regulation No 1606/2002 of the European Parliament and of the Council of 19 July 2002 as adopted from time to time by the European Commission in accordance with that Regulation.	
<i>intermediaries offer</i>	a marketing of <i>securities</i> already or not yet in issue, by means of an offer by, or on behalf of, the <i>issuer</i> to intermediaries for them to allocate to their own clients.	
<i>in the money</i>	(in relation to <i>securitised derivatives</i>):	
	(a)	where the holder has the right to buy the <i>underlying instrument</i> or instruments from the <i>issuer</i> , when the <i>settlement price</i> is greater than the <i>exercise price</i> ; or
	(b)	where the holder has the right to sell the <i>underlying instrument</i> or instruments to the <i>issuer</i> , when the <i>exercise price</i> is greater than the <i>settlement price</i> .
<i>investment entity</i>	an entity whose primary object is investing and managing its assets with a view to spreading or otherwise managing investment risk.	
<i>investment manager</i>	a person who, on behalf of a <i>client</i> , manages <i>investments</i> and is not a wholly-owned <i>subsidiary</i> of the <i>client</i> .	
<i>investment trust</i>	a <i>company listed</i> in the <i>United Kingdom</i> or another <i>EEA State</i> which:	
	(a)	is approved by the Inland Revenue Commissioners under section 842 of the Income and Corporation Taxes Act 1988 (or, in the case of a newly formed <i>company</i> , has declared its intention to conduct its affairs so as to obtain such approval); or

	(b)	is resident in an <i>EEA State</i> other than the <i>United Kingdom</i> and would qualify for such approval if resident and <i>listed</i> in the <i>United Kingdom</i> .
<i>issuer</i>		any <i>company</i> or other legal person or undertaking (including a <i>public sector issuer</i>), any <i>class</i> of whose <i>securities</i> has been admitted to <i>listing</i> or is the subject of an application for <i>admission to listing</i> .
<i>LR</i>		the sourcebook containing the <i>listing rules</i> .
<i>list of sponsors</i>		the list of <i>sponsors</i> maintained by the <i>FSA</i> in accordance with section 88(3)(a) of the <i>Act</i> .
<i>listed</i>		admitted to the <i>official list</i> maintained by the <i>FSA</i> in accordance with section 74 of the <i>Act</i> .
<i>listed company</i>		a <i>company</i> that has any <i>class</i> of its <i>securities listed</i> .
<i>listing particulars</i>		(in accordance with section 79(2) of the <i>Act</i>), a document in such form and containing such information as may be specified in <i>listing rules</i> .
<i>listing rules</i>		(in accordance with sections 73A(1) and 73A(2) of the <i>Act</i>) <i>rules</i> relating to admission to the <i>official list</i> .
<i>London Stock Exchange</i>		London Stock Exchange Plc.
<i>long-term incentive scheme</i>		any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive <i>directors</i> remuneration package) which may involve the receipt of any asset (including cash or any <i>security</i>) by a <i>director</i> or <i>employee</i> of the <i>group</i> :
	(1)	which includes one or more conditions in respect of service and/or performance to be satisfied over more than one financial year; and
	(2)	pursuant to which the <i>group</i> may incur (other than in relation to the establishment and administration of the arrangement) either cost or a liability, whether actual or contingent.
<i>MAD</i>		<i>Market Abuse Directive</i> .
<i>Market Abuse Directive</i>		Directive of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse) (No 2003/6/EC).
<i>major subsidiary undertaking</i>		a <i>subsidiary undertaking</i> that represents 25% or more of the aggregate of the gross assets or profits (after deducting all charges except taxation) of the <i>group</i> .
<i>member</i>		(in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant <i>designated professional body</i> , whether or not he is a member of that body.
<i>mineral company</i>		a <i>company</i> or <i>group</i> , whose principal activity is, or is planned to be, the <i>extraction</i> of <i>mineral resources</i> (which may or may not include exploration for <i>mineral resources</i>).

<i>mineral resources</i>	include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal.
<i>mineral expert's report</i>	a report prepared in accordance with the <i>CESR recommendations</i>
<i>miscellaneous securities</i>	<p><i>securities</i> which are not:</p> <ul style="list-style-type: none"> (a) <i>shares</i>; or (b) <i>debt securities</i>; or (c) <i>asset backed securities</i>; or (d) <i>certificates representing debt securities</i>; or (e) <i>convertible securities</i> which convert to <i>debt securities</i>; or (f) <i>convertible securities</i> which convert to <i>equity securities</i>; or (g) <i>convertible securities</i> which are exchangeable for <i>securities</i> of another <i>company</i>; or (h) <i>certificates representing certain securities</i>; or (i) <i>securitised derivatives</i>.
<i>Model Code</i>	the Model Code on <i>directors'</i> dealings in <i>securities</i> set out in LR 9 Ann 1.
<i>modified auditors report</i>	<p>an auditor's report:</p> <ul style="list-style-type: none"> (a) in which the auditor's opinion is qualified; or (b) which sets out: <ul style="list-style-type: none"> (i) a problem relating to the business as a going concern; or (ii) a significant uncertainty, the resolution of which is dependent upon future events.
<i>money purchase scheme</i>	in relation to a <i>director</i> , means a pension scheme under which all of the benefits that may become payable to or in respect of the <i>director</i> are money purchase benefits.
<i>net annual rent</i>	<p>(in relation to a <i>property</i>) the current income or income estimated by the valuer:</p> <ul style="list-style-type: none"> (1) ignoring any special receipts or deductions arising from the <i>property</i>; (2) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and (3) after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the <i>property</i> and allowances to maintain it in a condition to command its rent.
<i>new applicant</i>	an <i>applicant</i> that does not have any <i>class</i> of its <i>securities</i> already <i>listed</i> .
<i>non-EEA State</i>	a country or state that is not an <i>EEA State</i> .

OECD state guaranteed issuer	an issuer of debt securities whose obligations in relation to those securities have been guaranteed by a member state of the <i>OECD</i> .	
offer	an offer of transferable securities to the public.	
offer of transferable securities to the public	(as defined in section 102B of the <i>Act</i>), in summary:	
	(a)	a communication to any person which presents sufficient information on:
		(i) the transferable securities to be offered, and (ii) the terms on which they are offered,
		to enable an investor to decide to buy or subscribe for the securities in question;
	(b)	which is made in any form or by any means;
	(c)	including the placing of securities through a financial intermediary;
	(d)	but not including a communication in connection with trading on: (i) a regulated market; (ii) a multilateral trading facility; or (iii) any market prescribed by an order under section 130A of the <i>Act</i> .
	Note: This is only a summary, to see the full text of the definition, readers should consult section 102B of the <i>Act</i> .	
offer for sale	an invitation to the public by, or on behalf of, a third party to purchase securities of the issuer already in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).	
offer for subscription	an invitation to the public by, or on behalf of, an issuer to subscribe for securities of the issuer not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).	
offeror	(a)	in LR 5.2.10R, an offeror as defined in the <i>Takeover Code</i> ; and
	(b)	elsewhere in <i>LR</i> , a person who makes an offer of transferable securities to the public.
official list	the list maintained by the <i>FSA</i> in accordance with section 74(1) of the <i>Act</i> for the purposes of Part VI of the <i>Act</i> .	
open ended investment company	as defined in section 236 of the <i>Act</i> (Open-ended investment companies).	
open offer	an invitation to existing securities holders to subscribe or purchase securities in proportion to their holdings, which is not made by means of a renounceable letter (or other negotiable document).	
option	the investment, specified in article 83 of the <i>Regulated Activities Order</i> (Options), which is an option to acquire or dispose of: (a) a designated investment (other than an option); or	

	(b) currency of the <i>United Kingdom</i> or of any other country or territory; or (c) palladium, platinum, gold or silver; or (d) an option to acquire or dispose of an option specified in (a), (b) or (c).
<i>overseas</i>	outside the <i>United Kingdom</i> .
<i>overseas company</i>	a <i>company</i> incorporated outside the <i>United Kingdom</i> .
<i>overseas investment exchange</i>	an investment exchange which has neither its head office nor its registered office in the <i>United Kingdom</i> .
<i>PD</i>	<i>prospectus directive</i> .
<i>PD Regulation</i>	Regulation number 809/2004 of the European Commission
<i>PR</i>	the sourcebook containing the <i>Prospectus Rules</i> .
<i>parent undertaking</i>	as defined in section 1162 of the Companies Act 2006 .
<i>Part 6 rules</i>	(in accordance with section 73A(1) of the <i>Act</i>) <i>rules</i> made for the purposes of Part 6 of the <i>Act</i> .
<i>percentage ratio</i>	(in relation to a transaction) the figure, expressed as a percentage, that results from applying a calculation under a <i>class test</i> to the transaction.
<i>person</i>	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a <i>partnership</i>).
<i>person discharging managerial responsibilities</i>	as defined in section 96B(1) of the <i>Act</i> .
<i>person exercising significant influence</i>	in relation to a <i>listed company</i> , a <i>person</i> or entity which exercises significant influence over that <i>listed company</i> .
<i>placing</i>	a marketing of <i>securities</i> already in issue but not <i>listed</i> or not yet in issue, to specified <i>persons</i> or clients of the <i>sponsor</i> or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the <i>issuer's securities</i> generally.
<i>preference share</i>	a <i>share</i> conferring preference as to income or return of capital which does not form part of the <i>equity share capital</i> of a <i>company</i> .
<i>premium listing</i>	(a) in relation to <i>equity shares</i> (other those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i>), means a <i>listing</i> where the <i>issuer</i> is required to comply with those requirements in LR 6 (Additional requirements for premium listing (commercial company)) and the other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	(b) in relation to <i>equity shares</i> of a <i>closed-ended investment fund</i> , means a <i>listing</i> where the <i>issuer</i> is required to comply with the requirements in LR 15 (Closed-Ended Investment Funds: Premium listing) and other requirements in the <i>listing rules</i>

		that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> ;
	(c)	in relation to <i>equity shares</i> of an <i>open-ended investment company</i> , means a <i>listing</i> where the <i>issuer</i> is required to comply with LR 16 (Open-ended investment companies: Premium listing) and other requirements in the <i>listing rules</i> that are expressed to apply to such <i>securities</i> with a <i>premium listing</i> .
<i>premium listing (commercial company)</i>		a <i>premium listing</i> of <i>equity securities</i> (other than those of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i>).
<i>premium listing (investment company)</i>		a <i>premium listing</i> of <i>equity securities</i> of a <i>closed-ended investment fund</i> or of an <i>open-ended investment company</i> .
<i>probable reserves</i>	(1)	in respect of <i>mineral companies</i> primarily involved in the <i>extraction</i> of oil and gas resources, those reserves which are not yet <i>proven</i> but which, on the available evidence and taking into account technical and economic factors, have a better than 50% chance of being produced; and
	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those <i>measured</i> and/or <i>indicated mineral resources</i> , which are not yet <i>proven</i> but of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination and under specified economic conditions.
<i>profit estimate</i>		(as defined in the <i>PD Regulation</i>) a profit forecast for a financial period which has expired and for which results have not yet been published.
<i>profit forecast</i>		(as defined in the <i>PD Regulation</i>) a form of words which expressly states or by implication indicates a figure or a minimum or maximum figure for the likely level of profits or losses for the current financial period and/or financial periods subsequent to that period, or contains data from which a calculation of such a figure for future profits or losses may be made, even if no particular figure is mentioned and the word "profit" is not used.
<i>prohibited period</i>		as defined in the <i>Model Code</i> .
<i>property</i>		freehold, heritable or leasehold property.
<i>property company</i>		a <i>company</i> primarily engaged in property activities including:
	(1)	the holding of <i>properties</i> (directly or indirectly) for letting and retention as investments;
	(2)	the development of <i>properties</i> for letting and retention as investments;
	(3)	the purchase and development of <i>properties</i> for subsequent sale; or
	(4)	the purchase of land for development <i>properties</i> for retention as investments.
<i>property valuation report</i>		a <i>property valuation report</i> prepared by an independent expert in accordance with :

	(1)	for an <i>issuer</i> incorporated in the <i>United Kingdom</i> , the Channel Islands or the Isle of Man, the Appraisal and Valuation Standards (5th edition) issued by the Royal Institution of Chartered Surveyors; or
	(2)	for an <i>issuer</i> incorporated in any other place, either the standards referred to in paragraph (1) of this definition or the International Valuation Standards (7th edition) issued by the International Valuation Standards Committee.
<i>prospectus</i>		a prospectus required under the <i>prospectus directive</i> .
<i>prospectus directive</i>		the Directive of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (No 2003/71/EC).
<i>prospectus rules</i>		(as defined in section 73A(4) of the <i>Act</i>) rules expressed to relate to transferable securities.
<i>proven reserves</i>	(1)	in respect of <i>mineral companies</i> primarily involved in the <i>extraction</i> of oil and gas resources, those reserves which, on the available evidence and taking into account technical and economic factors, have a better than 90% chance of being produced; and
	(2)	in respect of <i>mineral companies</i> other than those primarily involved in the <i>extraction</i> of oil and gas resources, those measured <i>mineral resources</i> of which detailed technical and economic studies have demonstrated that <i>extraction</i> can be justified at the time of the determination, and under specified economic conditions.
<i>public international body</i>		the African Development bank, the Asian Development Bank, the Caribbean Development Bank, the Council of Europe Development Bank, the European Atomic Energy Community, the European Bank for Reconstruction and Development, the European Company for the Financing of Railroad Stock, the <i>EU</i> , the European Investment Bank, the Inter-American Development bank, the International Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, the Nordic Investment bank.
<i>public sector issuer</i>		states and their regional and local authorities, <i>state monopolies</i> , <i>state finance organisations</i> , <i>public international bodies</i> , statutory bodies and <i>OECD state guaranteed issuers</i> .
<i>registration document</i>		a registration document referred to in PR 2.2.2R.
<i>recognised scheme</i>		a <i>scheme</i> recognised under:
	(a)	section 264 of the <i>Act</i> (Schemes constituted in other EEA States); or
	(b)	section 270 of the <i>Act</i> (Schemes authorised in designated countries or territories); or
	(c)	section 272 of the <i>Act</i> (Individually recognised overseas schemes).
<i>Regulated Activities Order</i>		the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

<i>regulated market</i>	a multilateral system operated and/or managed by a <i>market operator</i> , which brings together or facilitates the bringing together of multiple third-party buying and selling interests in <i>financial instruments</i> in the system and in accordance with its non-discretionary rules in a way that results in a contract, in respect of the <i>financial instruments</i> admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of Title III of <i>MiFID</i> .
<i>regulatory information service or RIS</i>	a Regulatory Information Service that is approved by the <i>FSA</i> as meeting the Primary Information Provider criteria and that is on the list of Regulatory Information Services maintained by the <i>FSA</i> .
<i>related party</i>	as defined in LR 11.1.4R.
<i>related party circular</i>	a <i>circular</i> relating to a <i>related party transaction</i> .
<i>related party transaction</i>	as defined in LR 11.1.5R.
<i>relevant securities</i>	[deleted]
<i>retail securitised derivative</i>	a <i>securitised derivative</i> which is not a specialist securitised derivative; in this definition, a "specialist securitised derivative" is a <i>securitised derivative</i> which, in accordance with the <i>listing rules</i> , is required to be admitted to listing with a clear statement on any disclosure document that the issue is intended for a purchase by only investors who are particularly knowledgeable in investment matters.
<i>reverse takeover</i>	a transaction classified as a <i>reverse takeover</i> under LR 10.
<i>rights issue</i>	an offer to existing <i>security</i> holders to subscribe or purchase further <i>securities</i> in proportion to their holdings made by means of the issue of a renounceable letter (or other negotiable document) which may be traded (as "nil paid" rights) for a period before payment for the <i>securities</i> is due.
<i>RIE</i>	<i>recognised investment exchange</i> .
<i>rule</i>	(in accordance with section 417(1) of the <i>Act</i> (Definitions)) a rule made by the <i>FSA</i> under the <i>Act</i> , including: (a) a <i>Principle</i> ; and (b) an <i>evidential provision</i> .
<i>Schedule</i>	(as defined in the <i>PD Regulation</i>) a list of minimum information requirements adapted to the particular nature of the different types of <i>issuers</i> and/or the different <i>securities</i> involved.
<i>scientific research based company</i>	a <i>company</i> primarily involved in the laboratory research and development of chemical or biological products or processes or any other similar innovative science based company.
<i>securitised derivative</i>	an <i>option</i> or <i>contract for differences</i> which, in either case, is <i>listed</i> under LR 19 (including such an <i>option</i> or <i>contract for differences</i> which is also a <i>debenture</i>).
<i>securities note</i>	a securities note referred to in PR 2.2.2R.

<i>security</i>	(in accordance with section 102A of the <i>Act</i>) anything which has been, or may be admitted to the <i>official list</i> .	
<i>settlement price</i>	(in relation to <i>securitised derivatives</i>), the reference price or prices of the <i>underlying instrument</i> or instruments stipulated by the <i>issuer</i> for the purposes of calculating its obligations to the holder.	
<i>shadow director</i>	as in sub-paragraph (b) of the definition of director in section 417(1) of the <i>Act</i> .	
<i>share</i>	(in accordance with section 540(1) of the Companies Act 2006) a share in the share capital of a <i>company</i> , and includes:	
	(a)	stock (except where a distinction between shares and stock is express or implied); and
	(b)	<i>preference shares</i> .
<i>specialist investor</i>	an investor who is particularly knowledgeable in investment matters.	
<i>specialist securities</i>	<i>securities</i> which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.	
<i>specialist securitised derivative</i>	a <i>securitised derivative</i> which because of its nature is normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.	
<i>specified investment</i>	any of the following <i>investments</i> specified in Part III of the <i>Regulated Activities Order</i> (Specified Investments):	
	(a)	<i>deposit</i> (article 74);
	(aa)	<i>electronic money</i> (article 74A);
	(b)	<i>contract of insurance</i> (article 75); for the purposes of the permission regime, this is sub-divided into: (i) <i>general insurance contract</i> ; (ii) <i>long-term insurance contract</i> ;
		and then further sub-divided into classes of <i>contract of insurance</i> ;
	(c)	<i>share</i> (article 76);
	(d)	<i>debenture</i> (article 77);
	(da)	<i>alternative debenture</i> (article 77A);
	(e)	<i>government and public security</i> (article 78);
	(f)	<i>warrant</i> (article 79);
	(g)	<i>certificate representing certain securities</i> (article 80);
	(h)	<i>unit</i> (article 81);
	(i)	<i>stakeholder pension scheme</i> (article 82);
	(j)	<i>option</i> (article 83); for the purposes of the <i>permission regime</i> , this is sub-divided into: (i) <i>option</i> (excluding a <i>commodity option</i> and an <i>option on a commodity future</i>); (ii) <i>commodity option</i> and an <i>option on a commodity future</i> ;

	(k)	<i>future</i> (article 84); for the purposes of the <i>permission</i> regime, this is sub-divided into: (i) <i>future</i> (excluding a <i>commodity future</i> and a <i>rolling spot forex contract</i>); (ii) <i>commodity future</i> ; (iii) <i>rolling spot forex contract</i> ;
	(l)	<i>contract for differences</i> (article 85); for the purposes of the <i>permission</i> regime, this is sub-divided into: (i) <i>contract for differences</i> (excluding a <i>spread bet</i> and a <i>rolling spot forex contract</i>); (ii) <i>spread bet</i> ; (iii) <i>rolling spot forex contract</i> ;
	(m)	<i>underwriting capacity of a Lloyd's syndicate</i> (article 86(1));
	(n)	<i>membership of a Lloyd's syndicate</i> (article 86(2));
	(o)	<i>funeral plan contract</i> (article 87);
	(oa)	<i>regulated mortgage contract</i> (article 61(3));
	(p)	<i>rights to or interests in investments</i> (article 89).
<i>sponsor</i>		a person approved, under section 88 of the <i>Act</i> by the <i>FSA</i> , as a sponsor.
<i>sponsor service</i>		a service relating to a matter referred to in LR 8.2 that a <i>sponsor</i> provides or is requested or appointed to provide and that is for the purpose of the <i>sponsor</i> complying with LR 8.3.1 R or LR 8.4. This definition includes preparatory work that a <i>sponsor</i> may undertake before a decision is taken as to whether or not it will act as <i>sponsor</i> for a <i>company</i> or in relation to a transaction. But nothing in this definition is to be taken as requiring a <i>sponsor</i> to agree to act as a <i>sponsor</i> for a <i>company</i> or in relation to a transaction.
<i>standard listing</i>		in relation to <i>securities</i> , means a <i>listing</i> that is not a <i>premium listing</i> .
<i>standard listing (shares)</i>		a <i>standard listing</i> of <i>shares</i> other than <i>preference shares</i> that are <i>specialist securities</i> .
<i>state finance organisation</i>		a legal person other than a <i>company</i> :
	(1)	which is a national of an <i>EEA State</i> ;
	(2)	which is set up by or pursuant to a special law;
	(3)	whose activities are governed by that law and consist solely of raising funds under state control through the issue of <i>debt securities</i> ;
	(4)	which is financed by means of the resources they have raised and resources provided by the <i>EEA State</i> ; and
	(5)	the <i>debt securities</i> issued by it are considered by the law of the relevant <i>EEA State</i> as securities issued or guaranteed by that state.
<i>state monopoly</i>		a <i>company</i> or other legal person which is a national of an <i>EEA State</i> and which:
	(1)	in carrying on its business benefits from a monopoly right granted by an <i>EEA state</i> ; and

	(2)	is set up by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by an <i>EEA state</i> or one of the federated states of an <i>EEA state</i> .
<i>subsidiary undertaking</i>		as defined in section 1162 of the Companies Act 2006 .
<i>substantial shareholder</i>		any <i>person</i> who is entitled to exercise or to control the exercise of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the <i>company</i> (or of any <i>company</i> which is its subsidiary undertaking or parent undertaking or of a fellow <i>subsidiary undertaking</i> of its <i>parent undertaking</i>). Disregard for this purpose any voting rights which such a <i>person</i> exercises (or controls the exercise of) independently in its capacity as bare trustee, investment manager, collective investment undertaking or a <i>long term insurer</i> in respect of its linked long term business if no <i>associate</i> of that <i>person</i> interferes by giving direct or indirect instructions, or in any other way, in the exercise of such voting rights (except to the extent any such <i>person</i> confers or collaborates with such an <i>associate</i> which also acts in its capacity as investment manager, collective investment undertaking or long term insurer).
<i>summary</i>		(in relation to a <i>prospectus</i>) the <i>summary</i> included in the <i>prospectus</i> .
<i>SUP</i>		the Supervision manual.
<i>supplementary listing particulars</i>		(in accordance with section 81(1) of the <i>Act</i>), supplementary listing particulars containing details of the change or new matter.
<i>supplementary prospectus</i>		a supplementary prospectus containing details of a new factor, mistake or inaccuracy.
<i>Takeover Code</i>		the City Code on Takeovers and Mergers issued by the <i>Takeover Panel</i> .
<i>target</i>		the subject of a <i>class 1 transaction</i> .
<i>tender offer</i>		an offer by a <i>company</i> to purchase all or some of a <i>class</i> of its <i>listed equity securities</i> at a maximum or fixed price (that may be established by means of a formula) that is:
	(1)	communicated to all holders of that <i>class</i> by means of a <i>circular</i> or advertisement in two national newspapers;
	(2)	open to all holders of that <i>class</i> on the same terms for at least 7 days; and
	(3)	open for acceptance by all holders of that <i>class</i> pro rata to their existing holdings.

<i>trading plan</i>	<p>a written plan between a restricted person and an independent third party which sets out a strategy for the acquisition and/or disposal of <i>securities</i> by a specified person and:</p> <p>(a) specifies the amount of securities to be dealt in and the price at which and the date on which the securities are to be dealt in; or</p> <p>(b) gives discretion to that independent third party to make trading decisions about the amount of <i>securities</i> to be dealt in and the price at which and the date on which the <i>securities</i> are to be dealt in; or</p> <p>(c) includes a written formula or algorithm, or computer program, for determining the amount of <i>securities</i> to be dealt in and the price at which and the date on which the <i>securities</i> are to be dealt in.</p>
<i>transferable security</i>	(as defined in section 102A of the <i>Act</i>) anything which is a transferable security for the purposes of <i>MiFID</i> , other than money-market instruments for the purposes of that directive which have a maturity of less than 12 months.
<i>treasury shares</i>	shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.
<i>trust deed</i>	a trust deed or equivalent document securing or constituting <i>debt securities</i> .
<i>UK</i>	<i>United Kingdom</i> .
<i>underlying instrument</i>	(in relation to <i>securitised derivatives</i>) means either:
	(1) if the <i>securitised derivative</i> is an <i>option</i> or <i>debt security</i> with the characteristics of an <i>option</i> , any of the underlying investments listed in article 83 of the <i>Regulated Activities Order</i> ; or
	(2) if the <i>securitised derivative</i> is a <i>contract for differences</i> or <i>debt security</i> with the characteristics of a <i>contract for differences</i> , any factor by reference to which a profit or loss under article 85 of the <i>Regulated Activities Order</i> can be calculated.
<i>unrecognised scheme</i>	a <i>collective investment scheme</i> which is neither a <i>recognised scheme</i> nor a scheme that is constituted as an <i>authorised unit trust scheme</i> .
<i>vendor consideration placing</i>	a marketing, by or on behalf of vendors, of <i>securities</i> that have been allotted as consideration for an acquisition.
<i>venture capital trust</i>	a <i>company</i> which is, or which is seeking to become, approved as a venture capital trust under section 842AA of the Income and Corporation Taxes Act 1988.
<i>warrant</i>	the <i>investment</i> , specified in article 79 of the <i>Regulated Activities Order</i> (Instruments giving entitlements to investments), which is in summary: a warrant or other instrument entitling the holder to subscribe for a <i>share</i> , <i>debenture</i> , <i>alternative debenture</i> or <i>government and public security</i> .

Appendix 2

Fees and financial penalty income

2.1 **The provisions outlined in LR App 2.1 in relation to fees are set out in FEES 3 and 4**

App [Deleted]
2.1.1 [Deleted]

Appendix 3

List of Regulatory Information Services

3.1

App
3.1.1

R

The following are approved *Regulatory Information Services*:

Business Wire Regulatory Disclosure provided by Business Wire

FirstSight provided by Cision

Announce provided by Hugin ASA

News Release Express provided by Marketwire

PR Newswire Disclose provided by PRNewswire

RNS provided by the London Stock Exchange

marCo - Market Communication Office provided by Tensid Ltd of Switzerland

DGAP IR.COCKPIT provided by EquityStory AG

Listing Rules

LR TR 1 Transitional Provisions: General and Venture Capital Trusts

General Transitional Provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	<p>Amendments to <i>LR</i> set out in Annex B of the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006, relating to:</p> <p>(i) DTR 4 and periodic financial reporting; and</p> <p>(ii) DTR 6 in so far as they may relate to, or are required to give effect to, amendments in (i).</p>	R	<p>The amendments described in column 2 shall have effect as follows:</p> <p>(a) an <i>issuer</i> whose financial year starts on or after 20 January 2007 must comply with these amendments as of 20 January 2007; and</p> <p>(b) an <i>issuer</i> whose financial year starts before 20 January 2007 must comply with these amendments as of the start of its next financial year.</p>	From 20 January 2007	
1A	<i>LR</i> provisions referring to Companies Acts 1985, 2006 or related provisions.	R	(1) To the extent that the whole or part of a provision of the Companies Act 2006 is yet to come into force, any reference to that provision or	6 October 2007	20 January 2007

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			<p>part of it should be read as a reference to the corresponding provision of the Companies Act 1985 currently in force (subject to the application of any relevant transitional provisions in the Companies Act 2006 or the <i>rules</i>).</p> <p>(2) To the extent that the whole or part of a provision of the Companies Act 1985 is no longer in force it shall be read as a reference to the corresponding provision of the Companies Act 2006 or relevant <i>DTR rule</i> that has superseded it (subject to the application of any relevant transitional provisions).</p>		
1B	LR 12.4.7R (2)	R	<p>A <i>company</i> may obtain the approval required by LR 12.4.7R (2) by extraordinary resolution (rather than a special resolution) if there is a</p>	<p>From 6 February 2008 until further notice</p>	<p>1 July 2005</p>

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			reference to an extraordinary resolution in the <i>company's</i> memorandum and articles which requires or permits it and which continues to have effect by virtue of article 9 and paragraph 23 of Schedule 3 of The Companies Act 2006 (Commencement No.3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.		

Transitional Provisions for venture capital trusts

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
2	LR 15.2.11 R - LR 15.2.13A R and LR 15.4.7 R	R	Do not apply in respect of a <i>venture capital trust</i> listed before the date this instrument comes into force.	From 28 September 2007 to 28 September 2010	28 September 2007
3	LR 15.6.8 R	R	Does not apply in respect of a <i>venture capital trust</i> listed before the date this instrument comes into force.	From 28 September 2007 to 28 September 2010	28 September 2007

Listing Rules

LR TR 2 Transitional Provision for closed-ended investment funds listed before 28 September 2007

(1)	(2) Material to which the transitional provisions apply	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	LR 15.4.1A R and R LR 15.4.1B G		LR 15.4.1A R and LR 15.4.1B G do not apply to a <i>closed-ended investment fund</i> listed before 28 September 2007 until the date of the publication of its first annual report after 28 September 2007.	6 March 2008	6 March 2008

Listing Rules

LR TR 3 Transitional Provisions for Investment Entities already listed under LR 14

(1)	(2) Material to which the transitional provisions apply	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	These transitional provisions apply to an entity that is an <i>overseas company</i> and an <i>investment entity</i> and that immediately before 6 March 2008 did not comply with the requirements of LR 15 or LR 16 but complied with the requirements of LR 14.	6 April 2010 In- definite	6 April 2010
2.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	LR 14 continues to apply to the entity for so long as it is listed after that date (and LR 15 and LR 16 do not apply) unless the entity makes an election under rule 3 of these transitional provisions.	6 April 2010 In- definite	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
3.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	The entity may by notice in writing given to the <i>FSA</i> elect to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the requirements in LR 14 from a date specified in the notice. An entity should not give notice under this transitional rule unless it has come to a reasonable opinion, after having made due and careful enquiry, that it can satisfy the requirements of LR 15 and 16 (as the case may be).	6 April 2010 Indefinite	6 April 2010
4.	LR 5.2.7A R, LR 14, LR 15 and LR 16	R	If an entity gives a notice under TR3 3R of these transitional provisions it must comply with the requirements of LR 15	6 April 2010 Indefinite	6 April 2010

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
			<p>or LR 16 (as the case may be) from the date specified in the notice and the requirements of LR 14 no longer apply to the entity from that date.</p>		

Note: An entity which intends to give notice under LR 3 LR TR 3 3R should consult with the *FSA* at the earliest possible stage if it intends to comply with the requirements of LR 15 or LR 16 (whichever is applicable to the entity) instead of the requirements in LR 14.

Listing Rules

LR TR 4 Transitional Provision for Issuers with a Premium Listing that are Overseas Companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.8.7 R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 5 April 2010 is only required to comply with LR 9.8.7 R in financial years beginning after 31 December 2009.	From 6 April 2010	6 April 2010

Listing Rules

LR TR 5 Transitional Provision for companies incorporated in the United Kingdom

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.12 R (3)	R	Where a <i>listed company</i> has an authority to dis-apply statutory pre-emption rights under section 95 of the Companies Act 1985 and that authority remains in force on or after 6 April 2010, the <i>company</i> can continue to rely on it until it expires and will not need to seek a new authority under section 571 of the Companies Act 2006.	From 6 April 2010	6 April 2010

Listing Rules

LR TR 6 Transitional Provision for overseas companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 9.3.11 R	R	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.3.11 R after 5 April 2011.	From 6 April 2010	6 April 2010
2.	LR 9.8.7A R	R.	An <i>overseas company</i> with <i>securities</i> that have a <i>premium listing</i> on 6 April 2010 is only required to comply with LR 9.8.7A R in financial years beginning after 31 December 2009.	From 6 April 2010	6 April 2010
3.	LR 14.3.24 R	R.	An <i>overseas company</i> with <i>securities</i> that have a <i>standard listing</i> on 6 April 2010 is only required to comply with LR 14.3.24 R in financial years beginning	From 6 April 2010	6 April 2010

after 31 Decem-
ber 2009.

Listing Rules

LR TR 7 Transitional Provision for issuers with shares that do not confer full voting rights

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	LR 10, LR 11, LR 12	R	<p>(1) This <i>rule</i> applies to an <i>issuer</i> with a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights on 6 April 2010.</p> <p>(2) An <i>issuer</i> to which this <i>rule</i> applies may retain a <i>premium listing</i> of <i>equity shares</i> that do not confer full voting rights until 31 May 2012.</p>	From 6 April 2010 to 31 May 2012	6 April 2010

Listing Rules

Schedule 1 [to follow]

[to follow]

Listing Rules

Schedule 2 [to follow]

[to follow]

Listing Rules

Schedule 3 [to follow]

[to follow]

Listing Rules

Schedule 4 Powers exercised

The following powers and related provisions in or under the *Act* have been exercised by the *FSA* to make the *rules* in *LR*:

- Section 73A (Part 6 Rules)
- Section 75 (Applications for listing)
- Section 77 (Discontinuance and suspension of listing)
- Section 79 (Listing particulars and other documents)
- Section 80 (General duty of disclosure in listing particulars)
- Section 81 (Supplementary listing particulars)
- Section 88 (Sponsors)
- Section 89 (Public censure of sponsor)
- Section 96 (Obligations of issuers of listed securities)
- Section 99 (Fees)
- Section 100 (Penalties)
- Section 101 (Part 6 rules: general provisions)
- Section 138 (General rule-making power)
- Section 156 (General supplementary powers)
- Schedule 7 (The Authority as Competent Authority for Part VI)

The following power in the *Act* has been exercised by the *FSA* to give the *guidance* in *LR*:

- (1) Section 157(1) (Guidance)

Listing Rules

Schedule 5 [to follow]

[to follow]

Listing Rules

Schedule 6 [to follow]

[to follow]