



December 2003

To directors of listed companies, their advisers and other users of the Listing Rules

The UKLA Sourcebook - December 2003 amendment

Listing Rules for fees

I am pleased to present here the amendments to the UKLA Sourcebook. If you have any queries about the changes made to the Listing Rules please contact the UKLA helpline on 020 7066 8333.

A handwritten signature in black ink, appearing to read 'K. Ludwick', with a horizontal line underneath.

Kevin Ludwick
Head of Policy and Compliance

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Filing instructions for December 2003 amendments to the UKLA Sourcebook

The following pages should be inserted in the appropriate place in your UKLA Sourcebook binder **in substitution** for the relevant existing pages:

Pages to be inserted

Pages to be removed

LISTING RULES

Definitions (2)	Definitions (7-8)	- 2 pages
Chapter 3 (4)	Chapter 3 (3-6)	- 4 pages
Chapter 4 (2)	Chapter 4 (7-8)	- 2 pages
Chapter 5 (2)	Chapter 5 (9-10)	- 2 pages
Chapter 5 Appendix 2 (2)	Chapter 5 Appendix 2 (13-14)	- 2 pages
Chapter 6 (6)	Chapter 6 (7-10; 25-26)	- 6 pages
Chapter 7 (4)	Chapter 7 (1-4)	- 4 pages
Chapter 9 (8)	Chapter 9 (1-2; 5-10)	- 8 pages
Chapter 10 (12)	Chapter 10 (All)	- 12 pages
Chapter 11 (6)	Chapter 11 (3-8)	- 6 pages
Chapter 12 (8)	Chapter 12 (11-18)	- 8 pages
Chapter 13 (8)	Chapter 13 (3-10)	- 8 pages
Chapter 14 (4)	Chapter 14 (3-6)	- 4 pages
Chapter 15 (All)	Chapter 15 (All)	- 6 pages
Chapter 16 (2)	Chapter 16 (5-6)	- 2 pages
Chapter 18 (2)	Chapter 18 (1-2)	- 2 pages
Chapter 19 (8)	Chapter 19 (1-8)	- 8 pages
Chapter 21 (All)	Chapter 21 (All)	- 16 pages
Chapter 27 (2)	Chapter 27 (1-2)	- 2 pages
Schedule 1A (4)	Schedule 1A (1-4)	- 4 pages
Schedule 10 (2)	Schedule 10 (1-2)	- 2 pages
Schedule 11 (2)	Schedule 11 (1-2)	- 2 pages

GUIDANCE MANUAL

Continuing Obligations Guide (30)	Continuing Obligations Guide (3-4; 7-8; 11-36)	- 30 pages
Appendix 5 PIP Service Criteria (4)	Appendix 5 PIP Service Criteria (13-16)	- 4 pages

	Bank, The International Bank for Reconstruction and Development, The International Finance Corporation, The International Monetary Fund, The Nordic Investment Bank and such other bodies as the Exchange may from time to time accept as a public international body
public sector issuers	states and their regional and local authorities, state monopolies, state finance organisations, public international bodies and statutory bodies
related party	as defined in paragraph 11.1
Regulatory Information Service	any of the services set out in schedule 12
retirement benefit plan	an arrangement for the provision of “relevant benefits” as defined in section 612 of the Income and Corporation Taxes Act 1988
RIE	recognised investment exchange for the purposes of the Act
secondary listing	a listing which is not a primary listing
securities	shares, debt securities, units in a collective investment scheme (as defined in the Act), miscellaneous warrants, certificates representing debt securities, warrants or options to subscribe or purchase securities and other securities of any description
shadow director	as in sub-paragraph (b) of the definition of director in section 417(1) of the Act
shares	as in section 744 of the Companies Act 1985, including preference shares
shelf document	the document published in accordance with paragraph 5.35 which, together with an issue note, comprises listing particulars
specialist certificates representing shares	as defined in paragraph 23.1
specialist debt securities	as defined in paragraph 23.1
specialist securities	as defined in paragraph 23.1
stabilising manager	as in the Price Stabilising Rules
state finance organisation	subject to paragraph 22.1A, a legal person other than a company: <ul style="list-style-type: none">(a) which is a national of a member state;(b) which was set up by or pursuant to a special law;(c) whose activities are governed by that law and consist solely of raising funds under state control through the issue of debt securities and financing production by means of the resources which they have raised and resources provided by a member state; and

	(d) the debt securities of which are, for the purposes of admission, considered by the law of that member state as debt securities issued or guaranteed by that state
state monopoly	subject to paragraph 22.1A, a company or other legal person which is a national of a member state and which: <ul style="list-style-type: none"> (a) in carrying on its business benefits from a monopoly right granted by a member state; and (b) is set up or governed by or pursuant to a special law or whose borrowings are unconditionally and irrevocably guaranteed by a member state or one of a member state's federated states
subsidiary	as in section 736(1) of the Companies Act 1985
subsidiary undertaking	as in section 258 of the Companies Act 1985
temporary documents of title	allotment letters, letters of allocation, split receipts, letters of acceptance, letters of rights, scrip certificates, renounceable share certificates and any other temporary documents of title
treasury shares	are qualifying shares to which sections 162A to 162G of the Companies Act 1985 apply
trust deeds	trust deeds and equivalent documents securing or constituting debt securities
UK Listing Authority	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Act, including where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated
uncertificated	in the form permitted pursuant to the Uncertificated Securities Regulations 1995 or corresponding overseas provisions. Related expressions shall bear the meanings attributed to them in those regulations or provisions
undertaking	as in section 259(1) of the Companies Act 1985
United Kingdom Generally Accepted Accounting Principles	the normal accounting requirements for public companies in the United Kingdom, including statements of standard accounting practice developed by the Accounting Standards Committee and financial reporting standards developed by the Accounting Standards Board
United States Generally Accepted Accounting Principles	the normal accounting requirements for public companies in the United States of America, including accounting standards developed by the Financial Accounting Standards Board
variation	a dispensation or modification of the application of the listing rules or the Act, or the exercise of any specific discretion provided under the listing rules, the Act or the POS Regs

Website

the UK Listing Authority website at the following
address: [http:// www.fsa.gov.uk](http://www.fsa.gov.uk)

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- 3.9 An applicant which is a company must ensure that each of its directors is free of conflicts between duties to the company and private interests and other duties, unless the applicant can demonstrate that arrangements are in place to avoid detriment to its interests. Where there are potential conflicts the UK Listing Authority must be consulted at an early stage.

Working capital

- 3.10 An issuer preparing listing particulars, a Class 1 circular or any circular containing proposals to be put to shareholders in general meeting concerning a refinancing or reconstruction of the issuer or its group must include a working capital statement (see paragraph 6.E.16 or 6.L.10) in the listing particulars or circular. In making this statement the issuer must be satisfied after due and careful enquiry that it and its subsidiary undertakings, if any, have available sufficient working capital for the group's present requirements, that is for at least the next 12 months from the date of publication of the relevant document (also see paragraph 2.18 (sponsor's confirmation)). In the case of an application for listing of securities by an issuer with securities already listed, the UK Listing Authority may nevertheless admit these securities to listing where the applicant does not have available sufficient working capital, if the listing particulars or circular contains satisfactory proposals for the provision of the additional working capital thought by the issuer to be necessary.
- 3.11 The UK Listing Authority will not require a working capital statement to be made by an issuer whose business is entirely or substantially that of banking, insurance or the provision of similar financial services, provided that the UK Listing Authority is satisfied that:
- (a) the inclusion of such a statement would not provide significant information for investors; and
 - (b) the issuer's solvency and capital adequacy are regulated by the FSA or suitably regulated by another regulatory body.

Controlling shareholder

- 3.12 A company which has a controlling shareholder must be capable at all times of carrying on its business independently of such controlling shareholder (including any associate thereof as defined in paragraph 3.13) and all transactions and relationships between the company and any controlling shareholder (or associate) must be at arm's length and on a normal commercial basis (see also paragraphs 6.C.23, 6.J.17 and 9.34).
- 3.13 For the purposes of paragraph 3.12, a controlling shareholder is any person (or persons acting jointly by agreement whether formal or otherwise) who is:
- (a) entitled to exercise, or to control the exercise of, 30% or more of the rights to vote at general meetings of the applicant (but the rights to vote attaching to any treasury shares held by a company are not to be taken into account when calculating a person's percentage of rights to vote under this paragraph); or
 - (b) able to control the appointment of directors who are able to exercise a majority of votes at board meetings of the applicant.

For these purposes, "associate" has the meanings set out in subparagraphs (i), (ii) and (iii) of paragraph 11.1 (d) and (e). An individual or company is to be treated as the "associate" of persons who are its associates under subparagraphs (i), (ii) and (iii) of paragraph 11.1 (d) and (e) respectively. Associates will, unless the contrary is established to the satisfaction of the UK Listing Authority, be presumed to be acting jointly or by agreement.

Conditions relating to securities

Validity

- 3.14 To be listed, securities must: CARD Arts. 45 and 53
- (a) conform with the law of the applicant's place of incorporation;
 - (b) be duly authorised according to the requirements of the applicant's memorandum and articles of association; and
 - (c) have any necessary statutory or other consents.

Admission to trading

- 3.14A To be listed, securities must be admitted to trading. Admission to listing and admission to trading will together constitute admission to official listing on a stock exchange.

Transferability

- 3.15 To be listed, securities must be freely transferable. Fully paid shares must be 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 212 of the Companies Act 1985 (see paragraph 9.43)). Partly paid securities (save those issued by a public international body or the government of a non member state or a regional or local authority of such non member state) will be regarded as fulfilling this condition, provided that the UK Listing Authority is satisfied that their transferability is not restricted and that investors have been provided with all appropriate information to enable dealings in such securities to take place on an open and proper basis. In exceptional circumstances approved by the UK Listing Authority an applicant may take power to disapprove the transfer of shares provided that the exercise of such power would not disturb the market in those shares.

Market capitalisation

- 3.16 Except where securities of the same class are already listed, the expected aggregate market value of all securities (excluding treasury shares) to be listed must be at least:
- (a) £700,000 for shares; and CARD Art. 43
 - (b) £200,000 for debt securities (except there is no minimum limit in the case of tap issues where the amount of the debt securities is not fixed). CARD Art. 58
- 3.17 The UK Listing Authority may admit securities of lower value if satisfied that there will be an adequate market for the securities concerned. CARD Arts. 43 and 58

Shares in public hands

- 3.18 Where an application for listing has been made for 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 member states. Account may also be taken of holders in one or more non-member states, if the shares are listed in that state or states. CARD Art. 48

- 3.19 A sufficient number of shares shall be deemed to have been distributed to the public when 25% of the shares in respect of which application for admission has been made are in the hands of the public. A percentage lower than 25% may be acceptable if 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. CARD Art. 48
- 3.20 For the purposes of paragraphs 3.18 and 3.19, shares will not be regarded as being 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 by virtue of any agreement has a right to nominate a person to the board of directors of the applicant; or
 - (e) any person who is interested in 5% or more of the shares of the relevant class, unless the UK Listing Authority determines that, in all the circumstances, such person can be included in the public for the purposes of paragraphs 3.18 and 3.19.
- 3.21 If the percentage of a class of shares in the hands of the public falls below 25% or such lower percentage as may be permitted in accordance with paragraph 3.19, that may result in suspension or cancellation of listing pursuant to paragraph 1.15 or 1.19. The UK Listing Authority will 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.
- 3.21A For the purposes of paragraphs 3.19 and 3.21, treasury shares are not taken into consideration when calculating the percentage of a class of shares in the hands of the public.

Whole class to be listed

- 3.22 An application for listing of securities of any class must:
- (a) if no securities of that class are already listed, relate to all securities of that class, issued or proposed to be issued; or
 - (b) if securities of that class are already listed, relate to all further securities of that class, issued or proposed to be issued. CARD Art. 49

Warrants or options to subscribe

- 3.23 In the absence of exceptional circumstances the issue of warrants or options to subscribe for equity shares must be limited to not more than 20% of the issued equity share capital (calculated exclusive of treasury shares) of the applicant at the time of issue of the warrants or options. Rights under employees' share schemes will not be included for the purpose of this 20% limit.
- 3.24 The conditions for listing of options or warrants to subscribe securities (not being options or warrants accompanied by other securities) are the same as would apply if the subject of the application for listing had been the securities to be subscribed, unless the UK Listing Authority otherwise agrees. The UK Listing Authority must be consulted at an early stage

Convertible securities

- 3.25 Convertible securities may be admitted to listing only if the securities into which they are convertible are already or will become at the same time: CARD Art. 59
- (a) listed securities; or
 - (b) securities listed on a regulated, regularly operating, recognised open market.
- 3.26 The UK Listing Authority may admit convertible securities to listing in circumstances not falling within paragraph 3.25 if it is satisfied that holders have at their disposal all the information necessary to form an opinion concerning the value of the underlying securities to which such securities relate. CARD Art. 59

Settlement

- 3.27 Where an application for listing in respect of shares or a new class of securities is made by a company incorporated in the United Kingdom, the shares or securities the subject of the application must (save where the UK Listing Authority in exceptional circumstances otherwise agrees) 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). For overseas companies seeking primary listing this requirement applies as modified by paragraph 17.12. Overseas companies seeking a secondary listing are not required to comply with this condition (see paragraph 17.14).
- 3.28 *Paragraph deleted - January 1999*

Payments other than in cash

- 3.29 A fee or other remuneration or consideration to be paid or given to any director, officer or adviser of the applicant (including any sponsor or promoter) in connection with the issue or listing of securities may be made otherwise than in cash provided that the UK Listing Authority is satisfied that:
- (a) full disclosure has been made in the listing particulars or circular of the method by which such fee or other remuneration or consideration is to be paid and, where securities are being issued, of all material terms of the issue including the value of such securities; and
 - (b) the independence of the director, officer or adviser, as appropriate, is not compromised to the detriment of the general body of shareholders of the applicant.

In all cases, the UK Listing Authority must be consulted at an early stage.

- 3.30 *Paragraph deleted - August 1995*

Certificates representing shares

- 3.31 Where application is made to list certificates representing shares, the issuer of the shares 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 listing of the shares.
- 3.32 *Paragraph deleted - September 1997*

New applicants and disclosure of advisers' interests

- 4.38 If following an offer for sale, offer for subscription, placing or intermediaries offer by a new applicant any of the new applicant's advisers or any intermediary becomes interested in 3% or more of any class of equity shares being marketed (calculated exclusive of treasury shares) the interest must be notified to a Regulatory Information Service before admission of the securities is expected to become effective. For this purpose, an adviser or intermediary is interested in any equity shares held by market makers in the group of companies to which it belongs but is not interested in any securities held on behalf of bona fide clients by any company in the group of companies to which it belongs. In assessing the percentage size of the interest, the equity shares being marketed are to be treated as having already been issued.

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| (c) | shares resulting from the exercise of rights under warrants already listed; | CARD Art.
23(2) |
| (d) | shares issued in place of shares already listed (provided that there is no increase in the nominal value of the share capital as a result); | CARD Art.
23(2) |
| (e) | shares which would increase the shares of a class already listed by less than 10% (for this purpose a series of issues in connection with a single transaction, or series of transactions that is regarded by the UK Listing Authority as a single transaction, will be deemed to be a single issue); | CARD
Art.23(2) |
| (f) | shares allotted to employees if shares of the same class are already listed; and | CARD Art.
23(3)(d) |
| (g) | certificates representing shares issued in exchange for the shares, provided that certificates of the same class are already listed and that there is no increase in the nominal value of the company's share capital as a result. | CARD Art.
23(3)(g) |
- 5.28 In cases where listing particulars are not required under paragraph 5.27, the following information must be published in printed form:
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| (a) | for categories in paragraph 5.27(a) to (d) where the issue would increase the shares of the relevant class by 10% or more, that required by paragraphs 6.B.1, 6.B.2 and 6.B.4 to 6.B.24; or | CARD Art.
23(3)(g) |
| (b) | for categories in paragraph 5.27(a) to (d) where the issue would increase the shares of the relevant class by less than 10%, and for categories in paragraph 5.27(e) to (g), the number and type of securities to be admitted and the circumstances of their issue. | |
- 5.29 Such information must be published in accordance with chapter 8 as if the document comprised listing particulars and must be notified to a Regulatory Information Service, such notification stating where the information can be obtained.
- 5.30 In the case of paragraph 5.27(e), where the shares are listed in connection with the acquisition of assets, further information may be required to be notified to a Regulatory Information Service and in some cases a circular to shareholders may be necessary (see chapter 10).

Warrants and options

- 5.31 Subject to paragraph 5.31A, if warrants or options to subscribe equity shares are to be issued for cash other than by way of a rights issue, a circular must be sent to shareholders which complies with the requirements of paragraph 14.1 (contents of all circulars) and includes the following information:
- | | |
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| (a) | the total number of shares subject to the warrants or options; |
| (b) | the period during which the warrants or options may be exercised and the date when this right commences; |
| (c) | the amount payable on the exercise of the right; |
| (d) | the arrangements for transfer and transmission of the right; |
| (e) | the rights of the holder on the liquidation of the company; and |
| (f) | the arrangements for variation in the subscription price or number of shares to take account of any alterations to the share capital of the company. |

- 5.31A No circular is required under paragraph 5.31 for issues of warrants or options in any 12 month period which on exercise would result in an increase of less than five per cent in the issued share capital (calculated exclusive of treasury shares) of the relevant class of underlying securities of the issuer. In such a case the issuer must notify a Regulatory Information Service of the issue of the warrants or options without delay, giving the information required by paragraph 5.31 (a), (b) and (c).

Summary particulars

- 5.32 Summary particulars may be circulated instead of listing particulars and may accompany or be included in any circular sent to holders of listed securities. In such cases issuers must draw up listing particulars and publish them in accordance with chapter 8 and the summary particulars must be authorised for issue in accordance with paragraph 8.24. CARD Art. 101
- 5.33 Summary particulars must not include any material information not contained in the listing particulars and must include the following:
- (a) a statement that listing particulars, which alone contain full details of the issuer and of the securities being issued, have been published;
 - (b) the date of the listing particulars;
 - (c) a statement that the listing particulars are:
 - (i) obtainable on request, free of charge, from the issuer's registered office, and the office of any paying agent in the United Kingdom and such other address as the issuer may determine; and
 - (ii) available to the public for inspection at the Document Viewing Facility (stating the address of the Document Viewing Facility)until the later of the last day for acceptance of the issue, or the general meeting to approve the issue or the Class 1 transaction, or, in any other case, a date not later than 14 days after the date of the listing particulars.
 - (d) a statement that the directors are satisfied that the summary particulars contain a fair summary of the key information set out in the listing particulars;
 - (e) where relevant, a statement of the procedure to be followed to take up any entitlement to the securities being issued; and
 - (f) a statement that the issue of the summary particulars has been authorised by the UK Listing Authority without approval of its contents (see paragraph 8.24).

Certificates representing shares

- 5.34 In the case of certificates representing shares, the issuer of the shares will be treated as the issuer for the purpose of the listing rules. Consequently the information required as regards the shares is the same as that which would be required in the case of an application to list those shares, with additional requirements in respect of the issuer of the certificates and the certificates themselves.

Shelf registration

- 5.35 An issuer whose shares or debt securities have been listed for at least 12 months or which has issued its first annual accounts as a listed issuer, whichever is sooner, may prepare a document (a "shelf document") containing the information described in chapter 6 and other statements as specified in Table IA and/or Table IIA of appendix 1 to this chapter. A shelf document will remain current until the earlier of:
- (a) the publication of the issuer's next annual report and accounts;

in which event the UK Listing Authority may authorise the omission of such information (see paragraphs 5.17 and 5.21). In cases of uncertainty the UK Listing Authority must be consulted.

Admission of an AIM company (paragraph 5.23A(c))

3. The exempt listing document must contain:

- (a) the latest three years' published consolidated annual accounts; if the issuer prepares both own and consolidated annual accounts it must include both sets of accounts. However the issuer may exclude its own accounts, on condition that they do not provide any significant additional information to that contained in the consolidated accounts;
- (b) the issuer's latest half yearly report, where such a report has been published since the latest published annual accounts;
- (c) any prospectus, equivalent document, AIM admission document or circular published by the issuer in the 12 months preceding the application for admission to listing;
- (d) a description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial statements have been published, or an appropriate negative statement;
- (e) the information required by paragraph 6.E.16 (working capital statement) unless:
 - (i) the date of publication of the exempt listing document is within 42 days of the date on which the auditors signed their report on the accounts of the company;
 - (ii) the company's latest published accounts are unqualified and there are no material uncertainties; and
 - (iii) the UK Listing Authority considers that there are no other reasons for requiring such statement:

in which event the UK Listing Authority may authorise the omission of such information upon written request. In cases of uncertainty the UK Listing Authority must be consulted;

- (f) a statement that application has been made for listing, the date on which the shares will be admitted to listing and on which dealings will commence and:
 - (i) in the case of shares, the nominal or accounting par value of the shares, the number of each class of shares held as treasury shares and the information required by paragraphs 6.B.7 and 6.B.8 (summary of rights of shares);
 - (ii) in the case of debt securities, the nominal amount of the loan (if that amount is not fixed, a statement to that effect must be made) and the nature, number and numbering of the bonds and the denominations, the currency of the issue, the redemption procedure, the term of the loan, the nature and scope of the guarantees and the ranking of the debt; and

- (iii) in the case of convertible debt securities, the nature of the shares offered by way of conversion, exchange or subscription, the rights attaching thereto, the conditions of and procedures for conversion, exchange or subscription and details of the circumstances in which they may be amended;
 - (g) the place of registration of the issuer and its registration number;
 - (h) arrangements for transfer of the shares and (where permitted) any restrictions on their free transferability (for example, provisions requiring transfers to be approved);
 - (i) the fixed date(s) (if any) on which entitlement to dividends arise;
 - (j) a declaration by the directors as set out in paragraph 6.A.3 or 6.H.3 as to their responsibility for the information required by this paragraph and contained in the documents referred to in this paragraph;
 - (k) a statement that for a period of not less than 14 days from the date of the document at a named place in or near the City of London or such other place in the United Kingdom as the UK Listing Authority may agree, the following documents (or copies thereof), where applicable, may be inspected:
 - (i) the memorandum and articles of association of the issuer;
 - (ii) any trust deed of the issuer and any of its subsidiary undertakings; and
 - (iii) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the document, including, in the case of a company incorporated in the United Kingdom, all notes, reports or information required by the Companies Acts 1985 and 1989.
 - (iv) *Paragraph deleted January 1999.*
 - (l) the information required by paragraphs 6.D.4 and 6.E.11 to 6.E.13 in so far as it is not already disclosed in the annual accounts.
4. A letter confirming that the company has complied with all the requirements of the London Stock Exchange since its admission to AIM must be sent to the UK Listing Authority (see paragraphs 5.9(p) and 5.12(m)).
5. AIM companies incorporated or resident for tax purposes overseas must consult the UK Listing Authority at an early stage to ascertain whether any extra information is required; such companies must also have regard to the provisions of chapter 17.

The issuer and its capital

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| 6.C.1 | The name, registered office and, if different, head office of the issuer. | CARD Ann. I
Sch A, Chpt 3
Para 3.1.0 |
| 6.C.2 | The country of incorporation of the issuer. | |
| 6.C.3 | The date of incorporation and the length of life of the issuer, except where indefinite. | CARD Ann. I
Sch A, Chpt 3
Para 3.1.1 |
| 6.C.4 | The legislation under which the issuer operates and the legal form which it has adopted under that legislation. | CARD Ann. I
Sch A, Chpt 3
Para 3.1.2 |
| 6.C.5 | A description of the issuer's principal objects and reference to the clause of the memorandum of association in which they are described. | CARD Ann. I
Sch A, Chpt 3
Para 3.1.3 |
| 6.C.6 | The place of registration of the issuer and its registration number. | CARD Ann. I
Sch A, Chpt 3
Para 3.1.4 |
| 6.C.7 | A statement that for a period of not less than 14 days from the date of the particulars or for the duration of any offer to which the particulars relate, if longer, at a named place in or near the City of London or such other place in the United Kingdom as the UK Listing Authority may agree, the following documents (or copies thereof), where applicable, may be inspected: | CARD Ann. I
Sch A, Chpt 3
Para 3.1.5 |
| | (a) the memorandum and articles of association of the issuer; | |
| | (b) any trust deed of the issuer and any of its subsidiary undertakings which is referred to in the particulars; | |
| | (c) each document mentioned in paragraphs 6.C.20 (material contracts) and 6.F.12 (directors' service contracts) or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; | |
| | (d) in the case of an issue of shares in connection with a merger, the division of a company, the transfer of all or part of an undertaking's assets and liabilities, or a takeover offer, or as consideration for the transfer of assets other than cash, the documents describing the terms and conditions of such operations, together, where appropriate, with any opening balance sheet, if the issuer has not prepared its own or consolidated annual accounts (as appropriate); | CARD Ann. I
Sch A, Chpt 2
Para 2.2.1 |
| | (e) all reports, letters, and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in the listing particulars; | |
| | (f) written statements signed by the auditors or accountants setting out the adjustments made by them in arriving at the figures shown in any accountants' report included pursuant to paragraph 6.E.2 and giving the reasons therefor; and | |
| | (g) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the listing particulars, including, in the case of a company incorporated in the United Kingdom, all notes, reports or information required by the Companies Acts 1985 and 1989. | |
| 6.C.8 | Where any of the documents listed in paragraph 6.C.7 are not in the English language, | |

- translations into English must also be available for inspection. In the case of any document mentioned in paragraph 6.C.20 (material contracts), a translation of a summary of such document may be made available for inspection if the UK Listing Authority so agrees.
- 6.C.9 The amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the shares of which it is composed with details of their principal characteristics and the number of each class of shares held as treasury shares; if any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down, where applicable, according to the extent to which they have been paid up. CARD Ann. 1
Sch A, Chpt 3
Para 3.2.0
- 6.C.10 Where the issuer has authorised but unissued capital or is committed to increase the capital, an indication of: CARD Ann. 1
Sch A, Chpt 3
Para 3.2.1
- (a) the amount of such authorised capital or capital increase and, where appropriate, the duration of the authorisation;
- (b) the categories of persons having preferential subscription rights for such additional portions of capital; and
- (c) the terms and arrangements for the share issue corresponding to such portions.
- 6.C.11 If the issuer has shares not representing capital, the number and main characteristics of such shares. CARD Ann. 1
Sch A, Chpt 3
Para 3.2.2
- 6.C.12 (a) The amount of any outstanding convertible debt securities, exchangeable debt securities or debt securities with warrants; and CARD Ann. 1
Sch A, Chpt 3
Para 3.2.3
- (b) a summary of the conditions governing and the procedures for conversion, exchange or subscription of such securities.
- 6.C.13 A summary of the material provisions of the issuer's memorandum and articles of association including those regarding changes in the capital and in the respective rights of the various classes of shares. CARD Ann. 1
Sch A, Chpt 3
Para 3.2.4
- 6.C.14 A summary of the changes during the three preceding years in the amount of the issued capital of the issuer and, if material, the capital of any member of the group and/or the number and classes of shares of which it is composed. Intra group issues by wholly owned subsidiaries, pro rata issues by partly owned subsidiaries and changes in the capital structure of subsidiaries which have remained wholly owned throughout the period may be disregarded. Such summary must also state the price and terms of such issues, including particulars of any discounts or other special terms granted and (if not already fully paid) the dates when any instalments are payable with the amount of all calls or instalments in arrears. If there are no such issues, an appropriate negative statement must be made. CARD Ann. 1
Sch A, Chpt 3
Para 3.2.5
- 6.C.15 The names of the persons, so far as they are known to the issuer, who, directly or indirectly, jointly or severally, exercise or could exercise control over the issuer, and particulars of the proportion of the voting capital held by such persons. For these purposes: CARD Ann. 1
Sch A, Chpt 3
Para 3.2.6
- (a) joint control means control exercised by two or more persons who have concluded an agreement which may lead to their adopting a common policy in respect of the issuer; and
- (b) treasury shares are not to be taken into account when calculating the proportion of voting control held by any person in relation to whom disclosure is required under this paragraph.

- | | | |
|--------|---|--|
| 6.C.16 | In so far as is known to the issuer, the name of any person other than a director and other than the issuer itself by virtue of it holding treasury shares, who, directly or indirectly, is interested in 3% or more of the issuer's capital (calculated exclusive of treasury shares), together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement. | CARD Ann. 1
Sch A, Chpt 3
Para 3.2.7 |
| 6.C.17 | If the issuer has subsidiary undertakings or parent undertakings, a brief description of the group of undertakings and of the issuer's position within it stating, where the issuer is a subsidiary undertaking, the name of and number of shares in the issuer held (directly or indirectly) by each parent undertaking of the issuer. | CARD Ann. 1
Sch A, Chpt 3
Para 3.2.8 |
| 6.C.18 | The number, book value and nominal value or, in the absence of a nominal value, the accounting par value of any of its own shares which the issuer or any subsidiary undertaking has acquired and is holding, if such shares do not appear as a separate item in the balance sheet. | CARD Ann. 1
Sch A, Chpt 3
Para 3.2.9 |
| 6.C.19 | The persons to whom any capital of any member of the group or of any of its subsidiary undertakings is under option, or agreed conditionally or unconditionally to be put under option, with particulars of the capital including the price and duration of the option and consideration for which the option was or will be granted, or an appropriate negative statement. Where options have been granted or agreed to be granted to all the holders of shares or debt securities, or of any class thereof, or to employees under an employees' share scheme, it will be sufficient, so far as the names are concerned, to record that fact without giving names. | |
| 6.C.20 | A summary of the principal contents (including particulars of dates, parties, terms and conditions, any consideration passing to or from the issuer or any other member of the group) of: <ul style="list-style-type: none"> (a) each material contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the publication of the listing particulars unless such contracts have been available for inspection in the last two years in which case it will be sufficient to refer to them collectively as being available for inspection in accordance with paragraph 6.C.7(c); and (b) any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the listing particulars (see paragraph 11 of Appendix 1 to chapter 5). | |
| 6.C.21 | Details of the name of any promoter of any member of the group and the amount of any cash, securities or benefits paid, issued or given within the two years immediately preceding the date of publication of the listing particulars, or proposed to be paid, issued or given to any such promoter in his capacity as a promoter and the consideration for such payment, issue or benefit. | |
| 6.C.22 | Where shares are issued in connection with any merger, division of a company, takeover offer, acquisition of an undertaking's assets and liabilities or transfer of assets: <ul style="list-style-type: none"> (a) a statement of the aggregate value of the consideration for the transaction and how it was or is to be satisfied; and (b) if the total emoluments receivable by the directors of the issuer will be varied in consequence of the transaction, full particulars of the variation; if there will be no variation, a statement to that effect. | |
| 6.C.23 | Details of any controlling shareholder of the issuer, as defined in paragraph 3.13, including the name or names of any such controlling shareholder, the amount of its or their interest in the share capital of the issuer and a statement explaining how the issuer is satisfied that: <ul style="list-style-type: none"> (a) it is capable of carrying on its business independently of the controlling shareholder (including any associate thereof as defined in paragraph 3.13); and | |

- (b) all transactions and relationships between the issuer and the controlling shareholder (or associate) are, and will be, at arm's length and on a normal commercial basis.

6.C.24 Paragraph deleted - August 1995

The issuer and its capital

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|-------|---|--|
| 6.J.1 | The name, registered office and, if different, head office of the issuer. | CARD Ann. I
Sch B, Chpt 3
Para 3.1.0 |
| 6.J.2 | The country of incorporation of the issuer. | |
| 6.J.3 | The date of incorporation and the length of life of the issuer, except where indefinite. | CARD Ann. I
Sch B, Chpt 3
Para 3.1.1 |
| 6.J.4 | The legislation under which the issuer operates and legal form which it has adopted under that legislation. | CARD Ann. I
Sch B, Chpt 3
Para 3.1.2 |
| 6.J.5 | A description of the issuer's principal objects and reference to the clause of the memorandum of association in which they are described. | CARD Ann. I
Sch B, Chpt 3
Para 3.1.3 |
| 6.J.6 | The place of registration of the issuer and its registration number. | CARD Ann. I
Sch B, Chpt 3
Para 3.1.4 |
| 6.J.7 | A statement that for a period of not less than 14 days from the date of the particulars or for the duration of any offer to which the particulars relate, if longer, at a named place in or near the City of London or such other place in the United Kingdom as the UK Listing Authority may agree, the following documents (or copies thereof), where applicable, may be inspected: | CARD Ann. I
Sch B, Chpt 3
Para 3.1.5 |
| | (a) the memorandum and articles of association of the issuer; | |
| | (b) any trust deed of the issuer and any of its subsidiary undertakings which is referred to in the particulars; | |
| | (c) each document mentioned in paragraphs 6.J.14 (material contracts) and 6.M.2 (directors' service contracts) or, in the case of a contract not reduced into writing, a memorandum giving full particulars thereof; | |
| | (d) in the case of an issue of securities in connection with a merger, the division of a company, the transfer of all or part of an undertaking's assets and liabilities, or a takeover offer, or as consideration for the transfer of assets other than cash, the documents describing the terms and conditions of such operations, together where appropriate, with any opening balance sheet if the issuer has not prepared its own or consolidated annual accounts; | |
| | (e) all reports, letters, and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in the listing particulars; | |
| | (f) written statements signed by the auditors or accountants setting out the adjustments made by them in arriving at the figures shown in any accountants' report included pursuant to paragraph 6.L.2 and giving the reasons therefor; and | |
| | (g) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the listing particulars, including, in the case of a company incorporated in the United Kingdom, all notes, reports or information required by the Companies Acts 1985 and 1989. | |
| 6.J.8 | Where any of the documents listed in paragraph 6.J.7 are not in the English language, | |

- translations into English must also be available for inspection. In the case of any document mentioned in paragraph 6.J.14 (material contracts), a translation of a summary of such document may be made available for inspection if the UK Listing Authority so agrees.
- 6.J.9 The amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities of which it is composed with details of their principal characteristics and the number of each class of shares held as treasury shares, if any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of securities not yet fully paid up, broken down, where applicable, according to the extent to which they have been paid up. CARD Ann. 1
Sch B, Chpt 3
Para 3.2.0
- 6.J.10 (a) The amount of any outstanding convertible debt securities, exchangeable debt securities or debt securities with warrants; and CARD Ann. 1
Sch B, Chpt 3
Para 3.2.1
- (b) a summary of the conditions governing and the procedures for conversion, exchange or subscription of such securities.
- 6.J.11 If the issuer has subsidiary undertakings or parent undertakings, a brief description of that group of undertakings and of the issuer's position within it stating, where the issuer is a subsidiary undertaking, the names of and number of shares in the issuer held (directly or indirectly) by each parent undertaking. CARD Ann. 1
Sch B, Chpt 3
Para 3.2.2
- 6.J.12 The number, book value and nominal value or, in the absence of a nominal value, the accounting par value of any of its own shares which the issuer or any subsidiary undertaking has acquired and is holding, if such securities do not appear as a separate item on the balance sheet, in so far as they represent a significant part of the issued capital. CARD Ann. 1
Sch B, Chpt 3
Para 3.2.3
- 6.J.13 The persons to whom any capital of any member of the group or of any of its subsidiary undertakings is under option, or agreed conditionally or unconditionally to be put under option, with particulars of the capital including the price and duration of the option and consideration for which the option was or will be granted, or an appropriate negative statement. Where options have been granted or agreed to be granted to all the holders of shares or debt securities, or to any class thereof, or to employees under an employees' share scheme, it will be sufficient, so far as the names are concerned, to record that fact without giving names.
- 6.J.14 A summary of the principal contents (including particulars of dates, parties, terms and conditions, any consideration passing to or from the issuer or any other member of the group) of:
- (a) each material contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group within the two years immediately preceding the publication of the listing particulars, unless such contracts have been available for inspection in the last two years in which case it will be sufficient to refer to them collectively as being available for inspection in accordance with paragraph 6.J.7(c); and
- (b) any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the listing particulars (see paragraph 11 of Appendix 1 to chapter 5).
- 6.J.15 Details of the name of any promoter of any member of the group and the amount of any cash, securities or benefits paid, issued or given within the two years immediately preceding the publication of the listing particulars, or proposed to be paid, issued or given to any such promoter in his capacity as a promoter and the consideration for such payment, issue or benefit.
- 6.J.16 Where the listing particulars are prepared in respect of debt securities issued in connection with any merger, division of a company, takeover offer, acquisition of an

undertaking's assets and liabilities or transfer of assets:

- (a) a statement of the aggregate value of the consideration for the transaction and how it was or is to be satisfied; and
- (b) if the total emoluments receivable by the directors of the issuer will be varied in consequence of the transaction, full particulars of the variation; if there will be no variation, a statement to that effect.

6.J.17 Details of any controlling shareholder of the issuer, as defined in paragraph 3.13, including the name or names of any such controlling shareholder, the amount of its or their interest in the share capital of the issuer and a statement explaining how the issuer is satisfied that:

- (a) it is capable of carrying on its business independently of the controlling shareholder (including any associate thereof as defined in paragraph 3.13); and
- (b) all transactions and relationships between the issuer and the controlling shareholder (or associate) are, and will be, at arm's length and on a normal commercial basis.

The group's activities

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| 6.K.1 | A description of the group's principal activities, stating the main categories of products sold and/or services performed. | CARD Ann. I
Sch B, Chpt 4
Para 4.1.0 |
| 6.K.2 | Information on any significant new products and/or activities. | CARD Ann. I
Sch B, Chpt 4
Para 4.1.0 |
| 6.K.3 | The total net turnover during the last two financial years. | CARD Ann. I
Sch B, Chpt 4
Para 4.1.1 |
| 6.K.4 | The location, size and tenure of the group's principal establishments and summary information about land or buildings owned or leased. Any establishment which accounts for more than 10% of turnover or production shall be considered a principal establishment. | CARD Ann. I
Sch B, Chpt 4
Para 4.1.2 |
| 6.K.5 | Where the information given pursuant to paragraphs 6.K.1 to 6.K.4 has been influenced by exceptional factors, that fact must be mentioned. | CARD Ann. I
Sch B, Chpt 4
Para 4.1.4 |
| 6.K.6 | Summary information regarding the extent to which the group is dependent, if at all, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes, where such factors are of fundamental importance to the group's business or profitability. | CARD Ann. I
Sch B, Chpt 4
Para 4.2 |
| 6.K.7 | Information on any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) which may have or have had in the recent past (covering at least the previous 12 months) a significant effect on the group's financial position or an appropriate negative statement. | CARD Ann. I
Sch B, Chpt 4
Para 4.3 |
| 6.K.8 | A description, with figures, of the main investments made, including interests such as shares, debt securities, etc., in other undertakings over the last three financial years and during the current financial year. | CARD Ann. I
Sch B, Chpt 4
Para 4.4.0 |
| 6.K.9 | Information concerning the principal investments (including new plant, factories, and research and development) being made; with the exception of interests being acquired in other undertakings, including: | CARD Ann. I
Sch B, Chpt 4
Para 4.4.1 |
| | (a) the geographical distribution of these investments (home and abroad); and | |
| | (b) the method of financing such investments (internal or external). | |
| 6.K.10 | Information concerning the group's principal future investments (including new plant, factories, and research and development) (if any), with the exception of interests to be acquired in other undertakings, on which the issuer's directors have already made firm commitments. | CARD Ann. I
Sch B, Chpt 4
Para 4.4.2 |
| 6.K.11 | Paragraph deleted - August 1995 | |
| 6.K.12 | Paragraph deleted - August 1995 | |
| 6.K.13 | For mining, extraction of hydrocarbons, quarrying and similar activities, in so far as significant, the information described in paragraph 19.5(a) to (e). | CARD Ann. I
Sch B, Chpt 4
Paras 4.1.3
and 4.1.4 |

CHAPTER 7

LISTING APPLICATION PROCEDURES

Scope of chapter

This chapter sets out the procedure to be followed by an issuer when applying for a listing for its securities. Additional and alternative requirements for listing application procedures are set out in chapters 22, 23 and 24 dealing with public sector issuers and issuers of specialist securities and miscellaneous securities.

Applications for admission to listing are considered on business days between the hours of 9.00 am and 5.30 pm.

The main headings are:

- 7.1 general
- 7.5 48 hour documents
- 7.7 items to be lodged on the day
- 7.8 documents to be lodged later
- 7.9 additional documents
- 7.10 block listing and formal application.

General

- 7.1 Admission of any securities becomes effective only when the decision of the UK Listing Authority to admit the securities to listing has been announced by being either:
- (a) disseminated by the electronic systems used by the UK Listing Authority for communicating with the public; or
 - (b) if the decision is made at a time when, in the opinion of the UK Listing Authority, those electronic systems are not available for any reason, posted on a notice board designated by the UK Listing Authority for this purpose. In this case the UK Listing Authority will cause the decision to be disseminated forthwith upon the electronic systems next becoming available.
- 7.2 The UK Listing Authority will not, save in exceptional circumstances, admit securities to listing until each of the 48 hour documents referred to in paragraph 7.5 (as relevant to the issue) and the items referred to in paragraph 7.7 have been lodged. Failure to comply fully with paragraphs 7.5 and 7.7 may delay consideration of the application.
- 7.3 *Paragraph deleted - August 1995*
- 7.4 *Paragraph deleted - August 1995*

48 hour documents

- 7.5 The following documents (“the 48 hour documents”) must be lodged in final form with the UK Listing Authority (marked for the attention of Listing Applications) no later than midday at least two business days prior to the consideration of the application for admission to listing:

Application form

- (a) unless already submitted to the UK Listing Authority under paragraph 5.12(a), an application for admission to listing in the appropriate form issued by the UK Listing Authority (see schedule 3A or 3B) signed by a duly authorised officer of the issuer (or, in the case of an application in the form set out in schedule 3B only, by an agent or attorney thereof);

Listing particulars etc.

- (b) two (or, in the case of a new applicant, eight) copies of the listing particulars, circular or other document relating to the issue, satisfying all relevant requirements for the contents of such documents together with, where applicable, copies of any notice of meeting referred to in such documents; in the case of an application in respect of securities of a class not already listed, one of the copies of the listing particulars must be signed and dated by every director and proposed director of the issuer, or by his agent or attorney and lodged with a certified copy of the authority of any such agent or attorney;

Advertisement

- (c) where applicable, a copy of a national newspaper which contains the listing particulars, mini-prospectus, offer notice, formal notice or other document authorised under paragraph 8.24; in the case of a formal notice, a final draft of such notice may be lodged in the circumstances described in paragraph 8.9;

Shareholders' resolution

- (d) *Paragraph deleted - September 1997*

Board resolution

- (e) a copy of the resolution of the board of the issuer allotting the securities (see paragraph 7.6);

Documents of title

- (f) *Paragraph deleted - September 1997*

Additional documents for new applicants

- (g) in the case of a new applicant:
 - (i) a copy of the certificate of incorporation or equivalent document;
 - (ii) *Paragraph deleted - January 2000.*
 - (iii) if requested by the UK Listing Authority, where any corporate shareholder (other than the applicant itself by virtue of it holding treasury shares) holds 5% or more of the issued equity shares (calculated exclusive of treasury shares), a declaration by a duly authorised officer of that corporate shareholder, giving details of its registered office, directors, shareholders and objects and such other details as the UK Listing Authority shall require;

Trust deed letter of compliance

- (h) in the case of debt securities, a letter of compliance in respect of the trust deed as described in chapter 13;

Employees' share schemes

- (i) *Paragraph deleted - September 1997*

Bearer securities

- (j) if the securities are bearer securities, any certificate required by paragraph 13.27;

Sponsor's and authorised adviser's deferred settlement letter

- (k) a letter from the sponsor or an authorised adviser confirming that any deferred

settlement arrangements applying to the class of securities the subject of the application have been formally agreed with the RIE on which the securities are to be admitted to trading; and

Application for admission to trading

- (l) a copy of the issuer's application for admission to trading in the appropriate form issued by the relevant RIE signed by a duly authorised officer of the issuer for each RIE to which the issuer is applying for admission to trading.

Delays in obtaining allotment resolution

- 7.6 Where a copy of the board resolution (see paragraph 7.5 (e)) is not available for lodging at least two business days prior to the consideration of the application for admission to listing, such resolution, failing which confirmation in writing from the issuer or its sponsor or an authorised adviser (which may be by facsimile transmission) that the securities in question have been allotted, will be required to be delivered to the UK Listing Authority (marked for the attention of Listing Applications) no later than one hour ahead of the intended time of admission to listing becoming effective. In any event a copy of the resolution must be lodged as soon as practicable and no later than three business days after admission becomes effective.

Items to be lodged on the day

- 7.7 The following items must be lodged with the UK Listing Authority (marked for the attention of Listing Applications) no later than 9.00am on the day of the consideration of the application for admission to listing:
- (a) payment of the appropriate listing fees calculated in accordance with the UK Listing Authority's scale of fees for the time being in force as set out in Schedule 13 (as amended from time to time);
 - (b) unless the UK Listing Authority otherwise agrees, in the case of any application for listing of securities (other than for the purpose of an introduction) in relation to which no prospectus has been published, a letter, signed by the issuer and any offeror of those securities (if not the issuer) (or by its agent or attorney and lodged with a certified copy of the authority of any such agent or attorney) to the UK Listing Authority confirming that it has not offered and will not offer the securities to which the application relates to the public in the United Kingdom (within the meaning of Schedule 11 to the Act) for the first time prior to admission, provided that this shall not apply to issuers falling within paragraph 5.26 or paragraph 5.27 (e); and
 - (c) a duly completed shareholder or pricing statement, as the case may be, in the appropriate form issued by the UK Listing Authority (see schedules 2 and 2A).

Documents to be lodged later

- 7.8 The following documents (where relevant) must be lodged with the UK Listing Authority (marked for the attention of Listing Applications) as soon as practicable after the consideration of the application for admission to listing and in any event no later than five business days after they become available:
- (a) in an intermediaries offer (if so requested by the UK Listing Authority), from each intermediary to whom securities were allocated, the names and addresses of its clients with whom it placed securities, and details of the securities allocated to each client;
 - (b) in an introduction, a statement of the price at which dealings in the securities opened and payment of any consequential increase in, or written request for reimbursement of part of, the charges due;
 - (c) in an issue pursuant to a notice served under section 429 of the Companies Act

- 1985 (right of offer or to buy out minority shareholders), a copy of the notice;
- (d) *Paragraph deleted - September 1997*
 - (e) a statement of the number of securities which were in fact issued and, where different from the number which were the subject of the application, the aggregate number of securities of that class in issue;
 - (f) a written request for reimbursement of listing fees due if the number of such securities issued is less than the number which was the subject of the application;
 - (g) where only a final draft of a formal notice has been lodged with the UK Listing Authority (see paragraph 7.5(c)), a copy of the formal notice;
 - (h) *Paragraph deleted - September 1997*
 - (i) a declaration, in the form issued by the UK Listing Authority as set out in schedule 6, given by a duly authorised officer of the issuer; and
 - (j) if requested by the UK Listing Authority, a declaration from the security printers responsible for production of any bearer documents of title (see paragraph 13.26).

Additional documents

- 7.9 The UK Listing Authority may, at any time before or after the admission to listing, require the issuer to produce to the UK Listing Authority a copy of any of the following:
- (a) any agreement to acquire any assets, business or shares in consideration for or in relation to which the company's securities are being issued;
 - (b) any letter, report, valuation, contract or other documents referred to in the listing particulars or other circular or document issued in connection with those securities;
 - (c) a copy of the issuer's memorandum and articles of association;
 - (d) the annual report and accounts of the issuer and of any guarantor, for each of the periods which form part of the issuer's financial record contained in the listing particulars;
 - (e) 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;
 - (f) in the case of debt securities, a copy of the executed trust deed;
 - (g) a copy of any temporary and definitive document of title;
 - (h) in the case of an application in respect of securities issued pursuant to an employee's share scheme, a copy of the scheme document; and
 - (i) where listing particulars or another document is published in connection with any scheme requiring court approval, a copy of any court order and of the certificate of registration issued by the Registrar of Companies;

and the issuer must retain copies of such documentation for not less than seven years so that it can comply with any such request from the UK Listing Authority.

Block listing and formal application

- 7.10 Where an issuer issues securities on a regular basis (including pursuant to an employees'

CHAPTER 9

CONTINUING OBLIGATIONS

Scope of chapter

This chapter sets out certain of the continuing obligations which a listed company is required to observe once any of its securities have been admitted to listing. Additional continuing obligations are set out in the following chapters:

- chapter 10 - transactions
- chapter 11 - transactions with related parties
- chapter 12 - financial information
- chapter 13 - documents not requiring prior approval
- chapter 14 - circulars
- chapter 15 - purchase of own securities and provisions relating to shares held in treasury
- chapter 16 - directors.

Additional and alternative requirements relating to continuing obligations, are set out in chapters 17, 18, 21 to 26 dealing with overseas companies, property companies, investment entities, public sector issuers, issuers of specialist securities and miscellaneous securities, innovative high growth companies and venture capital trusts.

The obligations applicable to companies without equity securities listed are set out in paragraphs 9.45 to 9.47.

Observance of the continuing obligations is essential to the maintenance of an orderly market in securities and to ensure that all users of the market have simultaneous access to the same information. Failure by a company to comply with any applicable continuing obligation may result in the UK Listing Authority taking any or all of the steps described in chapter 1.

The main headings are:

- 9.1 general obligation of disclosure for companies
- 9.10 notification relating to capital
- 9.11 notification of major interests in shares
- 9.15 notification when a Regulatory Information Service is not open for business
- 9.16 rights as between holders of securities
- 9.24 communication with shareholders
- 9.33 miscellaneous obligations
- 9.45 companies without listed equity securities
- 9.48 certificates representing shares.

When notifying a major interest in shares (see paragraphs 9.11 to 9.14) companies are recommended to use the form issued by the UK Listing Authority for this purpose (see schedule 10).

General obligation of disclosure for companies

- 9.1 A company must notify a Regulatory Information Service without delay of any major new developments in its sphere of activity which are not public knowledge which may:
- (a) by virtue of the effect of those developments on its assets and liabilities or financial position or on the general course of its business, lead to substantial movement in the price of its listed securities; or CARD Art. 68
 - (b) in the case of a company with debt securities listed, by virtue of the effect of those developments on its assets and liabilities or financial position or on the CARD Art. 81

general course of its business, lead to substantial movement in the price of its listed securities, or significantly affect its ability to meet its commitments.

9.2 A company must notify a Regulatory Information Service without delay of all relevant information which is not public knowledge concerning a change:

- (a) in the company's financial condition;
- (b) in the performance of its business; or
- (c) in the company's expectation as to its performance;

which, if made public, would be likely to lead to substantial movement in the price of its listed securities.

9.3 The requirements of paragraphs 9.1 and 9.2 are in addition to any specific requirements regarding notification contained in the listing rules.

9.3A A company must take all reasonable care to ensure that any statement or forecast or any other information it notifies to a Regulatory Information Service or makes available through the UK Listing Authority is not misleading, false or deceptive and does not omit anything likely to affect the import of such statement, forecast or other information.

9.4 A company need not notify to a Regulatory Information Service information about impending developments or matters in the course of negotiation, and may give such information in confidence to recipients within the categories described in paragraph 9.5. If the company has reason to believe that a breach of such confidence has occurred or is likely to occur, and, in either case, the development or matter in question is such that knowledge of it would be likely to lead to substantial movement in the price of its listed securities, the company must without delay notify to a Regulatory Information Service at least a warning announcement to the effect that the company expects shortly to release information which may lead to such a movement.

9.5 The categories of recipient referred to in paragraph 9.4 are:

- (a) the company's advisers and advisers of any other persons involved or who may be involved in the development or matter in question;
- (b) persons with whom the company is negotiating, or intends to negotiate, any commercial, financial or investment transaction (including prospective underwriters or places of securities of the company);
- (c) representatives of its employees or trades unions acting on their behalf; and
- (d) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority.

The company must be satisfied that such recipients of information are aware that they must not deal in the company's securities before the relevant information has been made available to the public.

9.6 Information that is required to be notified to a Regulatory Information Service must not be given to anyone else before it has been so notified, except as permitted by paragraphs 9.4 and 9.15.

9.7 Where it is proposed to announce at any meeting of holders of a company's listed securities information which might lead to substantial movement in their price, arrangements must be made for notification of that information to a Regulatory Information Service so that the announcement at the meeting is made no earlier than the time at which the information is published to the market.

Pre-emption rights

- 9.18 (a) Unless shareholders otherwise permit, a company proposing to issue equity securities for cash or sell treasury shares that are equity securities for cash must first offer those securities to existing equity shareholders (other than the company itself by virtue of it holding treasury shares) and to holders of other equity securities of the company who are entitled to be offered them in proportion to their existing holdings (see also paragraphs 9.20 and 14.8). Only to the extent that the securities are not taken up by such persons under the offer may they then be issued for cash to others or otherwise than in the proportion mentioned above.
- (b) To the extent that a company is proposing to sell treasury shares that are equity securities for cash to an employee share scheme, a company need not comply with paragraph 9.18(a) above.
- 9.19 In a rights issue or open offer a company need not comply with paragraph 9.18 with respect to:
- (a) securities representing fractional entitlements; or
- (b) securities which the directors of the company consider necessary or expedient to exclude from the offer on account of either legal problems under the laws of any territory, or the requirements of a regulatory body.

Disapplication of pre-emption rights

- 9.20 To the extent that shareholders of a company give their authorisation under section 95 of the Companies Act 1985 to the general disapplication of the statutory pre-emption rights set out in section 89(1) of that Act, issues by a company of equity securities for cash or sales by a company of treasury shares that are equity securities for cash made otherwise than to existing shareholders in proportion to their existing holdings will be permitted in accordance with that authorisation.

Holding company participation

- 9.21 Where a company has listed equity shares, is a subsidiary undertaking of another company and has received notification from the parent undertaking that it proposes to participate in future issues of equity shares by the company not made to existing shareholders in proportion to their existing holdings (in order to maintain its percentage shareholding in the company), the proposal must be authorised by the company in general meeting. Such authority must terminate within twelve months of the relevant general meeting unless renewed by shareholders. The holding company must abstain from voting on the relevant resolution.

Issues by major subsidiary undertakings

- 9.22 A company must obtain the consent of shareholders before any major subsidiary undertaking of the company makes any issue for cash of equity securities so as materially to dilute the company's percentage interest in equity shares of that subsidiary undertaking. For the purposes of this paragraph and paragraph 9.23, a subsidiary undertaking which represents 25% or more of the aggregate of the share capital and reserves or profits (after deducting all charges except taxation and excluding extraordinary items) of the group will be regarded as a major subsidiary undertaking.
- 9.23 The obligation to obtain the consent of shareholders set out in paragraph 9.22 does not apply if the major subsidiary undertaking is itself listed and so must comply with paragraph 9.18. In such a case, the company must ensure that its equity interests in the major subsidiary undertaking are not materially diluted through any new cash issue by

such subsidiary undertaking of equity securities. In the case of a rights issue, if the company does not propose to take up its rights, an arrangement must be made for the rights to be offered to its shareholders so that they can avoid a material dilution in their percentage equity interests.

Communication with shareholders

Prescribed information to shareholders

- 9.24 A company must ensure that at least in each member state in which its securities are listed all the necessary facilities and information are available to enable holders of such securities to exercise their rights. In particular it must:
- CARD Arts. 65(2) and 78(2)
- (a) inform holders of securities of the holding of meetings which they are entitled to attend;
 - (b) enable them to exercise their right to vote, where applicable; and
 - (c) publish notices or distribute circulars giving information on:
 - (i) the allocation and payment of dividends and interest;
 - (ii) the issue of new securities, including arrangements for the allotment, subscription, renunciation, conversion or exchange of the securities; and
 - (iii) redemption or repayment of the securities.

Registrar and paying agent

- 9.25 The company must appoint a registrar and, where appropriate, a paying agent in the United Kingdom unless the company provides financial services and itself performs the functions of a paying agent and registrar within the United Kingdom.
- CARD Arts. 65(2) and 78(2)

Proxy forms

- 9.26 A proxy form must be sent with the notice convening a meeting of holders of listed securities to each person entitled to vote at the meeting, and must comply with the other requirements set out in paragraphs 13.28 and 13.29.

Other classes of security

- 9.27 If a circular is issued to the holders of any particular class of security, the company must issue a copy or summary of that circular to the holders of all other listed securities unless the contents of that circular are irrelevant to them.

Communications with holders of bearer securities

- 9.28 If there is a need to communicate with holders of listed bearer securities the company must publish an advertisement in at least one national newspaper referring to the communication and giving an address or addresses from which copies can be obtained.

Use of airmail and first class mail

- 9.29 Where available, airmail or an equivalent service that is no slower must be used when sending documents to holders of listed securities residing in non member states.
- 9.30 Where available, first class mail or an equivalent service that is no slower must be used when sending documents of title to holders of listed securities in the United Kingdom and other member states.

Copies of circulars and resolutions

- 9.31 A company must forward to the UK Listing Authority two copies of:
- (a) all circulars, notices, reports, announcements or other documents to which the listing rules apply at the same time as they are issued; and
 - (b) all resolutions passed by the company other than resolutions concerning ordinary business at an annual general meeting without delay after the relevant general meeting;
- for publication by making them available to the public for inspection at the Document Viewing Facility.
- 9.32 A company must, without delay, notify a Regulatory Information Service when a document has been submitted for publication through the Document Viewing Facility under paragraph 9.31, unless the full text of the document is provided to a Regulatory Information Service.

Miscellaneous obligations**Further issues**

- 9.33 When further securities are allotted of the same class as securities already listed, application for listing such further securities must be made not more than one month after allotment. CARD Art. 64

Controlling shareholder

- 9.34 A company with a controlling shareholder (as defined in paragraph 3.13) must be capable at all times of carrying on its business independently of such controlling shareholder (including any associate thereof as defined in paragraph 3.13) and all transactions and relationships between the company and any controlling shareholder (or associate) must be at arm's length and on a normal commercial basis (see also paragraphs 6.C.23 and 6.J.17).

Board decisions

- 9.35 Decisions by the board of directors of a company on dividends, profits and other matters requiring announcement must be notified to a Regulatory Information Service without delay and not later than 7.30 am on the next following business day.

Annual listing fee

- 9.36 *Paragraph deleted - December 2001*

Shares in public hands

- 9.37 A company must inform the UK Listing Authority in writing without delay if it becomes aware that the proportion of any class of listed equity shares in the hands of the public has fallen below 25% of the total issued share capital of that class or, where applicable, such lower percentage as the UK Listing Authority may have agreed (see paragraphs 3.18 and 3.19).

Restriction on dealings

- 9.38 No dealings in any securities may be effected by or on behalf of the company or any other member of 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:
- (a) in the ordinary course of business by a securities dealing business; or

- (b) on behalf of third parties by the company or any other member of its group.

Settlement arrangements

- 9.39 A company must ensure that appropriate settlement arrangements for its listed securities are in place. Listed securities of a company incorporated in the United Kingdom (other than listed debt securities and fixed income securities which would require amendment to the underlying trust deed, or other constitutional document, to become so eligible or where the UK Listing Authority otherwise agrees) 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).

Change of name

- 9.40 A company which changes its name must without delay:
- (a) after the change takes effect, notify a Regulatory Information Service of the change, stating the date on which it has taken effect; and
 - (b) where applicable, inform the UK Listing Authority in writing upon receipt of the revised certificate of incorporation issued by the Registrar of Companies, enclosing a copy of that document.

Sub-underwriting disclosure

- 9.41 A company undertaking a sub-underwritten issue of equity securities, other than an initial public offering, in which less than two-thirds of the sub-underwriting is to be offered for tender as to the commissions payable, must include an explanation of the reasons for adopting such an approach to the use of tendering in the relevant listing particulars or other offer document.
- 9.42 A company which has undertaken a sub-underwritten issue of equity securities other than an initial public offering, in which less than two-thirds of the sub-underwriting was offered for tender, as to the commissions payable, must include an explanation of the reasons for having adopted such an approach to the use of tendering in the notification made pursuant to paragraph 9.10(j).

Sanctions

- 9.43 Where power is taken in the articles to impose sanctions on a shareholder who is in default in complying with a notice served under section 212 of the Companies Act 1985:
- (a) sanctions may not take effect earlier than 14 days after service of the notice;
 - (b) for a shareholding of less than 0.25% of the relevant class (calculated exclusive of treasury shares), the only sanction the articles may provide for is a prohibition against attending at meetings and voting; for a shareholding of 0.25% or more of the relevant class (calculated exclusive of treasury shares), the articles may also provide:
 - (i) for the withholding of the payment of dividends (including shares issued in lieu of dividend) on the shares concerned; and
 - (ii) for the placing of restrictions on the transfer of the shares, provided that restrictions on transfer do not apply to a sale to a bona fide unconnected third party (such as a sale through an RIE or an overseas exchange or by the acceptance of a takeover offer); and
 - (c) any sanctions imposed upon a shareholding in these circumstances must cease to apply after a specified period of not more than seven days after the earlier of:
 - (i) receipt by the company of notice that the shareholding has been sold to

a third party in the manner described above; and

- (ii) due compliance, to the satisfaction of the company, with the notice under section 212.

Admission to trading

9.44 A company's listed securities must be admitted to trading at all times.

9.44A A company must inform the UK Listing Authority in writing without delay if it has:

- (a) requested an RIE to admit or re-admit any of its listed securities to trading (except where a copy of the company's application for admission to trading will be or has been lodged with the UK Listing Authority pursuant to chapter 7);
- (b) requested an RIE to cancel or suspend trading of any of its listed securities; or
- (c) been informed by an RIE that trading of any of its listed securities will be cancelled or suspended.

Companies without listed equity securities

9.45 Companies without listed equity securities need not comply with chapters 10 and 11.

Debt securities

9.46 Companies which have only debt securities listed must comply with chapters 9, 12, 13, 14, 15 and 16 but need not comply with the following paragraphs of those chapters:

Paragraph

9.10(g)	basis of allotment
9.11 to 9.14	notification of major interests in shares
9.16	equality of treatment
9.18 to 9.23	pre-emption rights
9.35	board decisions
12.40(a)	preliminary statement of annual results
12.43(d)	annual accounts - waiver of emoluments
12.43(e)	annual accounts - waiver of dividends
12.43(t)	annual accounts - small related party transactions
12.43 A	annual accounts - corporate governance and directors' remuneration
12.46 to 12.59	half-yearly report
16.3 to 16.6	disclosure of directors' details
16.9 to 16.11	directors' service contracts

Fixed income shares

9.47 Companies which have only fixed income shares listed must comply with chapters 9, 12, 13, 14, 15 and 16 but need not comply with the following paragraphs of those chapters:

Paragraph

9.10(g)	basis of allotment
9.11 to 9.14	notification of major interests in shares
9.18 to 9.23	pre-emption rights
12.43(d)	annual accounts - waiver of emoluments
12.43(e)	annual accounts - waiver of dividends
12.43(t)	annual accounts - small related party transactions
12.43 A	annual accounts - corporate governance and directors' remuneration

16.3 to 16.6	disclosure of directors' details
16.9 to 16.11	directors' service contracts

Certificates representing shares

- 9.48 In the case of certificates representing shares, the issuer of the shares must fulfil the continuing obligations set out in this chapter.
- 9.49 In addition, any change of the issuer of the certificates must be notified. The notification must contain the information with respect to the issuer specified by Table VII of appendix 1 to chapter 5. The replacement issuer appointed must satisfy the applicable conditions for listing set out in paragraphs 3.33 to 3.37.

CHAPTER 10

TRANSACTIONS

Scope of chapter

This chapter deals with transactions, principally acquisitions and disposals, by a listed company. It describes how they are classified, what the requirements are for announcements and whether a circular and shareholder approval is required. It then considers additional requirements for takeovers and mergers. Chapter 11 deals with transactions with related parties.

The appendix to this chapter sets out, in a table, certain requirements for the contents of Class 1 circulars.

The main headings are:

- 10.1 general
- 10.2 classification and explanation of terms
- 10.29 Class 3 requirements
- 10.31 Class 2 requirements
- 10.37 Class 1 requirements
- 10.39 reverse takeover requirements
- 10.40 contents of Class 1 circular
- 10.45 takeovers and mergers.

Additional and alternative requirements relating to transactions are set out in chapters 18, 19, 21 to 26 dealing with property companies, mineral companies, investment entities, public sector issuers, issuers of specialist securities and miscellaneous securities, innovative high growth companies and venture capital trusts.

Where a Class 1 transaction involves the acquisition or disposal of property or of an unlisted property company, companies should have regard to the valuation requirements set out in chapter 18.

The UK Listing Authority supports the City Code and the Rules Governing Substantial Acquisitions of Shares published by the Panel on Takeovers and Mergers, but they do not form part of the listing rules.

General

- 10.1 References in this chapter to a transaction by a listed company:
- (a) include a transaction by any subsidiary undertaking of the listed company;
 - (b) include the grant or acquisition of an option as if the option had been exercised except that, where exercise is solely at the listed company's discretion, the transaction will be classified on exercise and only the consideration (if any) for the grant will be classified on such grant;
 - (c) exclude a transaction of a revenue nature in the ordinary course of business;
 - (d) exclude an issue of securities or a transaction to raise finance which, in either case, does not involve the acquisition or disposal of any fixed asset of the listed company or of its subsidiary undertakings;
 - (e) exclude transactions by a company which does not have equity securities listed; and

- (f) exclude transactions by a company which is an overseas company with a secondary listing by the UK Listing Authority, other than a transaction classified as a reverse takeover, in which case the UK Listing Authority should be consulted regarding the information to be provided to shareholders.

A company which is in any doubt as to the application of the listing rules contained in this chapter must consult the UK Listing Authority at an early stage.

Classification and explanation of terms

- 10.2 Any listed company considering a transaction must, at an early stage, consider the classification of the transaction.
- 10.3 A transaction is classified by assessing its size relative to that of the listed company proposing to make it.
- 10.4 The comparison of size is made by the use of the percentage ratios set out in paragraph 10.5. The different classifications are:
 - (a) **Class 3** - a transaction where all percentage ratios are less than 5%.
 - (b) **Class 2** - a transaction where any percentage ratio is 5% or more but each is less than 25%.
 - (c) **Class 1** - a transaction where any percentage ratio is 25% or more.
 - (d) **Reverse takeover** - 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.

Percentage ratios

- 10.5 The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:
 - (a) **Assets** - the gross assets the subject of the transaction divided by the gross assets of the listed company (see also paragraphs 10.7 to 10.12 and 10.17);
 - (b) **Profits** - the profits attributable to the assets the subject of the transaction divided by the profits of the listed company (see also paragraphs 10.13 and 10.17);
 - (c) **Turnover** - the turnover attributable to the assets the subject of the transaction divided by the turnover of the listed company.
 - (d) **Consideration to market capitalisation** - the consideration divided by the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company (see also paragraphs 10.14 and 10.17 (b) and (d)); and
 - (e) **Gross capital** - the gross capital of the company or business being acquired divided by the gross capital of the listed company. This percentage ratio is only to be applied in the case of an acquisition of a company or business (see also paragraphs 10.15 and 10.16).
- 10.5A In addition, where relevant, industry specific tests may be submitted by, or on behalf of, the issuer to support the standard calculations set out in paragraphs 10.5.

- 10.6 In circumstances where any of the above calculations produces an anomalous result or where the calculations are inappropriate to the sphere of activity of the listed company, the UK Listing Authority may disregard the calculation and may substitute other relevant indicators of size, including industry specific tests.

Assets

- 10.7 The gross assets of the listed company means the total fixed assets of the listed company plus the total current assets of the listed company.

- 10.8 In the case of:

- (a) an acquisition of an interest in an undertaking which will result in consolidation of the net 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 net assets of that undertaking no longer being consolidated in the accounts of the listed company:

the assets the subject of the transaction means the value of 100% of that undertaking's assets irrespective of what interest is acquired or disposed of.

- 10.9 In the case of an acquisition or disposal of an interest in an undertaking which does not fall within paragraph 10.8, the 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 company's accounts.

- 10.10 In the case of 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.

- 10.11 In the case of 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.

- 10.12 In calculating the assets the subject of the transaction, the UK Listing Authority may require the inclusion of further amounts where contingent assets or arrangements within paragraph 10.24 are involved.

Profits

- 10.13 Profits means profits after deducting all charges except taxation and extraordinary items. In the case of an acquisition or disposal of an interest in an undertaking which falls within paragraph 10.8(a) or (b) profits means 100% of the profits of the undertaking irrespective of what interest is acquired or disposed of.

Consideration

- 10.14 When calculating the consideration:

- (a) where all or part of the consideration is in the form of securities to be listed or traded on AIM, the consideration attributable to those securities means the aggregate market value of those securities;
- (b) the consideration is the amount paid to the vendors but the UK Listing Authority may require the inclusion of further amounts (for instance where the purchaser agrees to discharge any liabilities, including the repayment of intercompany or third party debt, whether actual or contingent, as part of the terms of the transaction); 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. If the total consideration is not subject to any maximum the transaction will normally be treated as Class 1, notwithstanding the class into which it otherwise falls.

Gross capital of company or business being acquired

10.15 The gross capital of the company or business being acquired means the aggregate of:

- (a) the consideration;
- (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.

Gross capital of listed company

10.16 The gross capital of the listed company means the aggregate of:

- (a) the market value of its shares (excluding treasury shares) and debt securities;
- (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.

Figures used for classification

10.17 Except as stated in paragraphs 10.18 and 10.19, figures used for classification purposes must be:

- (a) in the case of assets and profits, the figures shown in the latest published audited consolidated accounts or, where 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;
- (b) in the case of consideration in the form of securities of a class already listed, the aggregate market value of all those securities before the announcement or in the case of consideration in the form of a new class of securities for which an application to listing will be made the expected aggregate market value of all those securities;
- (c) in the case of the shares and debt securities aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those shares and debt securities, if available, before the announcement, or their nominal value;
- (d) in the case of market capitalisation for the purposes of the percentage ratio in paragraph 10.5(d), the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company at the close of business on the last day immediately preceding the announcement. In certain circumstances, the UK Listing Authority may agree to include the market value of other listed equity securities to determine the market capitalisation of the listed company; and
- (e) in the case of shares and debt securities aggregated for the purposes of the gross capital percentage ratio in paragraph 10.15(b), any treasury shares held by the company are not to be taken into account.

- 10.18 The assets of the listed company may be adjusted to take account of subsequent transactions in respect of which information has already been published in compliance with the listing rules. Assets on which the auditors are unable to report without qualification or reference to a matter of fundamental uncertainty may be disregarded by the UK Listing Authority. 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 may be excluded by the UK Listing Authority in calculating its assets and market capitalisation.
- 10.19 Where a listed company has published a balance sheet in its half-yearly report, that balance sheet must be used for classification purposes when calculating the percentages in accordance with 10.5(a) and 10.5(e).

Change in percentage ratios

- 10.20 If any of the percentage ratios changes to the extent that the classification of the transaction is altered between the time the transaction is first discussed with the UK Listing Authority and the announcement, the UK Listing Authority must be consulted.

Exceptions to classification rules

- 10.21 In the case of a reverse takeover, if the following conditions are satisfied, the acquisition will be treated as Class 1:
- (a) the subject of the acquisition is of a similar size to that of the acquiring company;
 - (b) the subject of the acquisition is in a similar line of business to that of the acquiring company;
 - (c) the undertaking the subject of the acquisition complies with the conditions for listing set out in chapter 3; and
 - (d) there will be no change of board or voting control.
- 10.22 *Paragraph deleted - January 1999*
- 10.23 Special requirements apply in the case of property companies (see paragraphs 18.3 and 18.4), mineral companies (see paragraph 19.7), investment entities (see paragraphs 21.23 and 21.24), innovative high growth companies (see paragraphs 25.17 to 25.19) and venture capital trusts (see paragraph 26.10).

Indemnities and similar arrangements

- 10.24 Any agreement or arrangement with a party, not being a member of the listed company's group:
- (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 would be 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 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):

will be treated as a Class 1 transaction. For the purpose of this paragraph indemnities such as those customarily given in connection with sale and purchase agreements or to underwriters or placing agents in an underwriting or placing agreement, and indemnities given to advisers against liabilities to third parties arising out of providing advisory services are not "exceptional". Payments or break fees payable to third parties in the

event that a proposed transaction does not complete are exceptional. In those limited circumstances where the calculation described in paragraph 10.24 (c) produces an anomalous result the UK Listing Authority may disregard the calculation and may substitute other relevant indicators of the size of the indemnity or other arrangement given. In cases of doubt the UK Listing Authority must be consulted at an early stage.

Aggregation of transactions

- 10.25 The UK Listing Authority may require transactions completed during the 12 months prior to the date of the latest transaction to be aggregated with the latest transaction for the purpose of determining the classification to apply to the latest transaction. In cases of doubt the UK Listing Authority must be consulted at an early stage.
- 10.26 Without prejudice to the generality of paragraph 10.25, transactions will normally only be aggregated in accordance with that paragraph if they:
- (a) are entered into by the company with the same party or with parties connected with one another;
 - (b) involve the acquisition or disposal of securities or an interest in one particular company; or
 - (c) together lead to substantial involvement in a business activity which did not previously form a part of the company's principal activities.
- 10.27 If under paragraph 10.25 aggregation results in a Class 1 requirement for shareholder approval, then that approval is required only for the latest transaction.
- 10.28 Notwithstanding paragraph 10.26 where acquisitions are entered into during a period of 12 months which cumulatively exceed 100% in any of the percentage ratios the provisions relating to a reverse takeover may apply.

Class 3 requirements

- 10.29 In the case of a Class 3 transaction which is an acquisition in respect of which the consideration includes the issue of securities for which listing will be sought, the company must notify a Regulatory Information Service without delay after the terms of the acquisition are agreed. The notification must include:
- (a) the amount of the securities being issued;
 - (b) particulars of the transaction, including the name of any company or business where this is relevant; and
 - (c) either the value of the consideration, and how this is being satisfied, or the value of the net assets acquired, whichever is the greater.
- 10.30 In the case of other Class 3 transactions, if the company releases any details to the public they must also be notified to a Regulatory Information Service. The notification must include:
- (a) particulars of the transaction, including the name of any company or business, where this is relevant;
 - (b) either the value of the consideration, and how this is being satisfied, or the value of the net assets acquired or disposed of; and
 - (c) in the case of a disposal, the effect on the company of the disposal.

Class 2 requirements

- 10.31 The company must notify a Regulatory Information Service without delay after the terms

Consultation with the UK Listing Authority

- 11.3 If a company (or any of its subsidiary undertakings) proposes to enter into a transaction which could be a transaction with a related party and there is any doubt as to whether or to what extent the provisions of this chapter apply, the company must consult the UK Listing Authority at an early stage. The relevant draft contract must be supplied to the UK Listing Authority, if requested.

Usual requirements for a transaction with a related party

- 11.4 If a company (or any of its subsidiary undertakings) proposes to enter into a transaction with a related party then the company must (subject to the exceptions in paragraphs 11.7 and 11.8):
- (a) make any announcement required by chapter 10 which must contain:
 - (i) the details required by paragraph 10.31;
 - (ii) the name of the related party concerned; and
 - (iii) details of the nature and extent of the interest of the related party in the transaction;
 - (b) send a circular to its shareholders containing the information required by paragraph 11.10;
 - (c) obtain the approval of its shareholders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction; and
 - (d) where applicable, ensure that the related party itself abstains, and takes all reasonable steps to ensure that its associates abstain, from voting on the relevant resolution.
- 11.5 Where a meeting of the company has been called to approve a transaction and, after the date of the notice of meeting but prior to the meeting itself, a party to that transaction has become a related party, the UK Listing Authority will normally require that:
- (a) the company ensures that the related party concerned abstains from voting on the relevant resolution; and
 - (b) a further circular is despatched, for receipt by shareholders prior to the meeting, containing any information required by paragraph 11.10 which was not contained in the original circular accompanying the notice of meeting.
- 11.6 The variation or novation of an existing agreement between the company (or any of its subsidiary undertakings) and a related party will be subject to the provisions of paragraph 11.4 whether or not, at the time the original agreement was entered into, that party was a related party.

Exceptions to the usual requirements

- 11.7 The rules contained in this chapter do not apply to a company where it (or any of its subsidiary undertakings) proposes to enter into a transaction with a related party if:
- (a) it does not have any equity securities listed;

Overseas company

- (b) it is an overseas company with a secondary listing by the UK Listing Authority;

Issue of new securities and sale of treasury shares

- (c) the transaction is either:
 - (i) an issue of new securities either:
 - (a) for cash by the company (or any of its subsidiary undertakings) pursuant to an opportunity which (so far as is practicable) is made available to all holders of the company's securities (or to all holders of a relevant class of its securities) on the same terms; or
 - (b) made pursuant to the exercise of conversion or subscription rights attaching to a listed class of securities or previously approved by the company's shareholders in general meeting; or
 - (ii) a sale of treasury shares for cash by the company pursuant to an opportunity which (so far as is practicable) is made available to all holders of the company's securities (or to all holders of a relevant class of its securities) on the same terms;

Employees' share schemes and long term incentive schemes

- (d) the transaction:
 - (i) involves the receipt of any asset (including cash or securities of the company or any of its subsidiary undertakings) by a director of the company, its parent undertaking or any of its subsidiary undertakings;
 - (ii) is a grant of an option or other right to a director of the 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 company or any of its subsidiary undertakings); or
 - (iii) is the provision of a gift or loan to the trustees of an employee benefit trust in order to finance the provision of assets as referred to in paragraph (d) (i) or (ii):

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

Credit

- (e) the transaction is a grant of credit (including the lending of money or the guaranteeing of a loan) to the related party or, on an unsecured basis, by the related party:
 - (i) upon normal commercial terms; or
 - (ii) in amount and on terms no more favourable than those offered to employees of the group generally;

Directors' indemnities

- (f) the transaction is the grant of an indemnity to a director of the company (or any of its subsidiary undertakings) to the extent not prohibited by section 310 of the Companies Act 1985, or the maintenance of a contract of insurance to the extent contemplated by that section (whether for a director of the company or for a director of any of its subsidiary undertakings);

Underwriting

- (g) the transaction is an underwriting by the related party of all or part of an issue of securities by the company (or any of its subsidiary undertakings) and the consideration to be paid by the company (or any of its subsidiary undertakings) in respect of such underwriting is no more than the usual commercial underwriting consideration and is the same as that to be paid to the other underwriters (if any);

Joint investment arrangements

- (h) the terms and circumstances of the investment or provision of finance by the company, or any of its subsidiary undertakings are, in the opinion of an independent adviser acceptable to the UK Listing Authority, no less favourable than those applicable to the investment or provision of finance by the related party:

Small transactions

- (i) the transaction is one where each of the percentage ratios referred to in paragraph 10.5 is equal to or less than 0.25%; or

Insignificant subsidiary

- (j) the related party is such only by virtue of being:
 - (i) a substantial shareholder (see paragraph 11.1 (c)); or
 - (ii) any person who is (or was within the 12 months preceding the date of the transaction) a director or shadow director:

of a subsidiary undertaking of the company which has contributed less than 10% of the turnover and profits of, and which has represented less than 10% of the assets of, the listed company in each of the three financial years preceding the date of the transaction for which accounts have been published (or, in exceptional circumstances, for a shorter period where the UK Listing Authority so agrees).

This exception will not apply where the insignificant subsidiary is itself a party to the transaction or where securities in the insignificant subsidiary or its assets are the subject of the transaction and the ratio of consideration to market capitalisation of the issuer is 10% or more.

For the purpose of this paragraph, the figures to be used shall be as defined in chapter 10.

11.8 In the case of a transaction with the related party where each of the percentage ratios referred to in paragraph 10.5 is less than 5%, but one or more exceeds 0.25%, the usual requirements for a transaction with a related party set out in paragraph 11.4 do not apply and, instead, the company must prior to completing the transaction or amendment:

- (a) inform the UK Listing Authority in writing of the details of the proposed transaction;
- (b) provide the UK Listing Authority with written confirmation from an independent adviser acceptable to the UK Listing Authority that the terms of the proposed transaction with the related party are fair and reasonable so far as the shareholders of the company are concerned; and
- (c) undertake in writing to the UK Listing Authority to include details of the

transaction in the company's next published annual accounts, including, where relevant, the identity of the related party, the value of the consideration for the transaction and all other relevant circumstances.

Aggregation

11.9 The UK Listing Authority will require all transactions to be aggregated which are entered into by the company (or any of its subsidiary undertakings) with the same related party (and any of its associates) in any twelve month period and which have neither been approved by shareholders nor described in a circular complying with the requirements of paragraph 11.10. If the transactions in aggregate would be classified as a Class 2 or larger transaction (see paragraph 10.4), the UK Listing Authority may require the company to comply with the requirements of paragraph 11.4 in respect of the latest transaction and to give in the circular all relevant details of each of the transactions being aggregated.

Contents of circular

11.10 A circular relating to a transaction with a related party must comply with the general requirements relating to circulars set out in chapter 14 and must also include:

- (a) in all cases the information required by the following paragraphs of chapter 6 in relation to the company:

Paragraph

6.C.1	name and address
6.C.7	documents on display
6.C.16	major interests in shares
6.C.20	material contracts (as modified by paragraph 10.41A)
6.C.22	details of consideration
6.E.8	significant changes;

- (b) in the case of a transaction where the related party is a director, or an associate of a director, of the company (or its parent undertaking or any of its subsidiary undertakings or fellow subsidiary undertakings) the information specified by the following paragraphs in respect of that director:

6.F.4, 6.F.5	directors' interests in shares
6.F.6	directors' interests in transactions
6.F.12	directors' service contracts;

- (c) full particulars of the transaction, including the name of the related party concerned and of the nature and extent of the interest of such party in the transaction;
- (d) in the case of an acquisition or disposal of an asset, which also falls within Class 1 and for which appropriate financial information is not available, an independent valuation;
- (e) a statement by the directors (other than any director who is, or an associate of whom is, a related party, or who is a director of a related party, in respect of the transaction) that the transaction is fair and reasonable so far as the shareholders of the company are concerned and that the directors have been so advised by an independent adviser acceptable to the UK Listing Authority;
- (f) where applicable, a statement that the related party will abstain, and has undertaken to take all reasonable steps to ensure that its associates will abstain, from voting at the meeting;
- (g) if the transaction also falls within Class 1, the information required to be included in a Class 1 circular (see paragraph 10.40);

agreed to waive any emoluments from the company or any subsidiary undertaking; 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;

Waiver of dividends

- (e) details of any arrangement under which a shareholder has waived or agreed to waive any dividends; 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; waivers of less than 1% of the total value of any dividend may be disregarded provided that some payment has been made on each share of the relevant class during the relevant calendar year;

Subsidiary undertaking's country of operation

- (f) Paragraph deleted - September 1997

Associated undertakings

- (g) Paragraph deleted - September 1997
- (h) Paragraph deleted - August 1995

Non-executive directors

- (i) *Paragraph deleted - January 1999*

Financial aspects of corporate governance

- (j) *Paragraph deleted - January 1999*

Directors' interests in shares

- (k) in the case of a company incorporated in the United Kingdom, a statement showing by way of note the beneficial and non-beneficial interests of each director of the company disclosed to the company under the Companies Act 1985, as at the end of the period under review, together with any change in those interests occurring 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 general meeting at which the annual accounts are to be laid before the company or, if there has been no such change, disclosure of that fact;

Major interests in shares

- (l) in the case of a company incorporated in the United Kingdom, a statement showing as at a date not more than one month prior to the date of the notice of meeting at which the annual report and accounts are to be laid before the company in general meeting:
 - (i) information disclosed to it in accordance with sections 198 to 208 of the Companies Act 1985 (disclosure of certain major interests in the share capital of a company); or
 - (ii) if there is no such interest, that fact;
- (m) Paragraph deleted - August 1995

Purchase by company of its own shares and sales for cash of treasury shares

- (n) in the case of a company incorporated in the United Kingdom (or for the purpose of treasury shares a company incorporated in Great Britain):

- (i) details of any shareholders' authority for the purchase by the company of its own shares still valid at the end of the period under review;
- (ii) in the case of purchases made otherwise than through the market or by tender or partial offer to all shareholders, particulars of the names of sellers of such shares purchased, or proposed to be purchased, by the company during the period under review; in the case of any purchases, or options or contracts to make such purchases, entered into since the end of the period covered by the report, equivalent information to that required under part II of schedule 7 to the Companies Act 1985 (disclosure required by company acquiring its own shares, etc.) must be given; and
- (iii) in the case of sales of treasury shares for cash made otherwise than through the market or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the 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;

Allotments for cash

- (o) 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, in addition to the particulars required by paragraph 39 of schedule 4 to the Companies Act 1985:
 - (i) 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 them; and
 - (ii) the market price of the securities concerned on a named date, being the date on which the terms of the issue were fixed;

and similar information must be given for any unlisted major subsidiary undertaking (see paragraph 9.22) including the information required by paragraph 39 of schedule 4 to the Companies Act 1985, as if the major subsidiary undertaking were "the company" for the purposes of that paragraph;

Parent undertaking participation in a placing

- (p) where a company has listed shares in issue and is a subsidiary undertaking of another company, particulars of the participation by the parent undertaking in any placing made during the period under review;

Interests in contracts

- (q) particulars of any contract of significance (see paragraph 12.44), subsisting during the period under review, to which the company, or one of its subsidiary undertakings, is a party and in which a director of the company is or was materially interested;

Contracts of significance

- (r) particulars of any contract of significance (see paragraph 12.44) between the company, or one of its subsidiary undertakings, and a controlling shareholder (see paragraphs 3.12 and 3.13) subsisting during the period under review;
- (s) particulars of any contract for the provision of services to the company or any of its subsidiary undertakings by a controlling shareholder (see paragraphs 3.12 and 3.13) subsisting during the period under review; such a contract need not be disclosed if it is a contract for the provision of services which it is the principal

business of the shareholder to provide and it is not a contract of significance (see paragraph 12.44);

Small related party transactions

- (t) details of small related party transactions as required by paragraph 11.8(c);

Long-term incentive scheme

- (u) details of long-term incentive schemes as required by paragraph 13.13A(b); and

Going concern

- (v) in the case of a company incorporated in the United Kingdom, a statement by the directors that the business is a going concern with supporting assumptions or qualifications as necessary, as interpreted by the Guidance on Going Concern and Financial Reporting for directors of listed companies registered in the United Kingdom, published in November 1994; such statement to be reviewed by the auditors before publication.

Directors' remuneration

- (w) *Paragraph deleted - January 1999*
- (x) *Paragraph deleted - January 1999*

Corporate governance and directors' remuneration

Corporate governance

12.43A In the case of a company incorporated in the United Kingdom, the following additional items must be included in its annual report and accounts:

- (a) a narrative statement of how it has applied the principles set out in Section 1 of the Combined Code, providing explanation which enables its shareholders to evaluate how the principles have been applied;
- (b) a statement as to whether or not it has complied throughout the accounting period with the Code provisions set out in Section 1 of the Combined Code. A company that has not complied with the Code provisions, or complied with only some of the Code provisions or (in the case of provisions whose requirements are of a continuing nature) complied for only part of an accounting period, must specify the Code provisions with which it has not complied, and (where relevant) for what part of the period such non-compliance continued, and give reasons for any non-compliance; and

Directors' remuneration

- (c) a report to the shareholders by the Board which must contain:
 - (i) a statement of the company's policy on executive directors' remuneration;
 - (ii) 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 or other termination payments, together with the total for each director for the period under review and for the corresponding prior period, and any significant payments made to former directors during the period under review; such details to be presented in tabular form, unless inappropriate, together with explanatory notes as necessary;

- (iii) information on share options, including SAYE options, for each director by name in accordance with the recommendations of the Accounting Standards Board's Urgent Issues Task Force Abstract 10; such information to be presented in tabular form together with explanatory notes as necessary;
- (iv) details of any long-term incentive schemes, other than share options details of which have been disclosed under (iii) above, including the interests of each director by name in the long-term incentive schemes at the start of the period under review; entitlements or awards granted and commitments made to each director under such schemes during the period, showing which crystallize either in the same year or subsequent years; the money value and number of shares, cash payments or other benefits received by each director under such schemes during the period; and the interests of each director in the long-term incentive schemes at the end of the period;
- (v) explanation and justification of any element of remuneration, other than basic salary, which is pensionable;
- (vi) 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 year's salary and benefits in kind, giving the reasons for such notice period;
- (vii) 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; and
- (viii) a statement of the 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.
- (ix) for defined benefit schemes (as in part I of schedule 6 to the Companies Act 1985):
 - (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) and 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 underfunding) 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) current 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 spouse's and dependants' benefits;
- (e) early retirement rights and options, expectations of pension increases after retirement (whether guaranteed or discretionary); and
- (f) 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.

Voluntary contributions and benefits should not be disclosed; and

- (x) for money purchase schemes (as in part I of schedule 6 to the Companies Act 1985) details of the contribution or allowance payable or made by the company in respect of each director during the period under review.

Requirements of auditors

A company's statement under 12.43A(b) must be reviewed by the auditors before publication only insofar as it relates to Code provisions A.1.2, A.1.3, A.6.1, A.6.2, D.1.1, D.2.1 and D.3.1 of the Combined Code. The scope of the auditors' report on the financial statements must cover the disclosures made pursuant to paragraph 12.43A(c)(ii), (iii), (iv), (ix) and (x) above. The auditors must state in their report if in their opinion the company has not complied with any of the requirements of paragraph 12.43A (c)(ii), (iii), (iv), (ix) and (x) of the listing rules and, in such a case, must include in their report, so far as they are reasonably able to do so, a statement giving the required particulars.

Contracts of significance

12.44 For the purpose of paragraph 12.43 (q), (r) and (s), a "contract of significance" is one which represents in amount or value (or, as the case may be, in annual amount or value) a sum equal to 1% or more, calculated on a group basis where relevant, of:

- (a) 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 group's share capital and reserves; or
- (b) in other cases, the total annual purchases, sales, payments or receipts, as the case may be, of the group.

Summary financial statements

12.45 Where a listed company issues summary financial statements permitted under the Companies Act 1985, earnings per share must be disclosed in addition to the required contents for summary financial statements set out in the Companies (Summary Financial Statement) Regulations 1995.

Half-yearly report

12.46 A company which has listed shares must prepare a report, on a group basis where relevant, on its activities and profit or loss for the first six months of each financial year.

CARD Art.70

12.47 The accounting policies and presentation applied to interim figures must be consistent

with those applied in the latest published annual accounts save where:

- (a) they are to be changed in the subsequent annual financial statements, in which case the new accounting policies and presentation should be followed, and the changes and the reasons therefor should be disclosed in the half-yearly report; or
- (b) the UK Listing Authority otherwise agrees.

Timing of publication

- 12.48 The half yearly report must be published as soon as possible and in any event within 90 days of the end of the period to which it relates. In exceptional circumstances, the UK Listing Authority may grant an extension of this time limit. IRD Art.4
Paras 1
and 2

Method of publication

- 12.49 A company must publish the half-yearly report by notifying it to a Regulatory Information Service, without delay after board approval (see paragraph 9.35) and where the company's shares are listed in another member state, simultaneously to the competent authority of each other member state in which the company's shares are listed, not later than the time the report is first published in a member state. The notification to a Regulatory Information Service must include the auditor's report or the review report issued pursuant to the Auditing Practices Board Bulletins 1993/1 and 1998/6 on Review of Interim Financial Information in full to the extent the half-yearly report includes such a report pursuant to paragraph 12.54. CARD
Art.102(2)
- 12.50 In addition, the company must either:
- (a) send the half-yearly report to the holders of its listed securities; or
 - (b) insert the half-yearly report, as a paid advertisement, in at least one national newspaper.

Contents

- 12.51 The half-yearly report must contain the information required by paragraphs 12.52 to 12.59 in respect of the group's activities and profit or loss during the relevant period. CARD
Art.73(1)

Figures

- 12.52 The following figures presented in table form must be included in the half-yearly report: CARD
Art.73(2)
- (a) a profit and loss account comprising the following:
 - (i) net turnover; CARD
Art.73(2)
 - (ii) operating profit or loss;
 - (iii) interest payable less interest receivable (net);
 - (iv) profit or loss before taxation and extraordinary items;
 - (v) taxation on profits on ordinary activities (United Kingdom taxation and, if material, overseas and share of associated undertakings' taxation to be shown separately);
 - (vi) profit or loss on ordinary activities after tax;
 - (vii) minority interests;
 - (viii) profit or loss attributable to shareholders, before extraordinary items;
 - (ix) extraordinary items (net of taxation);

- (b) the amendments contain nothing unusual for a document of that nature save, where relevant, for matters disclosed in that letter which have been discussed with the UK Listing Authority in advance.

13.7 In cases where it may not be possible to give a letter of compliance, the UK Listing Authority must be consulted at an early stage and a draft of the document (with an explanation of any unusual matters) must be submitted to the UK Listing Authority.

Memorandum and articles of association

13.8 *Paragraph deleted – January 2000.*

Amendments

13.9 A circular to shareholders in connection with proposed amendments to the memorandum and articles of association must:

- (a) include an explanation of the effect of the proposed amendments;
- (b) include either the full terms of the proposed amendments, or a statement that the full terms will be available for inspection:
 - (i) from the date of dispatch of 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 UK Listing Authority may determine; and
 - (ii) at the place of the general meeting for at least 15 minutes prior to and during the meeting; and
- (c) comply with the relevant requirements of paragraph 14.1 (contents of all circulars).

Trust deeds

13.10 A trust deed must comply with the requirements set out in appendix 2 to this chapter.

Amendments

13.11 A circular to shareholders or holders of debt securities, as appropriate, in connection with proposed amendments to a trust deed must:

- (a) include an explanation of the effect of the proposed amendments;
- (b) include either the full terms of the proposed amendments, or a statement that they will be available for inspection:
 - (i) from the date of the dispatch of 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 UK Listing Authority may determine; and
 - (ii) at the place of the general meeting for at least 15 minutes prior to and during the meeting; and
- (c) comply with the relevant requirements of paragraph 14.1 (contents of all circulars).

Trustees

13.12 There must be a trustee or trustees representing the holders of listed debt securities except in the case of issuers of listed specialist debt securities or where otherwise agreed by the UK Listing Authority. One of the trustees must be a trust corporation with no interest in or relation to the issuer which might conflict with the position of trustee.

Employees' share schemes and long-term incentive schemes

13.13 The following schemes of a listed company incorporated in the United Kingdom (or for the purpose of treasury shares a company incorporated in Great Britain) (and of any of its subsidiary undertakings even where that subsidiary undertaking is incorporated or operates overseas) must be approved by an ordinary resolution of the shareholders of the listed company in general meeting prior to their adoption:

- (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) subject to the provisions of paragraph 13.13A, a long-term incentive scheme in which one or more directors of the issuer is eligible to participate.

13.13A The requirements of paragraph 13.13(b) and of paragraphs 13.14 to 13.16 do not apply to the following long-term incentive schemes:

- (a) an arrangement under which participation is offered on similar terms to all or substantially all employees of the issuer 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 issuer); and
- (b) an arrangement in which the only participant is a director of the issuer (or an individual whose appointment as a director of the issuer is in contemplation) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual. In these circumstances the following information must be disclosed in the first annual report published by the issuer following the date on which the relevant individual becomes eligible to participate in the arrangement: all of the information prescribed in paragraph 13.14(a) to (d); the name of the sole participant; the date on which the participant first became eligible to participate in the arrangement; explanation of why the circumstances in which the arrangement was established were unusual; the conditions to be satisfied under the terms of the arrangement; and the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Contents of accompanying circular

13.14 A circular to shareholders in connection with the approval (as required by paragraph 13.13) of an employees' share scheme or a long-term incentive scheme must:

- (a) include either the full text of the scheme or a description of its principal terms;
- (b) include, where directors of the company are trustees of the scheme, or have a direct or indirect interest in the trustees, details of such trusteeship or interest;
- (c) state that the provisions (if any) relating to:
 - (i) the persons to whom, or for whom, securities, cash or other benefits are provided under the scheme (the "participants");
 - (ii) limitations on the number or amount of the securities, cash or other benefits subject to the scheme;
 - (iii) the maximum entitlement for any one participant;
 - (iv) 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) in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or

- 14.3 To obtain the approval of the UK Listing Authority three copies of the following documents (where applicable) must be submitted at least 10 clear business days (save where the UK Listing Authority otherwise agrees) prior to the intended publication date of the relevant circular:
- (a) the circular;
 - (b) the letters and documents referred to in paragraph 14.2(a), (b) and (c).

Where a circular submitted for approval is amended, three copies of amended drafts must be resubmitted, marked in red to show changes made to conform with the UK Listing Authority's comments and in blue or black to indicate other changes. Approval will only be given on a business day between the hours of 9.00am and 5.30pm, unless specific alternative arrangements are made in advance.

Lodging of circulars

- 14.4 Two copies of any circular in its final form (whether or not it is required to be submitted to the UK Listing Authority for approval) must be lodged with the UK Listing Authority at the same time as it is despatched to shareholders.

Circulars of a routine nature

General

- 14.5 A circular need not be submitted to the UK Listing Authority for approval before publication provided that:
- (a) it complies with the requirements of paragraph 14.1;
 - (b) it is of a type referred to in paragraphs 14.7 to 14.26 and complies with the specific requirements for a circular of that type or it is a circular only relating to a proposed change of name;
 - (c) neither it, nor the transaction or matter to which it relates, has unusual features; and
 - (d) it is not a document to which paragraph 8.23 or 8.24 applies:

or, in any other case, where the UK Listing Authority agrees that such circular need not be so submitted.

- 14.6 Where the circular, or the transaction or matter to which it relates, has unusual features the UK Listing Authority must be consulted at an early stage. If there is doubt about whether something is unusual, reference should be made to the UK Listing Authority.

Authority to allot shares

- 14.7 A circular in connection with a resolution proposing to grant the directors authority to allot relevant securities (as that term is defined in section 80 of the Companies Act 1985) must include:
- (a) a statement of the maximum amount of relevant securities which the directors will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (calculated exclusive of treasury shares) as at a date not more than one month prior to the date of the circular;
 - (aa) a statement of the number of treasury shares held by the company as at the date not more than one month prior to the date of the circular and the percentage which that amount represents of the total ordinary share capital in issue (calculated exclusive of treasury shares) as at the date not more than one month prior to the date of the circular;

- (b) a statement by the directors as to whether they have any present intention of exercising the authority, and if so for what purpose; and
- (c) a statement as to when the authority will lapse.

Disapplication of pre-emption rights

14.8 A circular in connection with a resolution proposing to disapply the statutory pre-emption rights under section 89 of the Companies Act 1985 must include:

- (a) a statement of the maximum amount of equity securities which the disapplication will cover; and
- (b) in the case of a general disapplication in respect of equity securities for cash made otherwise than to existing shareholders in proportion to their existing holdings:
 - (i) the percentage which the amount generally disappplied represents of the total ordinary share capital in issue as at a date not more than one month prior to the date of the circular.
 - (ii) *Paragraph deleted - January 1999*

Increase in authorised share capital

14.9 A circular in connection with a resolution proposing to increase the company's authorised share capital must include:

- (a) a statement of the proposed percentage increase in the authorised share capital of the relevant class; and
- (b) a statement of the reason for the increase.

Reduction of capital

14.10 A circular in connection with a resolution proposing to reduce the company's capital must include a statement of the reasons for and the effects of the proposal.

Capitalisation issue

14.11 A circular in connection with 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 pro rata entitlement;
- (d) a description of the nature and amount of reserves which are to be capitalised; and
- (e) the information required by paragraph 5.28.

14.11A Any timetable set out in the circular must be approved by the RIE on which the company's securities are traded before publication.

Scrip dividend alternative

- 14.12 A circular containing an offer to shareholders of the right to elect to receive shares in lieu 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 in respect of 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 forgone to obtain each share or the basis of the calculation of the number of shares to be offered in lieu 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 pro rata 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 in lieu of cash; and
 - (ii) includes a statement that the right is non-transferable.
- 14.13 Any timetable set out in the circular must be approved by the RIE on which the company's securities are traded before publication.
- 14.14 Six copies of the form of election and the document of title to be issued in connection with the scrip dividend alternative in final form must be lodged with the UK Listing Authority at the same time as the circular is lodged (see paragraph 14.4). A document of title need not be lodged with the form of election if it is in identical form to a document of title already in issue.

Scrip dividend mandate schemes

- 14.15 Any proposal whereby shareholders are entitled to complete a mandate in order to receive shares in lieu of future cash dividends must include, in addition to the requirements set out in paragraph 14.12(d) and (f):
- (a) the basis of the calculation of the number of shares to be offered in lieu of cash;
 - (b) a statement of the last date for lodging notice or participation or cancellation in order for that instruction to be valid for the next dividend;
 - (c) details of when adjustment to the number of shares subject to the mandate will take place;
 - (d) details of when cancellation of a mandate instruction will take place;
 - (e) a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
 - (f) the procedure for notifying shareholders of the details of each scrip dividend; and

- (g) a statement of the circumstances, if known, under which the directors may decide not to offer a scrip alternative in respect of any dividend.

14.15A The timetable for each scrip alternative covered by a scrip dividend mandate scheme must be approved by the RIE on which the company's securities are traded.

Purchase of own securities

14.16 A circular in connection with a resolution proposing to give the company authority to purchase its own securities must comply, if relevant, with the requirements of paragraphs 15.4 and 15.5. Save as provided in paragraph 15.4, the circular need not be submitted to the UK Listing Authority for approval before publication.

Notices of meetings

14.17 Whenever holders of listed securities 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 such 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.

14.18 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 chapter is to be considered or proposed need not be submitted to the UK Listing Authority for prior approval if, in respect of any such other matter to be considered or proposed, the circular or other document complies with the relevant provisions of this chapter.

14.19 A circular or other document convening an annual general meeting need not comply with paragraph 14.1(c), (d) and (e).

14.20 *Paragraph deleted - June 1996*

Chapter 13 circulars

14.21 A circular in connection with a resolution proposing to approve the adoption or amendment of:

- (a) the memorandum or articles of association;
- (b) trust deeds; or
- (c) employees' share schemes, long-term incentive schemes and discounted option arrangements;

must satisfy the requirements for such circulars set out in chapter 13.

Early redemption

14.22 A circular in connection with a resolution proposing to redeem a listed debt security prior to its due date for redemption must include:

- (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 prior to despatch of the circular;
- (c) a statement of any interests of any director in the securities;

CHAPTER 15

PURCHASE OF OWN SECURITIES AND PROVISIONS RELATING TO SHARES HELD IN TREASURY

Scope of chapter

This chapter sets out the rules which apply to a company wishing to purchase its own listed securities, whether as a market purchase or an off-market purchase within the meaning of section 163 of the Companies Act 1985. It also sets out the rules which apply to a company that (following a purchase of its own securities) holds a proportion of its own shares as treasury shares and wishes to sell, transfer or cancel such shares. The requirements mainly relate to the notification of purchases by a company of its own securities and dealings in treasury shares. The information required in annual accounts concerning the purchase of own securities and dealings in treasury shares is set out in paragraph 12.43(n). Where a company is proposing to purchase its own securities by way of a tender offer, reference should also be made to the rules of any RIE on which securities are admitted to trading.

The main headings are:

- 15.1 general
- 15.3 purchase of own equity shares
- 15.13 purchase of own securities other than equity shares
- 15.19 treasury shares

General

Model Code

15.1 Purchases or early redemptions by a company of its own securities must not be made 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:

- (a) the company is purchasing or redeeming securities belonging to a class whose price or value would not be likely to be substantially affected by the publication of the information giving rise to the prohibited period.

This subparagraph does not permit purchases or early redemptions of either equity securities or securities belonging to a class whose price or value is ordinarily affected by the knowledge of major new developments in the company's sphere of activity;

- (b) the company is purchasing or redeeming a security in accordance with the terms of issue of the security which have previously been made public, and which set out the timing of the purchase or redemption, the amount or formula used to determine the amount to be purchased or redeemed and the price or formula used to determine the price; or
- (c) the company is purchasing or redeeming a security in accordance with an agreement where the date, amount and price of the securities to be bought back was fixed, and was entered into at a time when a director of the company would have been free to deal.

Purchase from a related party

15.2 Where a purchase by a company of its own securities is to be made from a related party, whether directly or through intermediaries, the requirements of Chapter 11 (transactions with related parties) must also be complied with unless:

- (a) a tender or partial offer is made to all holders of the class of securities on the

same terms; or

- (b) 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 company and any related party.

Purchase of own equity shares

Notification of proposal to purchase

- 15.3 Any decision by the board to submit to shareholders a proposal for the company to be authorised to purchase its own equity shares other than the renewal of an existing authority must be notified to a Regulatory Information Service without delay, indicating whether the proposal relates to specific purchases (and, if so, the names of the persons from whom the purchases are to be made), or to a general authorisation to make purchases. The outcome of the shareholders' meeting must also be notified without delay.

Circular to shareholders

- 15.4 A circular seeking shareholders' authority for the purchase by a company of its own equity shares need not be submitted to the UK Listing Authority for approval unless it falls within paragraph 15.2 or 15.5, but must include the following information:

- (a) where the authority sought is a general one, a statement of the directors' intentions regarding utilisation of the authority sought;
- (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) where the authority sought relates 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;
- (d) details regarding the price, or the maximum and minimum price, to be paid; and
- (e) the information required by paragraph 14.1 (contents of all circulars); and
- (f) the total numbers of warrants and options to subscribe for equity shares that are outstanding at the latest practicable date prior to publication of the circular and both the proportion of issued share capital (excluding treasury shares) that they represent at that time and that they will represent if the full authority to buyback shares (existing and being sought) is used.

- 15.5 Where the exercise in full of the authority sought would result in the purchase of 15% or more of the company's issued equity shares (excluding treasury shares) the circular to shareholders required by paragraph 15.4 must also include:

- | | |
|----------|--------------------------------|
| 6.C.1 | name and address |
| 6.C.16 | major interests in shares |
| 6.E.8 | significant changes |
| 6.E.16 | working capital |
| 6.F.4,5 | directors' interests in shares |
| 6.G.1(b) | group prospects. |

The working capital statement required under this paragraph 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.

Purchases of less than 15%

- 15.6 Unless a tender or partial offer is made to all holders of the class of securities on the same terms, purchases by a company of less than 15% of any class of its equity shares (excluding treasury shares) pursuant to a general authority granted by shareholders may be made through the market only if the price to be paid is not more than 5% above the average of the market values of those shares for the 5 business days before the purchase is made.

Purchases of 15% or more

- 15.7 Purchases by a company of 15% or more of any class of its equity shares (excluding treasury shares) pursuant to a general authority granted by shareholders must be made by way of either a tender or a partial offer to all shareholders of that class on the same terms. Where a series of purchases is made pursuant to a general authority granted by shareholders, which in aggregate amounts to 15% or more of the number of shares of the relevant class which were in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a tender or partial 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.
- 15.8 A tender offer must be made at a stated maximum price or at a fixed price. Notice of the offer must be given by advertisement in two national newspapers at least seven days before the offer closes, unless a circular is sent to all shareholders in accordance with the requirements of this chapter.

Notification of purchases

- 15.9 Any purchase of the company's own equity shares by or on behalf of the company, or any other member of its group must be notified to a Regulatory Information Service as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which that purchase occurred. The notification must include:
- (a) the date of the purchase;
 - (b) the number of equity shares purchased;
 - (c) the purchase price for each of the highest and lowest prices paid, where relevant;
 - (d) a statement as to what number of the equity shares were purchased for cancellation and what number were purchased in order to be held as treasury shares; and
 - (e) where equity shares were purchased to be held as treasury shares, a statement of:
 - (i) the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares; and
 - (ii) 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 purchase and non-cancellation of such equity shares.

Consent of other classes

- 15.10 Where there are in issue listed securities convertible into, exchangeable for or carrying a right to subscribe for equity shares of the class proposed to be purchased, a separate meeting of the holders of those securities must be held and their approval by extraordinary resolution obtained before the company enters into any contract to purchase equity shares of the relevant class unless the trust deed or terms of issue of those securities provide for the company purchasing its own equity shares.

15.11 A circular convening a meeting required by paragraph 15.10 must include:

- (a) a statement of the apparent effect on the conversion expectations of the holders in terms of attributable assets and earnings on the basis that the company exercises in full the authorisation which it is seeking to purchase its own equity shares at the maximum price allowed thereunder (where that 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);
- (b) any adjustments to the rights of the holders which the company may propose (in such a case, the information required under (a) above must be restated on the revised basis); and
- (c) the information required by paragraph 14.1 (contents of all circulars).

Exceptions

15.12 The requirements of paragraphs 15.1 to 15.11 do not apply to transactions entered into:

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

Purchase of own securities other than equity shares

Notification of decision to purchase

15.13 Where a company intends to make a proposal, which is to be open to all holders in respect of all or part of their holdings, to purchase any of its listed securities other than equity shares it must:

- (a) while the proposal is being actively considered, ensure that no dealings in the relevant securities are carried out by or on behalf of the company or another member of its group, until the proposal has either been notified to a Regulatory Information Service or abandoned; and
- (b) notify a Regulatory Information Service of its decision to purchase unless the purchases will consist of individual transactions in accordance with the terms of issue of the securities, whether for sinking fund purposes or otherwise.

Circular to shareholders

15.14 Where within a period of 12 months a company purchases warrants or options to subscribe or purchase its own equity shares which on exercise convey entitlement to 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:

- (a) a statement of the directors' intentions regarding future purchases of the company's warrants and options;
- (b) the number and terms of the warrants or options acquired and to be acquired and the method of acquisition;
- (c) where warrants and 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;
- (d) details regarding the prices, or the minimum and maximum prices, paid or to be paid; and

- (e) the information required by:
 - 6.C.1 name and address
 - 6.C.16 major interests in shares
 - 6.E.8 significant changes
 - 6.E.16 working capital
 - 6.F.4,5 directors' interests in shares
 - 6.G.1(b) group prospects
 - 14.1 contents of all circulars.

The circular need not be submitted to the UK Listing Authority for approval before publication unless it falls within paragraph 15.2.

Notification of purchases, early redemptions and cancellations

15.15 Any purchases, early redemptions or cancellations of the company's own listed securities other than equity shares by or on behalf of the company or any other member of the group of which it is part must be notified to a Regulatory Information Service 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. Such notifications must be made as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which the relevant threshold is reached or exceeded. The notification must state the amount of securities acquired, redeemed or cancelled since the last such notification, the amount of the class of securities remaining outstanding and whether or not the securities are to be cancelled. In addition, where the company purchases or makes an early redemption of shares other than equity shares, the notification must also include:

- (a) a statement as to what number of the shares were purchased or redeemed early for cancellation and what number were purchased in order to be held as treasury shares; and
- (b) where shares were purchased to be held as treasury shares, a statement of:
 - (i) the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such shares; and
 - (ii) 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 purchase and non-cancellation of such shares.

Period between purchase and notification

15.16 In circumstances where the purchase is not being made pursuant to a general offer announced in accordance with paragraph 15.13 and the purchase causes a relevant threshold in paragraph 15.15 to be reached or exceeded, no further purchases may be effected until after a notification in compliance with paragraph 15.15 has been made.

Convertible securities

15.17 In the case of securities which are convertible into, exchangeable for or carrying a right to subscribe for equity shares, unless a tender or partial offer is made to all holders of the class of securities on the same terms, purchases must not be made at a price more than 5% above the average of the market values for the securities for the 5 business days immediately preceding the date of purchase.

Exceptions

15.18 The requirements of paragraphs 15.1, 15.2 and 15.13 to 15.17 do not apply to transactions entered into:

- (a) in the ordinary course of business by securities dealing businesses; or

- (b) on behalf of third parties either by the company or any other member of its group.

Treasury Shares

Model Code

- 15.19 (a) Sales for cash, or transfers for the purposes of or pursuant to an employees' share scheme, of treasury shares must not be made at a time when, under the provisions of the Model Code, a director of the company would be prohibited from dealing in the securities of that company.
- (b) The prohibition in paragraph 15.19(a) does not apply to sales or transfers by a company of treasury shares in the circumstances set out below:
- (i) transfers of shares arising out of the operation of an employees' share scheme into a saving scheme investing only in securities of the listed company following:
 - (a) exercise of an option under a savings related share option scheme; or
 - (b) release of shares from a profit sharing scheme;
 - (ii) with the exception of a disposal of securities received by a director as a participant, dealings in connection with an Inland Revenue approved "Save-as-you-earn" share option scheme, or any other employees' shares scheme under which participation is extended, on similar terms to those contained in an Inland Revenue approved "Save-as-you-earn" share option scheme, to all or most employees of the participating companies in that scheme;
 - (iii) with the exception of a disposal of securities received by a director as a participant, dealing in connection with an Inland Revenue approved profit share scheme, or any similar profit share scheme under which participation is extended, on similar terms to those contained in an Inland Revenue approved profit share scheme, to all or most employees of the participating companies in that scheme;
 - (iv) arrangements which involve a sale of securities in the listed company with the intention of making a matched purchase of such securities on the next business day;
 - (v) transfers of shares already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the relevant directors is a participant or beneficiary;
 - (vi) the cancellation or surrender of an option under an employees' share scheme; and
 - (vii) transfers of securities by an independent trustee of an employees' share scheme to a beneficiary who is not a director or a relevant employee.
- 15.20 The prohibition in paragraph 15.19 does not apply to sales or transfers by a company of treasury shares belonging to a class whose price or value would not be likely to be substantially affected by the publication of the information giving rise to the prohibited period. However, this paragraph does not permit the sale or transfer of treasury shares that are either equity shares or shares belonging to a class whose price or value is ordinarily affected by the knowledge of major new developments in the company's sphere of activity.

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

15.21 If, by virtue of it holding treasury shares, the company is allotted shares as part of a capitalisation issue, the company must notify a Regulatory Information Service as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which allotment occurred. The notification must state:

- (a) the date of the allotment;
- (b) the number of shares allotted;
- (c) a statement as to what number of the shares allotted have been cancelled and what number is being held as treasury shares; and
- (d) where shares allotted are being held as treasury shares, a statement of:
 - (i) the total number of treasury shares of each class held by the company following the allotment and non-cancellation of such shares; and
 - (ii) 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 and non-cancellation of such shares.

15.22 Any sale for cash, transfer for the purposes of or pursuant to an employees' share scheme or cancellation of treasury shares by the company must be notified to a Regulatory Information Service as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which the sale, transfer or cancellation occurred. The notification must include:

- (a) the date of the sale, transfer or cancellation;
- (b) the number of the shares sold, transferred or cancelled;
- (c) the sale or transfer price for each of the highest and lowest prices paid, where relevant; and
- (d) a statement of:
 - (i) the total number of treasury shares of each class held by the company following the sale, transfer or cancellation of such shares; and
 - (ii) 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 of such shares.

Limit on the discount to market price at which treasury shares can be sold for cash

15.23 Subject to paragraph 15.24 and 15.25, a company must not sell treasury shares for cash at a discount of more than 10% to the middle market price of those shares at the time of the sale otherwise than pursuant to an opportunity which is made available on the same terms to all holders of the company's shares (or to all holders of the relevant class of its shares).

15.24 A company may sell treasury shares for cash otherwise than as contemplated in paragraph 15.23 where the UK Listing Authority is satisfied that the issuer is in severe financial difficulties or that there are other exceptional circumstances. Further the limit on the discount to middle market price in paragraph 15.23 shall not apply to a sale of treasury shares for cash if the sale is either:

- (a) to a small number of persons who are specifically approved by shareholders in general meeting and who have been named in the circular for the general meeting; or

- (b) pursuant to a general disapplication of section 89 of the Companies Act 1985 approved by shareholders in general meeting.
- 15.25 The prohibition in paragraph 15.23 will not apply to transfers of treasury shares for cash by a company to an employee share scheme under which participation is offered on similar terms to all or substantially all employees of the issuer and its subsidiaries.

APPENDIX TO CHAPTER 16

THE MODEL CODE

Introduction (not forming part of the Model Code)

The freedom of directors and certain employees of listed companies to deal in their company's securities is restricted in a number of ways - by statute, by common law and by the requirement of the listing rules that listed companies require their directors and certain employees to comply with a code of dealing in terms no less exacting than those set out in this appendix. This requirement imposes restrictions beyond those that are imposed by law. Its purpose is to ensure that directors, certain employees and persons connected with them (within the meaning of section 346 of the Companies Act 1985) do not abuse, and do not place themselves under suspicion of abusing, price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of results. Company directors, like other individuals, are prohibited from insider dealing by the Criminal Justice Act 1993. Under that Act it is a criminal offence for an individual who has information as an insider to deal on a regulated market, or through or as a professional intermediary, in securities whose price would be significantly affected if the inside information were made public. It is also an offence to encourage insider dealing and to disclose inside information with a view to others profiting from it.

The main headings of the Model Code for transactions in securities by directors, certain employees and persons connected with them are:

- definitions
- dealings by directors and relevant employees
 - purpose of dealing
 - dealing in close periods
 - clearance to deal
 - circumstances for refusal
 - dealing in exceptional circumstances
 - director acting as trustee
- dealings by connected persons and investment managers
- special circumstances
 - awards of securities and options
 - exercise of options
 - qualification shares
 - saving schemes
 - guidance on other dealings
- relevant employees.

A company which is in any doubt as to the application of the Model Code should consult the UK Listing Authority at an early stage.

Definitions

1. In this code the following definitions, in addition to those contained in the listing rules, apply unless the context otherwise requires:
 - (a) "close period" means any of the periods when a director is prohibited from dealing as specified in paragraph 3 of this code;
 - (b) "dealing" includes any acquisition or disposal of, or agreement to acquire or dispose of, any securities of the company, entering into of any contract for differences or any other contract the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in price of any securities of the company and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities, or any interest in securities, of the company and "deal" shall be construed accordingly;
 - (c) "prohibited period" means any period to which paragraph 7 of this code applies;

- (d) “relevant employee” means any employee of the listed company or director or employee of a subsidiary undertaking or parent undertaking of the listed company who, because of his office or employment in the listed company or subsidiary undertaking or parent undertaking, is likely to be in possession of unpublished price-sensitive information in relation to the listed company;
- (e) “securities” means any listed securities or any unlisted securities that are convertible into listed securities and, where relevant, securities which have been listed in a member state or admitted to dealing on, or have their prices quoted on or under the rules of, any regulated market, or any unlisted securities that are convertible into such securities;
- (f) “unpublished price-sensitive information” means information which:
- (i) relates to particular securities or to a particular issuer or to particular issuers of securities and not to securities generally or issuers of securities generally (and, for these purposes, information shall be treated as relating to an issuer of securities which is a company not only where it is about the company but also where it may affect the company’s business prospects);
 - (ii) is specific or precise;
 - (iii) has not been made public within the meaning of section 58 of the Criminal Justice Act 1993; and
 - (iv) if it were made public would be likely to have a significant effect in the price or value of any securities

and, without prejudice to the generality of the above, it should be considered whether any unpublished information regarding transactions required to be notified to a Regulatory Information Service in accordance with chapter 10 or chapter 11 of the listing rules and unpublished information of the kind referred to in the paragraphs of the listing rules set out below is price-sensitive:

9.1 and 9.2	general obligation of disclosure
9.10(a)	alterations to capital structure
9.11 and 9.12	notification of major interests in shares
15.3, 15.9, 15.13 and 15.15	purchase of own securities
16.13 and 16.15	notification of directors’ interests; and

- (g) “regulated market” means any regulated market defined as such in the Insider Dealing (Securities and Regulated Markets) Order 1994, as amended or supplemented by any further order made under section 60(1) of the Criminal Justice Act 1993.

Dealings by directors and relevant employees

Purpose of dealing

2. A director must not deal in any securities of the listed company on considerations of a short term nature. A director must take reasonable steps to prevent any dealings by or on behalf of any person connected with him (within the meaning of section 346 of the Companies Act 1985) in any securities of the listed company on considerations of a short term nature.

CHAPTER 18

PROPERTY COMPANIES

Scope of chapter

Listed companies which own property (including land), carry out certain property related transactions or which are companies primarily engaged in property activities are subject to additional disclosure requirements, principally relating to valuations.

A single property can be the basis for obtaining a listing if it meets the requirements for a single property scheme as described in section 239(2) of the Act and meets the conditions of this chapter.

The main headings are:

- 18.1 general
- 18.2 definitions
- 18.3 classification of transactions by property companies
- 18.5 requirement for a valuation and a valuation report
- 18.7 valuation
- 18.10 valuation report.

Reference is made in this chapter to the RICS Appraisal and Valuation Manual. Guidance may be obtained from the Royal Institution of Chartered Surveyors, 12 Great George Street, Parliament Square, London SW1P 3AD (Tel: 020 7222 7000) and copies of the RICS Manual may be obtained from RICS Books, Surveyor Court, Westwood Way, Coventry, CV4 8JE.

General

18.1 A property company with or seeking a listing must comply with the rules contained in this chapter in addition to all other applicable listing rules. Other listed companies which own property or which carry out certain property related transactions must comply with paragraphs 18.5 to 18.19 where appropriate.

Definitions

18.2 The following definitions apply:

- (a) a “property company” is a company primarily engaged in property activities which include:
 - (i) the holding of properties and development of properties for letting and retention as investments;
 - (ii) the purchase or development of properties for subsequent sale; or
 - (iii) the purchase of land for development of properties for retention as investments.
- (b) a “single property scheme” has the meaning in section 239(2) of the Act;
- (c) “property” means freehold, heritable or leasehold property;
- (d) “net annual rent” is the current income or income estimated by the valuer:
 - (i) ignoring any special receipts or deductions arising from the property;
 - (ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and

- (iii) after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent;
- (e) “published valuation” is the valuation, whether produced independently or by the directors, referred to in the company’s latest published annual report and accounts or the most recent listing particulars or circular published since such annual report and accounts;
- (f) “book value of properties” is the value of the company’s properties, excluding those classified as current assets and before deduction of mortgages or borrowings, as shown in the latest published annual report and accounts; and
- (g) “RICS Manual” means the RICS Appraisal and Valuation Manual.

Classification of transactions by property companies

18.3 Acquisitions and disposals of property by a property company (including any transactions or arrangements the purpose of which is to change, in whole or in part, the beneficial ownership of a property) are subject to the rules contained in chapter 10 regarding the classification of transactions save as indicated below:

- (a) for the purposes of paragraph 10.5(a) the assets the subject of the transaction means the consideration (and paragraphs 10.10 and 10.11 do not apply);
- (b) for an acquisition of land to be developed, for the purposes of paragraph 10.5 (a), the assets the subject of the transaction means the consideration plus any financial commitments relating to the development; and
- (c) for the purposes of paragraph 10.5(a) and (c) the assets of the listed property company are, at the option of the property company, either:
 - (i) the aggregate of the company’s share capital and reserves (excluding minority interests);
 - (ii) the book value of the company’s properties (excluding those properties classified as current assets in the latest published annual report and accounts); or
 - (iii) the published valuation of such properties (excluding those properties classified as current assets in the latest published annual report and accounts);
- (d) for the purposes of paragraph 10.5(b), the profits attributable to the assets and the profits of the listed company means the net annual rental income;
- (e) paragraph 10.5(d) does not apply, but when any of the consideration for an acquisition is in shares an alternative test will be applied comparing the shares to be issued with the number of shares in issue (excluding treasury shares);
- (f) paragraph 10.5(e) applies to disposals as well as acquisitions in respect of all property transactions; and
- (g) for an acquisition of a property or property portfolio by a property company which is a Class 1 transaction, financial information in the form of a comparative table or accountants’ report will not normally be required (but see 18.5(b)).

18.4 The acquisition or disposal by a property company of a property in the ordinary course of business which, in the case of an acquisition will be classified as a current asset in the company’s published accounts, or, in the case of a disposal was so classified in the

CHAPTER 19

MINERAL COMPANIES

Scope of chapter

Mineral, oil and natural gas companies (collectively referred to in this chapter as mineral companies) are subject to additional disclosure requirements as set out in this chapter, but they may be admitted to listing without a trading record as required by paragraph 3.3(a). A competent person's report must be contained in listing particulars of a new applicant. Companies that are involved only in exploration for mineral resources and are not undertaking or proposing to undertake their extraction on a commercial scale are not suitable for listing.

This chapter also sets out requirements where a listed company undertakes a major transaction involving significant mineral resources (see paragraphs 19.7 to 19.11).

The main headings are:

- 19.1 definitions
- 19.2 general
- 19.3 conditions for listing
- 19.4 listing particulars
- 19.7 transactions
- 19.12 competent person
- 19.14 competent person's report
- 19.17 confidentiality.

Definitions

19.1 The following definitions apply:

- (a) a "mineral company" is a company or group of which a principal activity is, or is planned to be, the extraction of mineral resources (which may or may not include exploration for mineral resources). In determining what constitutes a principal activity, the UK Listing Authority will have regard to all circumstances, including whether the activity represents 25% or more of gross revenue, operating expenses, assets or market capitalisation of the company or group (for these purposes, treasury shares are not be taken into account when calculating a company's market capitalisation);
- (b) "extraction" includes mining, production, quarrying or similar activities, and the reworking of mine tailings or waste dumps;
- (c) "mineral resources" include metallic and non-metallic ores, mineral concentrates, industrial minerals, construction aggregates, mineral oils, natural gases, hydrocarbons and solid fuels including coal;
- (d) "proven reserves" mean:
 - (i) in respect of mineral companies primarily involved in the extraction 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
 - (ii) in respect of mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured mineral resources (see (f) below) of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination, and under specified economic conditions;
- (e) "probable reserves" mean:

- (i) in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which are not yet “proven” but which, on the available evidence and taking into account technical and economic factors, have a better than 50% chance of being produced; and
 - (ii) in respect of mineral companies other than those primarily involved in the extraction of oil and gas resources, those measured and/or indicated mineral resources (see (f) and (g) below), which are not yet “proven” but of which detailed technical and economic studies have demonstrated that extraction can be justified at the time of the determination and under specified economic conditions;
- (f) “measured mineral resource” is that portion of a mineral resource for which tonnage or volume can be calculated from outcrops, pits, trenches, drill-holes or mine workings, supported where appropriate by other exploration techniques. The sites used for inspection, sampling and measurement must be so spaced that the geological character, continuity, grades and nature of the material are so well defined that the physical character, size, shape, quality and mineral content will be established with a high degree of certainty; and
- (g) “indicated mineral resource” is that portion of a mineral resource for which quantity and quality can only be estimated with a lower degree of certainty than for a measured mineral resource because the sites used for inspection, sampling and measurement are too widely or inappropriately spaced to enable the material or its continuity to be defined, or its grade throughout to be established.

General

19.2 The UK Listing Authority may list the securities of a mineral company which cannot comply with paragraphs 3.3(a) (audited accounts for three years) and 3.6 (nature and duration of business activities) in respect of its activities in the extraction of mineral resources if the company complies with the listing rules as modified by the provisions of this chapter.

Conditions for listing

19.3 A new applicant which is a mineral company must:

- (a) satisfy the conditions set out in chapter 3, except paragraphs 3.3(a) (audited accounts for three years) and 3.6 (nature and duration of business activities) in respect of its activities in the extraction of mineral resources;

Commercial extraction

- (b) either be undertaking or be proposing to undertake the extraction of mineral resources on a commercial scale, and must demonstrate that it is or will be in a position to undertake such extraction in a commercially viable manner;
- (c) demonstrate that, immediately prior to its application for admission to listing, its proven reserves are sufficient to maintain a level of extraction sufficient to support trading on a commercial scale throughout at least the two years immediately following admission to listing, or throughout the first two years following the date of commencement of extraction on a commercial scale if that date is after admission to listing;

Value of reserves

- (d) demonstrate that, immediately prior to its application for admission to listing, the aggregate value (see paragraph 19.15(l)) of its proven and probable reserves as estimated in the competent person’s report required by paragraph 19.4(a) is not less than 50% of the expected aggregate market value of its equity share capital

(calculated exclusive of treasury shares) immediately following admission to listing;

Interests in extraction

- (e) where it does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested, 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; and

Management

- (f) demonstrate that:
 - (i) the directors and management have, collectively, appropriate experience and technical expertise to manage the company's operations.
 - (ii) *Paragraph deleted - January 1999*
- (g) *Paragraph deleted - January 2000.*

19.3A *Paragraph deleted - January 2000.*

Listing particulars

New applicant

19.4 A new applicant which is a mineral company must comply with the requirements of chapter 5 and include in its listing particulars:

Competent person's report

- (a) the competent person's report, as described in paragraphs 19.14 and 19.15;

Directors' and others' interests

- (b) details of any interest, direct or indirect, of each director, competent person and promoter:
 - (i) in any asset which has within two years of the date of the listing particulars been acquired or disposed of by, or leased to or by the company or any of its subsidiary undertakings, including any interest in the consideration passing to or from the company or any of its subsidiary undertakings (and brief details, including consideration terms and other significant terms, must be given of all transactions which have taken place relating to those assets, or an appropriate negative statement);
 - (ii) in the share capital of the company; and
 - (iii) otherwise in the promotion of the company;

Business

- (c) the general nature of the business of the company, distinguishing between different activities which are material having regard to the profits or losses, assets employed or any other factor affecting the importance of each activity;

Geographical location

- (d) the geographical location of the company's exploration and extraction activities;

Claims

- (e) a statement of any legal claims which are potentially of material significance to the company in relation to exploration or extraction rights, or an appropriate negative statement;

Glossary

- (f) a glossary of the terms used in presenting information in the competent person's report required by paragraph 19.4(a) and elsewhere in the listing particulars; and

Financial matters

- (g) the following information on financial matters (in addition to the statement as to the sufficiency of working capital required by paragraph 6.E.16 or 6.L.10):
 - (i) an estimate of the funding requirements of the company for at least two years following publication of the listing particulars;
 - (ii) particulars of estimated cash flow for either the two years following publication of the listing particulars or, if greater, the period until the end of the first full financial year in which extraction of mineral resources is expected to be conducted on a commercial scale; such particulars must include details of the relevant mineral resources to be extracted, the expected prices and grade structures of the saleable resources, mineral concentrates or products, the expected extraction costs of the various extraction stages and the evidence and assumptions on which this information is based; and
 - (iii) confirmation from the sponsor that it is satisfied that the estimated cash flow has been stated by the company after due and careful enquiry; and

Restrictions on disposal of shares

- (h) where it does not satisfy paragraphs 3.3 (a) (audited accounts for three years) and 3.6 (nature and duration of business activities), a prominent and detailed statement of the arrangements agreed by directors, senior management and substantial shareholders not to dispose of the company's securities following admission. If there are no such arrangements for one or more directors, senior managers or substantial shareholders then the listing particulars must contain a prominent statement that there are no such arrangements for the parties concerned together with an explanation of the reasons for the absence of such arrangements.

Listed mineral company

19.5 A listed mineral company publishing listing particulars must ensure they contain the information specified in appendix 1 to chapter 5 and must include:

- (a) a description of the company's principal mineral interests together with a statement in respect of the company's reserves, giving an estimate of the volume, tonnage in place and grades, as appropriate, each split between proven and probable reserves;
- (b) the expected period of working of those reserves;
- (c) an indication of the periods and main terms of any licences or concessions, and the economic conditions for working those licences or concessions;

CARD Ann I
Schs A and B,
Chpt. 4, Para
4.1.3

- (d) indications of the progress of actual working; and
- (e) an explanation of any exceptional factors that have influenced (a) to (d) above.
- 19.6 The information required by paragraph 19.5(a) to (e) is not required to be included in listing particulars relating to a rights issue or open offer by an issuer with shares listed, or to an issue of debt securities by a listed issuer which are not convertible.

CARD Ann I Schs
A and B, Chpt. 4,
Para 4.1.4

25(1) and (2)
and 26(1)

Transactions

Classification of transactions

- 19.7 A mineral company undertaking a transaction involving significant mineral resources must comply with chapter 10 as though the following additional percentage ratio were added at the end of paragraph 10.5:

“(f) **Reserves** - the volume or amount of the aggregate proven and probable reserves acquired or disposed of, divided by the volume of the aggregate proven and probable reserves of the acquiring or disposing company. In the case of mineral resources which are not directly comparable, the UK Listing Authority may permit the use of valuations instead of volumes or amounts.”

Transaction by a listed company

- 19.8 The prior approval of the shareholders in general meeting must be obtained where a listed company proposes to undertake a transaction involving significant mineral resources, and the transaction results in or might reasonably be expected to result in any of the percentage ratios set out in paragraph 10.5 (as amended by paragraph 19.7) being 25% or more.
- 19.9 In assessing whether a proposal requires prior shareholder approval under paragraph 19.8, account must be taken of any associated transactions or loans effected or intended to be reflected, and any associated contingent liabilities or commitments. Where any doubt exists as to the application of paragraph 19.8 and this paragraph, the UK Listing Authority must be consulted at an early stage.

Requirements for an announcement and circular

- 19.10 Where a mineral company acquires or disposes of assets representing interests in mineral resources, appropriate details of the relevant interests must be disclosed in any notification made to a Regulatory Information Service and, if required, the circular as well.

Circular seeking shareholders' approval

- 19.11 If a circular to shareholders seeking their prior approval is required by paragraph 19.8, the circular must include, in respect of the significant mineral resources involved, the following information as well as complying with the requirements set out in paragraph 10.40 (contents of Class 1 circulars) and in paragraph 14.1 (contents of all circulars):
- (a) the competent person's report as described in paragraphs 19.14 and 19.15;
- (b) a glossary of the terms used in presenting information in the circular; and
- (c) a statement as to the existence of reserves which must be substantiated by the competent person and supported by the actual details of drilling results, analyses or other evidence.

In the case of a disposal the UK Listing Authority may waive the requirements in (a) to (c) above if the information required by paragraph 19.5(a) to (e) is included in respect of the mineral resources involved, and the competent person's report on those resources would not provide significant additional information.

Subsequent announcements relating to lock-in arrangements

19.11A An issuer must notify a Regulatory Information Service without delay of information relating to the disposal of shares by way of an exception allowed within the lock-in arrangements disclosed under paragraph 19.4 (h).

19.11B Subject to the requirements of chapter 11, an issuer must notify a Regulatory Information Service without delay of the details of any variation of the lock-in arrangements disclosed under paragraph 19.4 (h) above, or by way of subsequent announcement under this paragraph.

Competent person

19.12 The competent person, if an individual, must:

- (a) be professionally qualified and be a member in good standing of an appropriate professional association, institution or body;
- (b) have at least five years' relevant professional experience in the estimation, assessment and evaluation of the type of mineral reserves being or to be exploited by the company; and
- (c) be independent of the company and its other advisers or, if he is not, clear disclosure of the relevant relationships and interests must be made both within the competent person's report and prominently elsewhere in the relevant listing particulars or circular.

19.13 If the competent person is a firm or company:

- (a) a partner or director must produce or directly supervise the production of the report on behalf of the company, and must satisfy the criteria set out in paragraph 19.12(a) and (b); and
- (b) that firm or company and all of its partners or directors must be independent of the mineral company and its other advisers or, if they are not, clear disclosure of the relevant relationships and interests must be made both within the competent person's report and prominently elsewhere in the relevant listing particulars or circular.

Competent person's report

19.14 The competent person's report must:

- (a) be dated and made up to a date within six months of publication of the listing particulars or circular;
- (b) state the full name, address and professional qualification of the competent person or director and if the competent person is a firm or company, of the relevant partner;
- (c) state that the existence of natural resources is substantiated by evidence obtained from the competent person's site visits and observation, and is supported by details of drilling results, analyses or other evidence and takes account of all relevant information supplied to the competent person by the directors; and
- (d) be updated prior to publication of the listing particulars or circular if further data becomes available, unless the listing particulars or circular set out and explain the effect of the further data.

19.15 The competent person's report must include:

Description of reserves

- (a) a description of:
 - (i) the nature and extent of the company's rights of exploration and extraction, and a description of the properties to which the rights attach, with details of the duration and other principal terms and conditions of the concessions including environmental and rehabilitation requirements, abandonment costs, and any necessary licences and consents including planning permission;
 - (ii) the geological characteristics of the occurrence of the reserves, the type of deposit, its dimensions and grade distribution;
 - (iii) the methods to be employed for exploration and extraction and, where appropriate, the mineral and metallurgical processes to be employed; and
 - (iv) for hydrocarbon deposits, the porosity and permeability characteristics of the reservoir, the thickness of the relevant formation (net pay), the pressure of the hydrocarbon within it and the recovery mechanism planned;

Maps and plans

- (b) maps, sections and plans demonstrating for each major property or field its location, the nature and extent of workings thereon and its principal geological characteristics;
- (c) a surface location plan showing wells, platforms, pipelines, bore holes, sample pits, trenches and other evidence;

Reserves

- (d) a statement in respect of the company's reserves, giving:
 - (i) an estimate of the volume, tonnage in place and grades, as appropriate, each split between proven and probable reserves;
 - (ii) the method by which they were estimated;
 - (iii) the expected recovery and dilution factor;
 - (iv) where appropriate, mineral processing and metallurgical recovery factors and grades with evidence in support thereof, or recovery factors with respect to mineral reserves in place on a deposit by deposit basis, together with the expected period of working;
 - (v) the expected extraction tonnage or volume; and
 - (vi) where relevant, processing volumes or tonnages, together with the other principal assumptions relating to forecast revenues and operating costs;

- (e) if there are mineral resources which have not been sufficiently appraised to demonstrate them as proven or probable reserves, a separate statement of such mineral resources, which may not include any quantified information other than in respect of such mineral resources which have been appraised as measured or indicated mineral resources, in which case quantified information with regard to tonnage (or volume) and grade may be included in the statement but no information in respect of such measured or indicated mineral resources may be included in the valuation or statement of reserves;

Long term prospects

- (f) details of any other mineral resources relevant to the long term future of the company;

Nature of evidence

- (g) a statement of:
 - (i) the nature of any geophysical and geological evidence used in the estimation of reserves;
 - (ii) summarised details of this evidence including information on quality control procedures;
 - (iii) the results of drilling and sampling, stating the number of holes drilled, sample pits or trenches and their location, with a description of their current status; and
 - (iv) the names of the organizations that carried out the investigation and analysis;

Production schedule

- (h) a statement in relation to the company or, where relevant, to the consortium to which it belongs giving:
 - (i) the production policy, including production rates of sites, mines and wells where production has already been commenced;
 - (ii) the estimated production rates relating to new mines, or reworkings, or new drilling, or work-overs;
 - (iii) an estimate of the working lives and degree of depletion of each major property;
 - (iv) an assessment of the expertise of the technical staff being or to be employed; and
 - (v) an indication of the bases on which these estimates have been arrived at;

Commencement of working

- (i) the date(s) on which commercial extraction by the applicant was commenced, or is expected to commence, on each major property;

Progress of working

- (j) an indication of the progress of actual working, including analysis (both in

- 21.14 A newly formed investment company (including an investment trust) must include in its listing particulars or equivalent offering document, in the absence of an accountants' report, a statement by the directors of the date upon which the company was incorporated and registered and that the company has not traded and no accounts have been made up.
- 21.15 Listing particulars and equivalent offering documents must not include information the purpose of which appears to the UK Listing Authority to be to promote the products or services of the investment managers or any other organisation.
- 21.16 Statements of expected yield or forecasts of dividends will not be treated as profit forecasts even if they fall within the scope of paragraph 12.23 provided they are clearly stated not to be profit forecasts.

Listing application procedures

- 21.17 An investment company (including an investment trust) applying for listing is subject to the requirements for application set out in chapter 7, or such of them as are applicable.
- 21.17A An open-ended investment company which is a new applicant may apply to list such shares as it requires for future issues. A further equivalent offering document will be required if the company issues shares in excess of the number listed.

“Multi-class fund” or “umbrella fund”

- 21.18 An application for listing of the 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 company and these details must be given in the listing particulars (or equivalent offering document). The UK Listing Authority will admit to listing such number of securities as the issuer may request for the purpose of future issues. At the time of issue the securities will be designated to the relevant class. A multi-class or umbrella fund which is open-ended and which seeks to create a new class of security without increasing its share capital for which listing has previously been granted must provide the UK Listing Authority with the details of the new class and no further application for listing is required. An existing listed class may not be converted into a new class or an unlisted class unless approved by the shareholders of that existing class.

Publication and circulation

- 21.19 An investment company (including an investment trust) is subject to the requirements set out in chapter 8, except that open-ended investment companies which are unrecognised schemes are not required to publish any formal notice and are only required to make other information available to the UK Listing Authority and to other recipients permitted under the Act. It is the responsibility of the issuer to ensure that any information made available in accordance with this paragraph or paragraph 21.20(d) complies with sections 21 and 238 of the Act to the extent applicable.

Continuing obligations

- 21.20 An investment company (other than an investment trust) must continue to comply with paragraph 21.9(g) and (h). An investment company (including an investment trust) must continue to comply with paragraph 21.9(d), (e) and (ee) and must comply with the applicable continuing obligations set out in the listing rules, modified by paragraphs 21.22 to 21.25 and, in the case of overseas companies, by chapter 17, save that:
- (a) an overseas investment company will not be required to have a registrar situated in the United Kingdom if it has a transfer agent in the United Kingdom with authority to remit transfers to the overseas registrar; any change in transfer agent must be notified to a Regulatory Information Service without delay;
 - (b) for open-ended investment companies, changes in issued capital need not be disclosed under paragraph 9.10(a), (b), (d) and (j) as a result of issues and

- redemptions or repurchases in the normal course as described in the listing particulars or equivalent offering document, unless and until the number of securities of the relevant class currently in issue increases or decreases by more than 10 per cent since the publication of listing particulars or an equivalent offering document or the last notification to a Regulatory Information Service as the case may be;
- (c) for open-ended investment companies, paragraphs 9.11, 9.12 and 9.14 (notification of major interests in shares) do not apply (but interests of any one person or entity which exceed 10% of the issued shares (calculated exclusive of treasury shares) of any class in the capital of the company must, so far as they are known to the company, be notified to a Regulatory Information Service without delay following the company becoming aware of those interests);
 - (d) in the case of an open-ended investment company which is an unrecognised scheme, any provision of this paragraph 21.20 requiring such a company to publish information or a document to the public will be modified to require the sending of such information or document only to the UK Listing Authority and to other recipients permitted under the Act;
 - (dd) in addition to the requirements of Chapter 12 (financial information) the issuer (including an investment trust) must include in its annual report and accounts;
 - (i) a statement in a prominent position, as to whether in the opinion of the the Directors the continuing appointment of the investment manager on the terms agreed is in the interests of shareholders as a whole, together with a statement of the reasons for this view; and
 - (ii) a summary of the principal contents of any agreements between the investment company and each of the investment managers, including but not limited to any provisions relating to compensation payable in the event of termination of the agreement;
 - (e) in addition to the requirements of chapter 12 (financial information) the issuer (if not an investment trust) must include in its annual report and accounts a list of all investments with a value greater than 5% of the company's investment portfolio, and at least the 10 largest investments, stating, with comparative figures where relevant, the value and the other information specified under paragraph 21.13(c) and (d) with respect to any such investment which is not listed on any stock exchange;
 - (f) any change in the status of the investment company for taxation purposes must be notified to a Regulatory Information Service without delay;
 - (g) chapter 15 (purchase of own securities and provisions relating to shares held in treasury) does not apply to open-ended investment companies;
 - (h) in addition to the requirements for half-yearly reports and preliminary profit statements information must be given showing the split between:
 - (i) dividend and interest received; and
 - (ii) other forms of income (including income of associated companies);
 - (i) in the case of an investment company (including an investment trust) with no executive directors:
 - (i) paragraph 12.43A(a) does not apply in respect of Combined Code principles B.1 to B.3;

- (ii) paragraph 12.43A(b) does not apply in respect of Combined Code provisions B.1.1 to B.1.10, B.2.1 to B.2.6 and B.3.1 to B.3.5; and
- (iii) paragraph 12.43A(c) does not apply;
- (j) for an investment company (including an investment trust), dealings by directors and purchases by the company of its own securities and, in respect of treasury shares, sales for cash and transfers (except for sales or transfers by a company of treasury shares in the circumstances set out in paragraph 15.19(b)) during a close period which would otherwise be prohibited under the provisions of the Model Code, may be permitted if the UK Listing Authority is satisfied that all price sensitive information which the directors and the company may have in periods leading up to an announcement of results has previously been notified to a Regulatory Information Service. The UK Listing Authority must be consulted at an early stage;
- (k) any material change to the investment policies of an investment company (including an investment trust) may only be made with shareholders' approval;
- (l) an investment company (including an investment trust) must notify to a Regulatory Information Service:
 - (i) within two business days of the end of each calendar month, a list of all investments in other listed investment companies (including listed investment trusts), as at the last business day of that month, which themselves do not have stated investment policies to invest no more than 15% of their gross assets in other listed investment companies (including listed investment trusts); and
 - (ii) within two business days of the end of each quarter, a list of all investments with a value greater than 5% of the company's gross assets and at least the 10 largest investments as at the last business day of that quarter; and
- (m) an investment company may not invest more than 10%, in aggregate, of the value of the gross assets at the time the investment is made in other listed investment companies (including listed investment trusts) except that this restriction shall not apply to investments in investment companies or trusts which themselves have stated investment policies to invest no more than 15% of their gross assets in other listed investment companies (including listed investment trusts).

21.20A The granting of an exemption under paragraph 21.20(j) does not in any way affect the application of paragraphs 4, 7(b) or 7(c) of the Model Code to an investment company (including an investment trust) and its directors at times when there exists any matter which constitutes unpublished price sensitive information in relation to the company's securities.

21.21 Unless authorised by the shareholders, a closed-ended investment company may not issue further shares of the same class as existing 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. When calculating the net asset value per share under this paragraph any treasury shares held by the company are not to be taken into account.

Annual accounts of investment trusts

21.22 In addition to the information specified in chapter 12 and paragraph 21.20(e), an investment trust must include in its annual report and accounts:

- (a) a statement confirming that the Inland Revenue has approved the company as an investment trust for the purpose of section 842 of the Income and Corporation Taxes Act 1988, specifying the last accounting period in respect of which such

approval has been given (or, in the case of a newly listed company, a statement that it has announced that it will direct its affairs so as to enable it to seek approval) and that the company has subsequently directed its affairs so as to enable it to be so approved or to continue to be so approved as the case may be;

- (b) an analysis of the investment portfolio by broad industrial or commercial sector;
- (c) a list of the 10 largest investments by their aggregate market value, the value being stated in the case of each such investment and the other information specified in paragraph 21.13(c) and (d) with respect to investments not listed on any stock exchange;
- (d) an analysis of the investment portfolio between equity shares, convertible securities, fixed income securities and other investments;
- (e) an analysis of income between dividends, interest and other forms of income;
- (f) an analysis, where material to an appreciation of the investment trust's financial position, of realised and unrealised profits and losses as between investments listed on any stock exchange and those not so listed; and
- (g) the name of the investment managers together with an indication of the terms and duration of their appointment, the basis for their remuneration and any arrangements relating to the termination of their appointment.

Transactions

21.23 For closed-ended investment companies (including investment trusts) the provisions of chapter 10 apply, except to any transaction that falls within the stated investment policies.

21.24 The provisions of chapter 10 do not apply to open-ended investment companies.

Transactions with related parties

21.25 The provisions of chapter 11 apply to all investment companies (including investment trusts) and for the purposes of this chapter a related party includes any investment manager of the investment company (or investment trust).

Property investment companies

General

21.26 A property investment company must comply with the relevant provisions of paragraphs 21.2 to 21.25 and must comply with the additional and modified requirements set out in paragraphs 21.27 to 21.34.

Conditions for listing

21.27 A property investment company must comply with the conditions for listing set out in paragraph 21.9 or 21.10 as appropriate and must comply with the following additional conditions:

- (a) if it is a new applicant, the company must have net assets of at least £30 million, including any funds raised at the time of listing;
- (b) the articles of association of the company, if it is a new applicant, must prohibit the borrowings of the company from exceeding 65% of the gross assets of the company (consolidated where applicable);
- (c) in addition to complying with paragraph 21.9(a), the directors of the company and any property manager must be able to demonstrate sufficient and satisfactory experience in property investment over at least a three year period involving the

CHAPTER 27

STRATEGIC INVESTMENT COMPANIES

Scope of chapter

This chapter is intended to enable strategic investment companies to raise funds and have their securities admitted to listing if the criteria set out below are satisfied. Strategic investment companies are not passive investors and the provisions of chapter 21 are not therefore available to them.

Companies will be eligible for listing under the rules set out in this chapter if they can satisfy the UK Listing Authority that the company's principal business objective is the holding of minority stakes in other companies and entities and that it seeks to control or exercise influence over the management of those companies or entities in which it invests. Strategic stakes are usually non-passive in nature and the investing company often seeks to influence the board of an investee company in order to maximise the value of its investment returns.

The main headings are:

- 27.1 Definition
- 27.2 General
- 27.5 Conditions for listing
- 27.6 Listing particulars
- 27.7 Continuing obligations

Definition

- 27.1 "Strategic investment company" means an investment entity whose principal business objective is the holding of minority stakes in other companies and entities and which seeks to control or exercise influence over the management of those companies or entities in which it invests.

General

- 27.2 The UK Listing Authority may admit to listing the securities of a strategic investment company which cannot comply with paragraphs 3.3(a) (audited accounts for three years) or 3.6 (nature and duration of business activities) if the company otherwise complies with the listing rules as modified by the provisions of this chapter.
- 27.3 The UK Listing Authority may require the presentation to it of material such as the applicant's business plan, financial projections and its investment strategy to assist the UK Listing Authority in assessing the eligibility of an applicant

- 27.4 A Strategic investment company must comply with all the continuing obligations set out in the listing rules, including the transaction rules set out in chapter 10, as modified by the provisions of this chapter and, in the case of overseas companies, also by chapter 17.

Conditions for listing

- 27.5 In the application of chapter 3 to a strategic investment company, the requirements of paragraphs 3.3(a) (audited accounts for three years) and 3.6 (nature and duration of business activities) are modified as follows:
- (a) the company must satisfy the UK Listing Authority that those responsible for managing its investments have adequate experience and, in particular, it must satisfy the UK Listing Authority that its directors and senior managers collectively have sufficient and satisfactory experience (usually over a three year period) in the strategic management of investments of the size and type in which the company proposes to invest;
 - (b) the company must demonstrate its ability to attract significant funds from sophisticated investors;
 - (c) the company must bring the securities to the Official List in conjunction with a marketing of new securities. The aggregate value of the new securities subject to the marketing must be not less than £20m. An application under these rules which appears primarily intended to provide existing shareholders with a market for their shares will be rejected;
 - (d) the company must be an established investor in the type of investments described in its investment policy statement (see paragraph 27.6(d));
 - (e) the company must have a market capitalisation on admission of at least £100m (based on the issue price and shares, other than treasury shares, in issue on admission); and
 - (f) the company must have invested in at least five investments, no one of which may represent more than the higher of 20% of the total amount invested and 25% by value of the total portfolio.

Listing Particulars

- 27.6 The listing particulars of a strategic investment company must comply with the requirements of chapter 5 and in addition must contain:
- (a) a prominent statement confirming that the company is making its application for listing under the provisions of this chapter;
 - (b) in a separate prominent section, entitled “Risk factors”, full details and an explanation of the risks associated with the company and with the investee businesses and in particular, any factors which could have a substantial adverse effect on the issuer’s financial condition or which could endanger the issuer’s business success;

SCHEDULE 1A

SPONSOR’S CONFIRMATION OF INDEPENDENCE

To: UK Listing Authority20....

Full name of sponsor: (“the sponsor”)

Full name of issuer: (“the issuer”)

I,....., a partner/director of the above sponsor, or an officer duly authorised to give this declaration:

- (a) hereby notify you that a director, partner or employee of the sponsor who is directly involved in the sponsor activities of the sponsor in relation to the issuer has an interest in a class of share, debt or loan capital of the issuer or any other company in the issuer’s group;

<u>Issuer or group company</u>	<u>Nature of holding</u>	<u>Holding</u>	<u>%*</u>	<u>Name of beneficial owner</u>
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or

- (b) hereby confirm that no director, partner or employee of the sponsor who is directly involved in the sponsor activities of the sponsor in relation to the issuer has any interest in any class of share, debt or loan capital of the issuer or any other company in the issuer’s group;

and either

- (c) hereby notify you of the following interests of the sponsor (and any company in the sponsor’s group) (being all such interests of which the sponsor or the compliance department is aware) in the shares, debt or loan capital of the issuer or any other company in the issuer’s group.

<u>Issuer or group company</u>	<u>Nature of holding</u>	<u>Holding</u>	<u>%*</u>	<u>Name of beneficial owner</u>
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(Holdings by exempt fund managers and exempt market makers’ holdings may be excluded. Holdings of the type exempted from disclosure under Section 209 of the Companies Act 1985 may be excluded. “Group company” includes any company whose results are consolidated into the ultimate holding company’s statutory accounts).

or

- (d) hereby confirm that the above sponsor (or any company in the sponsor’s group) has no interest (of which the sponsor or the compliance department is aware) in any class of share, debt or loan capital of the issuer or any other company in the issuer’s group;

and either

- (e) hereby notify you that the individual(s) named below, who is (are) a director, partner or employee of the sponsor (or any company in the sponsor's group) is either a director of the issuer, or a director of a company in the issuer's group;

<u>Name</u>	<u>Employer</u>	<u>Company of which individual is a director</u>
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and confirm that the individual(s) will take no part in the sponsor's activities in relation to this transaction;

or

- (f) hereby confirm that no director, partner or employee of the sponsor (or any company in the sponsor's group) has a directorship in the issuer, or any company in the issuer's group;

and either

- (g) hereby notify you of any other matter referred to in the sponsors' eligibility criteria that we or our compliance department are aware of which may affect our independence from the issuer or any other company in the issuer's group;

or

- (h) hereby confirm that there are no other matters referred to in the sponsors' eligibility criteria that we or our compliance department are aware of which may affect our independence from the issuer or any other company in the issuer's group.

SIGNED BY
 Partner/director or duly authorised officer,
 for and on behalf of

.....
 Name of sponsor

Confirmation of independence by the Compliance Department

I,..... being a duly authorised compliance officer of the above sponsor, hereby confirm that I am satisfied that:

- the information provided on this confirmation of independence is accurate and complete; and

- where interests or directorships or other matters have been notified to you in (a), (c), (e) or (g) above, appropriate procedures are in place to avoid a conflict of interest between the sponsor's duties under the listing rules and those interests or directorships.

SIGNED BY

Compliance Officer
for and on behalf of

.....
Name of sponsor

*Treasury shares are not to be included in the number of shares of the relevant class when calculating percentage holding.

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SCHEDULE 10**NOTIFICATION OF MAJOR INTERESTS IN SHARES**

AVS NO

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All relevant boxes should be completed in block capital letters.

1. Name of company		2. Name of shareholder having a major interest	
3. Please state whether notification indicates that it is in respect of holding of the shareholder named in 2 above or in respect of a non-beneficial interest or in the case of an individual holder if it is a holding of that person's spouse or children under the age of 18		4. Name of the registered holder(s) and, if more than one holder, the number of shares held by each of them	
5. Number of shares/amount of stock acquired	6. Percentage of issued class (any treasury shares held by company should not be taken into account when calculating percentage)	7. Number of shares/amount of stock disposed	8. Percentage of issued class (any treasury shares held by company should not be taken into account when calculating percentage)
9. Class of security		10. Date of transaction	11. Date company informed
12. Total holding following this notification		13. Total percentage holding of issued class following this notification (any treasury shares held by company should not be taken into account when calculating percentage)	
14. Any additional information		15. Name of contact and telephone number for queries	
16. Name and signature of authorised company official responsible for making this notification			
Date of notification _____ 20 _____			

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SCHEDULE 11**NOTIFICATION OF INTERESTS OF DIRECTORS AND CONNECTED PERSONS**

AVS NO

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All relevant boxes should be completed in block capital letters.

1. Name of company		2. Name of director	
3. Please state whether notification indicates that it is in respect of holding of the shareholder named in 2 above or in respect of a non-beneficial interest or in the case of an individual holder if it is a holding of that person's spouse or children under the age of 18 or in respect of a non-beneficial interest		4. Name of the registered holder(s) and, if more than one holder, the number of shares held by each of them (if notified)	
5. Please state whether notification relates to a person(s) connected with the director named in 2 above and identify the connected person(s)		6. Please state the nature of the transaction. For PEP transactions please indicate whether general/single co PEP and if discretionary/non discretionary /non discretionary	
7. Number of shares/amount of stock acquired	8. Percentage of issued class (any treasury shares held by company should not be taken into account when calculating percentage)	9. Number of shares/amount of stock disposed	10. Percentage of issued class (any treasury shares held by company should not be taken into account when calculating percentage)
11. Class of security	12. Price per share	13. Date of transaction	14. Date company informed
15. Total holding following this notification		16. Total percentage holding of issued class following this notification (any treasury shares held by company should not be taken into account when calculating percentage)	

If a director has been granted options by the company please complete the following boxes.

17. Date of grant	18. Period during which or date on which exercisable
19. Total amount paid (if any) for grant of the option	20. Description of shares or debentures involved: class, number
21. Exercise price (if fixed at time of grant) or indication that price is to be fixed at time of exercise	22. Total number of shares or debentures over which options held following this notification
23. Any additional information	24. Name of contact and telephone number for queries
25. Name and signature of authorised company official responsible for making this notification	
Date of notification _____ 20 _____	

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THE CONTINUING OBLIGATIONS GUIDE

The UKLA's guide to the continuing obligations regime

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1. INTRODUCTION

Purpose of this Guide

- 1.1 This Guide has been produced to assist listed companies to meet their continuing obligations under the listing rules. It aims to highlight some of the key continuing obligations listed companies and directors must comply with, provide cross-references to the detailed requirements and provide some assistance with those particular areas of the obligations where past experience suggests that this would be helpful. It also provides contact telephone numbers to assist companies in making direct contact with the relevant groups within the UKLA.

Sources of the continuing obligations

- 1.2 The requirements relating to the continuing obligations can be found, principally, in the following chapters of the listing rules:
- Chapter 9 – general provisions of continuing obligations
 - Chapter 10 – transactions
 - Chapter 11 – transactions with related parties
 - Chapter 12 – financial information
 - Chapters 13 and 14 – documents not requiring prior approval and circulars
 - Chapter 15 – purchase of own securities and provisions relating to shares held in treasury
 - Chapter 25 – innovative high growth companies
- 1.3 Modified continuing obligations for overseas companies with a secondary listing in London, investment entities, companies with specialist securities listed (such as bonds) and companies with miscellaneous securities (such as warrants), are not covered in detail in this Guide but may be found in chapters 17, 21, 23 and 24 of the listing rules respectively.

Underlying principles of the continuing obligations

- 1.4 There are two underlying principles behind all continuing obligations in the listing rules, namely:
- a) timely disclosure of all relevant information; and
 - b) equal treatment of all shareholders.
- 1.5 These principles are designed to protect investors by achieving an orderly market and ensuring that all users have simultaneous access to the same relevant information.

Monitoring of companies' continuing obligations

- 1.6 Where a listed company realises that it has or may have breached its continuing obligations it should contact the relevant team (details of which are given under 'Key contacts' in Part 8 of this Guide) to discuss the matter and seek guidance on taking steps to ensure that similar breaches are prevented from recurring.
- 1.7 In the past, where the UKLA had identified a breach of one (or more) of the relevant rules by a listed company, the company was notified of the breach by letter. Companies are now usually initially contacted by telephone by a member of the relevant team as this provides a more practical means of ascertaining why the breach occurred, what corrective action may be necessary and how further breaches might be prevented.
- 1.8 Continuing obligations form an essential part of maintaining orderly markets and ensuring acceptable levels of investor protection. Where these obligations are not met and the UKLA considers it appropriate, one of a range of sanctions (set out in Chapter 1 of the listing rules) may be imposed.

2. Disclosure of Price Sensitive Information (PSI)

General obligation of disclosure

- 2.1 **The principal disclosure obligation for listed companies** is to ensure that the information emanating from it, its advisers or agents is given to the market as a whole and is timely, sufficient and relevant. Selective disclosure of price sensitive information, without an announcement, is not generally permissible.

Disclosure

- 2.2 Listed companies must notify a Regulatory Information Service (“RIS”) of, amongst other things:

- a) major new developments that are not public knowledge and which may be price sensitive, **without delay**;
- b) any change in the financial condition, performance or expectation of performance that is likely to be price sensitive, **without delay**;
- c) impending or strategic developments or matters in the course of negotiation where there is reason to believe that a breach of confidence has or is likely to occur, **without delay**;
- d) Board decisions that require announcement, without delay and by no later than 7.30 a.m. the next working day; and
- e) any speech or announcement made to a shareholders’ meeting containing information which could be price sensitive, **at the same time or before**.

- 2.3 **Recipients of PSI** may not deal in the company’s securities before the information is made public. Individuals should have regard to the insider dealing provisions set out in the Criminal Justice Act 1993 and take legal advice where appropriate.

General

- 2.4 **Accuracy of announcement:** listed companies must take all reasonable care to ensure that any information they notify to the Company Announcement Office is complete and not misleading, false or deceptive.

- 2.5 **Breaches of confidence:** if a company has reason to believe a breach of confidence has or is likely to occur (for example, evidenced by a press article or share price movement), the company should at least notify a RIS, issuing a warning announcement which should take the form explained in the listing rule 9.4.

- 2.6 **Announcements required following a breach of confidence:** these confirm the accuracy of the information which has leaked and, pending a further, fuller announcement, give outline details of the impending development.
- 2.7 **Press speculation:** where the press carries an article on a company which is entirely speculative in nature, a company is not required to issue an announcement confirming this to be the case. Where there are elements of truth in an article, the company has reason to believe that a breach of confidentiality has occurred and the matter may be price sensitive, the company must at least issue a holding announcement.
- 2.8 **Advisers and negotiations:** Price Sensitive Information ('PSI') about impending developments or matters arising in the course of negotiation may, however, be given (under the stipulation that it is confidential) to a company's advisers or to those persons described in paragraph 9.5 of the listing rules.
- 2.9 **Notification when a RIS is not open:** if a company is required to notify information to a RIS at a time when it is not open, the company must ensure adequate coverage of the information by distributing it to not less than two national newspapers and to two newswire services in the UK. The company should also ensure that the information is relayed to a RIS for release as soon as it re-opens.
- 2.10 **Suspensions:** a company whose listing is suspended must continue to comply with all listing rules applicable to it.
- 2.11 **Dual listed stocks:** subject to complying with the obligations referred to above, companies with securities listed on more than one exchange need to co-ordinate announcements so the investors in each country have access to the same information at the same time.

Further information and advice

- 2.12 **Is it PSI?:** a precise or concise definition of 'price sensitivity' is not possible since a number of factors relating to a particular case need to be taken into account. Likewise there can be no precise or concise definition of the phrase 'a substantial movement in the company's share price'. Where uncertainty exists about whether information is price sensitive, companies should, in the first instance, seek advice from their advisers (company broker, lawyers etc).
- 2.13 **Problems, mistakes and dispensations:** where a problem or mistake over the handling of PSI occurs or disclosure might prejudice the company's legitimate interests, the issue should be discussed with the Monitoring Team (tel: Help Desk 020 7066 8333).
- 2.14 **More detailed guidance:** can be found in the booklet entitled 'Guidance on the dissemination of price sensitive information'. Copies can be obtained from The Financial Services Authority, 25 North Colonnade,

London E14 5HS or can be found on the UKLA Website address: www.fsa.gov.uk. The booklet examines and provides further advice on, amongst other things:

- a) investor relations;
- b) analysts and journalists;
- c) handling PSI and its release;
- d) dual listed stocks; and
- e) 'insider' status.

2.15 **Mergers and Take-overs:** listed companies that are, or may become, involved in a take-over must also abide by the City Code on Take-overs and Mergers in relation to secrecy and the content and timing of announcements. Copies of the Code can be obtained from the Panel on Take-overs and Mergers, PO Box 226, The Stock Exchange Building, London EC2P 2JX (tel: 020 7382 9026).

3. Directors

Responsibilities of directors

- 3.1 Directors and proposed directors are responsible under the Financial Services and Markets Act 2000 for information contained in their company's listing particulars or supplementary listing particulars. In particular:
- a) **directors and proposed directors** must, without exception, make a statement (in the form specified in the listing rules) that they accept responsibility for information contained in listing particulars and incorporate it therein; and
 - b) **companies** must provide the UKLA, prior to such a document's approval, with a letter signed by every director confirming that all the necessary information required has been incorporated in the listing particulars.
- 3.2 **Listed companies** are required to ensure that their directors, individually and collectively, accept full responsibility for the company's compliance with the listing rules.

Directors' details

- 3.3 A listed company must include details about each of its directors and, where relevant, members of its senior management in any listing particulars published by it.
- 3.4 A company must notify to a RIS the following information in respect of any new director appointed to the Board, unless such details have already been disclosed in listing particulars or other circular published by the company:
- a) all directorships held by such director in any other publicly quoted company at any time in the previous five years, indicating whether or not the individual is still a director;
 - b) any unspent convictions relating to indictable offences;
 - c) any bankruptcies or individual voluntary arrangements of such person;
 - d) any receiverships, compulsory liquidations, creditors voluntary liquidations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such person was a director with an executive function at the time of or within the 12 months preceding such events;

- e) any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person was a partner at the time of or within the 12 months preceding such event;
 - f) the receiverships of any asset of such person or of a partnership of which the person was a partner at the time of or within the 12 months preceding such event; and
 - g) any public criticisms of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person 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
- or, if there are no such details to be disclosed, that fact.

3.5 This notification must be made either

- a) in the notification made regarding the appointment of the relevant director; or
- b) within 14 days of the appointment of the relevant director becoming effective.

Board changes

3.6 **Listed companies** must notify a RIS of any change to the board including:

- a) the appointment of a new director;
- b) the resignation, retirement or removal of an existing director; or
- c) changes to any important functions or executive responsibilities of a director.

3.7 This must be done without delay and no later than the end of the business day after the decision (even though the change may not take effect for some time) or earlier, if necessary under the general obligation of disclosure in paragraph 9.4 of the listing rules.

3.8 The **notification** must state:

- a) the effective date of the change (if it has been decided) unless it is with immediate effect;
- b) whether the position is executive or non-executive; and

- c) the nature of any function or responsibility of the position where that is changing or in the case of a new appointment.

If the effective date is not yet known or has not yet been decided the notification should state this fact. Once the effective date is decided it must also be notified without delay.

General

3.9 **Subsidiary companies:** the listing rules relating to board changes do not apply to subsidiary companies that are not listed, except where (particularly for large subsidiaries) those changes might be deemed price sensitive in the context of the listed parent company and would need to be announced under a company's general obligation of disclosure.

3.10 **Company secretary:** unless the company secretary is a main Board director, an announcement of any change in this role need not be made. However, it would be helpful for the Monitoring Team (Tel: Help Desk 020 7066 8333) to be notified of such changes so that its internal records can be updated.

4 Notification: share dealings and shareholders

Directors' dealings

- 4.1 Details of share dealings by directors and connected persons received by a company from a director under sections 324 to 328 of the Companies Act 1985 need to be announced.
- 4.2 Listed companies must:
- a) notify the a RIS without delay and no later than the end of the business day following receipt of the information by the company; and
 - b) require each director to give them the information which they need in order to comply with the disclosure obligations.
- 4.3 **Directors** must provide the company with the required information as soon as possible after the transaction and no later than the fifth business day following that on which they became aware of the existence of the interest.
- 4.4 **A grant of options** to a director or a party connected to them must also be notified to the company as soon as possible and no later than the fifth business day following that on which they became aware of the existence of the interest. The company in turn must notify a RIS without delay.
- 4.5 Content of announcement (see Schedule 11 of the listing rules). The information, which must be included in the announcement, includes the:
- a) date on which the disclosure was made to the company;
 - b) date of transaction;
 - c) price;
 - d) amount and class of securities;
 - e) nature of the transaction;
 - f) nature and extent of the director's interest in the transaction; and
 - g) identity of the director and, where relevant, connected person.

Notification of Savings Schemes – (Including Personal Equity Plans (PEPs) and Individual Savings Plans (ISAs))

- 4.6 **Single security saving schemes:** if a director's saving scheme is one that invests only in the securities of the listed company itself, the director must request the manager to notify him immediately the manager has dealt. Where a director has asked the manager to do this and a late notification

was due to the manager failing to notify the director immediately, the UKLA will take this into account in determining what action to take.

- 4.7 **General discretionary saving schemes:** Directors do not generally need to ask the manager of their scheme to notify them immediately the manager has dealt on the director's behalf, although some directors have agreed that their managers do so. However, as soon as the director does receive information regarding his dealing in the shares of the company of which he is a director, he must notify the company. We recommend that directors request monthly or quarterly statements from the manager and that the notifications submitted to a RIS make it clear that the saving scheme is discretionary.
- 4.8 **Listed companies:** the notification which the company sends to a RIS should state the date on which the information was received from the manager to show that the director was not late in notifying the company.

General

- 4.9 **Date of director's notification to the company:** the listing rule relating to directors' dealings which is overlooked most often by companies is the requirement to notify a RIS of the date on which the director notified the company of the transaction.
- 4.10 **The DTI:** copies of all announcements which do not comply with the relevant Companies Act 1985 requirements (sections 324 to 328) are copied to the DTI.
- 4.11 **Annual Report and Accounts:** see Part 6 of this Guide
- 4.12 **Close or prohibited periods:** details of the restrictions on directors' dealings in their companies' shares are covered in Part 4 of this Guide.

Further information and advice

- 4.13 **Directors' dealing forms:** schedule 11 of the listing rules contains a form on which directors' and connected persons' dealings can be notified to a RIS. The use of schedule 11 is not compulsory but we encourage companies to use it as it does help to ensure that companies comply with all the appropriate disclosure requirements.
- 4.14 **Advice on share dealing announcements:** listed companies are urged to seek advice from the Monitoring Team (tel: Help Desk 020 7066 8333) before making an announcement if they are at all unsure about what to announce or when to announce it.

Interests of major shareholders

- 4.15 All information received from a major shareholder, in accordance with sections 198 to 208 of the Companies Act 1985 ('the Companies Act'), relating to their interests in the company's share capital must be announced.

- 4.16 **Listed companies** must notify a RIS of any information:
- a) disclosed to the company pursuant to sections 198 to 208 of the Companies Act; and
 - b) obtained by the company pursuant to section 212 of the Companies Act, that should have been disclosed to it pursuant to sections 198 to 208 of the Companies Act.

Notification must be made **without delay** and no later than the end of the business day following receipt of the information by the company.

- 4.17 **Content of notification:** the information which must be contained in the notification includes:
- a) the date on which the information was disclosed to the company; and
 - b) the transaction date, if known.

General

- 4.18 **Substantial shareholders:** need to notify the company each time their holding goes through a percentage integer either upwards or downwards under the Companies Act requirements. If a substantial shareholder's interest falls below the threshold imposed by the Companies Act, the substantial shareholder must disclose this fact to the company, who in turn must notify a RIS.
- 4.19 **City Code:** listed companies are discharged of their responsibilities to notify a RIS of the information set out in paragraphs 9.11 and 9.12 of the listing rules if a substantial shareholder notifies a RIS of its holding pursuant to the City Code on Take-overs and Mergers or the Rules Governing Substantial Acquisitions of Shares, which are issued by the Panel on Take-overs and Mergers.
- 4.20 **Date of substantial shareholder informing the company:** the aspect of the major shareholding rules with which companies most often fail to comply is the requirement for the notification to include the date on which the substantial shareholder informed the company of the change.
- 4.21 **The DTI:** copies of all notifications which do not comply with the relevant Companies Act requirements are copied to the DTI.
- 4.22 **Listed companies** not subject to the Companies Act are required to notify a RIS of equivalent information notified to them.

Further information and advice

- 4.23 **Schedule 10:** a copy of Schedule 10 can be found at the back of the listing rules. This is a pro forma announcement which can be completed if a company needs to make a notification regarding the interest of a major

shareholder. The use of Schedule 10 is not compulsory but we encourage companies to use it as it does help to ensure that companies comply with all the appropriate disclosure requirements.

Company purchases of own shares and provisions relating to shares held in treasury

4.24 Purchases by a listed company, or on its behalf, of its own equity share or of any other of its securities, which are listed, must be announced. Similarly allotments of shares to a listed company (by virtue of it holding treasury shares) as part of a capitalisation or bonus issue and all sales, transfers out of treasury and cancellations of treasury shares must be announced.

4.25 Listed companies must:

- a) secure prior approval from the UKLA of a circular to shareholders proposing the purchase of its own securities, where the:
 - (i) purchase is to be made from a related party (unless a tender or partial offer is to be made to all holders of that class of securities on the same terms or the purchase is made in the market under a general authority without prior understanding or agreement with the related party); or
 - (ii) use of the full authority to be sought would allow the purchase of 15% or more of the issued share capital;
- b) notify a RIS of:
 - (i) any board decision to submit a proposal to shareholders for the purchase of the company's own equity shares (other than for the renewal of an existing authority) **without delay**;
 - (ii) the outcome of any subsequent shareholder's meeting, **without delay**;
 - (iii) any purchase by or on behalf of the company of its own equity shares **as soon as possible** and no later than 7.30 am on the next business day;
 - (iv) any purchases, early redemption or cancellation of its own non-equity shares when an aggregate 10% of the initial amount of the securities (and each aggregate 5% thereafter) is purchased, redeemed or cancelled **by 7.30 am on the following day**;
 - (v) any allotment of shares to the company, by virtue of it holding treasury shares, as part of a capitalisation or

bonus issue by the company **as soon as possible** and no later than 7.30 am on the next business day; and

- (vi) any sale, transfer out of treasury or cancellation of treasury shares **as soon as possible** and no later than 7.30 am on the next business day.

4.26 **Content of notification:** details which need to be contained in the notifications include:

- a) for the board decision:
 - (i) whether the proposals relate to specific purchases;
 - (ii) if so, the names of the persons from whom the purchases are to be made;
 - (iii) whether the proposals relate to a general authorisation to make purchases;
- b) for purchases of equity securities:
 - (i) the date of purchase;
 - (ii) the number of shares purchased;
 - (iii) the price paid, or the highest and lowest prices paid;
 - (iv) a statement as to what number of the equity shares were purchased for cancellation and what number were purchased in order to be held as treasury shares;
 - (v) 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;
 - (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 purchase and non-cancellation of such equity shares;
- c) for purchases, early redemptions or cancellations of non-equity securities:
 - (i) the amount of securities acquired, redeemed or cancelled since the last such notification;
 - (ii) the amount of securities remaining outstanding;

- (iii) whether or not the securities acquired are to be cancelled;
- (iv) for purchases or early redemptions of securities that are shares but not equity shares only:
 - (a) a statement as to what number of the shares were purchased or redeemed early for cancellation and what number were purchased or redeemed early in order to be held as treasury shares;
 - (b) where shares were purchased or redeemed early to be held as treasury shares, a statement of:
 - (i) the total number of treasury shares of each class held by the company following the purchase or early redemption and non-cancellation of such shares;
 - (ii) 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 purchase or early redemption and non-cancellation of such shares;
- d) for allotments of shares to the company (by virtue of it holding treasury shares) as part of a capitalisation or bonus issue:
 - (i) the date of the allotment;
 - (ii) the number of shares allotted;
 - (iii) a statement as to what number of the shares allotted have been cancelled and what number is being held as treasury shares;
 - (iv) 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 non-cancellation of such shares;
 - (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 and non-cancellation of such shares;

- e) for sales, transfers out of treasury and cancellations of treasury shares:
 - (i) the date of the sale, transfer out or cancellation;
 - (ii) the number of shares sold, transferred out or cancelled;
 - (iii) the sale or transfer price for each of the highest and lowest prices paid, where relevant;
 - (iv) a statement of:
 - (a) the total number of treasury shares of each class held by the company following the sale, transfer or cancellation of such shares; 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 of such shares.

4.27 **Content of Circulars:** circulars must include the information, as appropriate, referred to in paragraphs 14.1, 14.16, 15.4, 15.5, 15.11 and 15.14 of the listing rules.

General

4.28 **Consent of other classes of security:** generally, approval must be obtained by extraordinary resolution from the holders of listed securities convertible into, exchangeable for or carrying a right to subscribe for a class of a company's own equity share that the listed company proposes to purchase.

4.29 **Close and prohibited periods:** purchases of its own securities and sales and transfers out of treasury of treasury shares by a company may generally not be made during those periods when its directors are prohibited from dealing under the Model Code.

4.30 **Exceptions:** the requirements on purchase of own securities do not apply to transactions entered into by a listed company or a member of its group on behalf of a third party or in respect of transactions entered into in the ordinary course of business by securities dealing businesses.

4.31 **Annual Report and Accounts:** must include the information on a company's purchase of its own securities as set out in the listing rules.

4.32 **Related party transactions:** transactions with related parties are discussed further in Part 7 of this Guide.

5. Model Code

- 5.1 The Model Code is designed to ensure that directors and certain other relevant employees (and people or companies closely connected with such directors or relevant employees) (see below under General points) of primary listed companies do not deal in the securities of the listed company at times when they may be in possession (or may be perceived to be suspected of being in possession) of unpublished price sensitive information. The Code itself is appended to Chapter 16 of the listing rules. Companies and individuals must, however, also have regard to the Criminal Justice Act 1993.

Key aspects of the Model Code

- 5.2 Listed companies must:
- a) require their directors and any employees likely to be in possession of unpublished price sensitive information to comply with a code governing the share dealings of directors and relevant employees in terms no less exacting than those of the Model Code. Companies may therefore impose more rigorous restrictions upon dealings by directors and relevant employees than those set out in the Model Code;
 - b) make all directors and relevant employees aware of their obligations under the code of dealing implemented on terms no less exacting than those of the Model Code and, in practice, regularly remind its directors and relevant employees of their obligations; and
 - c) maintain written records, both of the request for clearance to deal and of the grant or refusal of such clearance.
- 5.3 Directors (or other relevant employees) must not:
- a) deal in securities of the company without seeking clearance from the chairman or other designated director; or
 - b) deal in securities of the company on considerations of a short term nature and should take reasonable steps to ensure that persons connected with them ('connected persons') do not engage in such dealings.
- 5.4 **The chairman** (or other designated director) must not give permission to a director or relevant employee to deal if there exists any matter which constitutes unpublished price sensitive information, even if the director or relevant employee himself is not in possession of that information.
- 5.5 **The company secretary** cannot give permission to deal unless he/she is also a director and is designated for that purpose.

Awards of securities and options

5.6 **Employee share schemes:** a grant of options may be made by the Board to employees and directors under an employee share scheme during a prohibited period if:

- a) the grant could not reasonably be made at any other time; and
- b) a failure to make the grant would be likely to indicate to the market that the company is in a prohibited period.

Where a grant is to be made to directors and/or relevant employees, it may only proceed in a prohibited period if, in addition to the above, the terms of the scheme set out:

- a) the timing of the grant, which has previously been approved or disclosed to shareholders, or is in accordance with the timing of previous grants; and
- b) the amount or value of the grant, or the basis on which it is calculated.

5.7 **Options and convertibles:** the exercise of options or the conversion of a convertible security during a prohibited period is not usually allowed even if the final date of the exercise or conversion falls in the prohibited period. However, companies should bear in mind that:

- a) the exercise may be permissible if the director could not have reasonably been expected to exercise the option or right prior to this time, for example, when the company has been in an exceptionally long prohibited period; and
- b) where the exercise or conversion during a prohibited period has been permitted, permission cannot be given for the sale of these securities during a prohibited period.

| In case of doubt the UKLA's Monitoring Team (tel: 020 7066 8333) should be consulted.

Savings schemes (including single company schemes)

5.8 A director can enter a scheme in which the company's shares are purchased by regular standing order, direct debit or salary deductions or are reinvested by standing election or acquired in lieu of remuneration without regard to the provisions of the Model Code if:

- a) clearance under paragraph 6 of the Model Code is sought prior to entering into, or cancelling or varying the terms of the directors' participation;
- b) the director does not enter the scheme in a prohibited period;

- c) the director does not carry out the first purchase in a prohibited period, unless irrevocably bound to do so; and
- d) the director does not cancel or vary the terms of his participation or carry out sales from the saving scheme in a prohibited period.

5.9 **Discretionary schemes** (excluding schemes investing only in the securities of the Listed Company): the Model Code does not apply where investments are at the discretion of a third party.

5.10 **Authorised unit trusts and open ended investment companies:** the Model Code does not apply to any dealings in the units of an authorised unit trust or an open ended investment scheme.

Dealings

5.11 **Dealings** which are subject to the Model Code are defined in paragraph 1(b) (with reference to paragraph 19) of the Appendix to Chapter 16 and include agreements to sell or purchase securities and any rights or obligations, conditional or otherwise, to acquire or dispose of securities. Dealings which are subject to the Model Code also include:

- a) dealings between directors and/or relevant employees;
- b) off-market dealings; and
- c) transfers for no consideration other than where the director retains the beneficial interest under the Companies Act 1985.

5.12 **Exclusions:** a list of dealings which are not subject to the Model Code is included in paragraph 20 of the Appendix to Chapter 16 of the listing rules. Such dealings can take place at any time and directors or relevant employees do not need to ask permission to execute them.

General

5.13 **Relevant employee:** is any employee of the listed company or group who, because of his or her office or employment, is likely to be in possession of unpublished price sensitive information. The list of relevant employees will not necessarily be a static list but will change depending on what is happening within the company at any given time. The list of relevant employees may comprise a small number of individuals who are permanently on the list and a larger group of employees who will be added or deleted from the list depending on the nature of the unpublished price sensitive information.

5.14 **Time limits:** while the listing rules do not impose a time limit for directors to deal, once permission to deal has been granted we recommend that companies allow directors a short time period to deal, say 24 hours. If a director has not dealt within the timeframe set out by the company, he should reaffirm that he is still able to deal to ensure the company has not entered a close or prohibited period since permission was granted.

- 5.15 **Connected persons and investment managers:** directors must seek to prohibit any dealings in their company's securities by such persons when the director is in possession of unpublished price sensitive information, subject to that being consistent with their duty of confidentiality (the meaning of the term 'connected person' is set out in section 346 of the Companies Act 1985). The action that a director must take to prohibit a connected person or investment manager from dealing in a prohibited period is set out in paragraph 12 of the Model Code.
- 5.16 **Exceptional circumstances:** permission may be given to a director to sell shares, but not to buy shares, during a close or prohibited period in exceptional circumstances. In such cases:
- a) the person responsible for giving the director permission to deal must decide whether the particular circumstances are exceptional or not; and
 - b) where a director sells shares, the notification to a RIS must include details of any exceptional circumstances in light of which the sale was allowed.
- 5.17 **Defining exceptional circumstances:** while it is not possible to provide a comprehensive list of exceptional circumstances, the Model Code provides an example of the kind of circumstances under which a dealing might be allowed, as being a pressing financial commitment on the part of the director that cannot otherwise be satisfied.
- 5.18 **Limitation:** directors and relevant employees are not subject to the provisions of the Model Code once they have left the company. However they do need to have regard to the insider dealing rules set out in the Criminal Justice Act 1993 and the Code of Market Conduct. The UKLA does have the power to take disciplinary action against a former director in relation to a breach of the listing rules.
- 5.19 **Qualification Shares:** A chairman or designated director may allow a director to acquire qualification shares where under the company's Articles of Association, the final date for their acquisition falls during a prohibited period and the director could not reasonably have been expected to acquire these shares at another time.
- 5.20 **Failure to comply with a company's code of dealing:** a company who becomes aware that its directors or relevant employees have failed to comply with the provisions of the Model Code as implemented by the company's code of dealing must inform the UKLA as soon as possible. Where the UKLA otherwise becomes aware of an apparent breach of the company's code of dealing by a company's directors or relevant employees, it will contact the company with a request for an explanation of the apparent breach of the company's code. The UKLA will seek to determine whether the company has taken all proper and reasonable steps to ensure compliance with the code of dealing in accordance with listing rule 16.18. If the UKLA determines that the company has breached

listing rule 16.18 it may take disciplinary action in accordance with listing rules 1.8 and 1.9. Additionally the UKLA may require the company to notify a RIS of the circumstances of any breach of the company's code of dealing by a director or relevant employee.

Further information and advice

- 5.21 **Advice on the Code:** where there is any doubt about the application of the Model Code, listed companies should contact the Monitoring Team (tel: Help Desk 020 7066 8333 option 4) to discuss the matter, with a view to ensuring that a breach of the Model Code does not occur. |

6. Financial Information and other matters

Annual report and accounts

- 6.1 **Time limit:** all listed companies are required to publish their annual report and accounts as soon as possible after the accounts have been approved but **no later than six months** after the end of the financial period.
- 6.2 **Preliminary results** must be notified to a RIS without delay and no later than 7.30am on the business day after board approval.
- 6.3 A company must notify preliminary results to a RIS within 120 days of the end of the period to which the statement relates.
- 6.4 Failure to submit the preliminary results within the required timescale will result in a suspension of the company's securities. A company must continue to comply with the listing rules while suspended, including the disclosure requirements set out in Chapter 9. Should a company find that its financial position deteriorates to the extent it warrants disclosure while suspended, the company must issue an announcement via a RIS **without delay**.
- 6.5 Companies will be contacted around one month before the final due date for publication of both its preliminary results and annual report and accounts to ensure timely disclosure.
- 6.6 **Innovative high growth companies** listed under the provisions of Chapter 25 must prepare and publish via a RIS a report on its activities for each quarter of each financial year.
- 6.7 **Audit:** the annual accounts must be independently audited, in consolidated form (although, if the company's own accounts must be published because they contain significant additional information, then these must also be independently audited) and, if they do not give a true and fair view of the state of the company's or group's affairs and profit and loss, provide detailed additional information.
- 6.8 **Directors shareholdings:** at present, companies often fail to comply with the requirement for details of directors' shareholdings, split between beneficial and non-beneficial holdings and updated to within one month of the date of the notice of AGM, to be included in the annual report and accounts. Many companies either forget to include a statement that all shareholdings are beneficial or omit to state that the holdings have been updated to within one month of the notice of AGM. In including this information, listed companies should also include the split between beneficial and non-beneficial interests as at the period end.

Corporate governance

- 6.9 The corporate governance requirements set out in Chapter 12 of the listing rules are in addition to the information required by law to be included in the company's annual report and accounts. These include, the disclosure requirements relating to the principles of good governance and the Combined Code.
- a) principles – a statement of how the company has applied the principles of the Section 1 of the Combined Code, which provides an explanation which enables its shareholders to evaluate how they have been applied; and
 - b) best practice provisions – a statement of whether the company has complied with the provisions of Section 1 of the Combined Code, specifying which provisions have not been complied with, for what period and the reasons for non-compliance.

Interim reports

- 6.10 **Time limit:** all companies with listed ordinary shares, preference shares or the equivalent (e.g. common stock) are required to publish a half-yearly report on a group basis for the first six months of the financial year or period. Half-yearly reports must be notified to a RIS **without delay** and no later than 7.30am on the business day after board approval.
- 6.11 A company must notify a half-yearly report to a RIS within 90 days of the end of the period to which the statement relates.
- 6.12 Failure to submit the half-yearly report within the required timescale will result in a suspension of the company's securities.
- 6.13 Companies will be contacted around one month before the final due date for the interim report to ensure that the document will be received on time.
- 6.14 **Content:** the detailed requirements of the information to be included in the report are set out in Chapter 12 of the listing rules.
- 6.15 **Auditing Practices Board guidance on the Review of Interim Financial Information:** if the figures have either been audited or reviewed by the auditors pursuant to this Auditing Practices Board guidance, then the report of the auditors should be included.

Change of accounting reference date

- 6.16 **Listed companies** must notify a RIS **without delay** of any change in their accounting reference date.
- 6.17 **Requirement for a second interim report:** if the change extends the new accounting period to more than 14 months, a second interim report must be published in respect of either:

- a) the period up to the old accounting reference date; or
- b) up to a period which is up to a date not more than six months prior to the new accounting reference date.

If a second interim statement is required, it must be published either within four months of the period under review, if the company's current financial year begins before 23 December 1999 or within 90 days of the period under review if the current financial year begins on or after 23 December 1999.

- 6.18 **Consultation:** should a company decide to use any date other than the old accounting reference date as the date for a second interim, the Monitoring Team (tel: Help Desk 020 7066 8333 option 4) should be consulted, to discuss the length of the interim period and the choice of comparatives.

Other matters

Shares in public hands

- 6.19 **25% threshold:** companies must notify the Monitoring Team (in writing) without delay if the proportion of any class of listed equity shares in public hands falls below 25%.
- 6.20 **Lower thresholds:** in those limited circumstances where a threshold of less than 25% is agreed between the UKLA and a company, notification is required as above when the proportion of those shares in public hands falls below that agreed threshold.

Capital

- 6.21 **Listed companies** must notify a RIS without delay of the specified matters relating to its capital covering:
- a) proposed alterations to capital structure;
 - b) new issues of debt securities;
 - c) changes to rights attaching to listed securities or securities into which they convert;
 - d) redemption or drawing (with notification both prior to and after any drawing);
 - e) the basis of allotment in respect of general offers to the public and open offers;
 - f) any time extensions in respect of temporary documents of title;
 - g) issues affecting conversion rights; and
 - h) results of new issues.

7. Transactions and documents

Transactions by a listed company

- 7.1 The rules for transactions by a listed company (principally acquisitions and disposals) are designed to ensure that shareholders are informed of and, in the case of larger transactions, have the opportunity to vote on transactions which have an impact on the company.

Transaction categories

- 7.2 **Excluded transactions:** a number of exclusions exist which are listed in chapter 10. For example, revenue transactions undertaken as part of the company's regular trading activities (for example, the buying and selling of stock or raw materials) are generally excluded.
- 7.3 There are four categories or classes of transaction, the category being determined by a series of calculations known as percentage ratios. Essentially the larger the transaction the more disclosure is required and the greater the need for shareholder approval:

<u>Size</u>	<u>Percentage ratios</u>	<u>Requirements</u>			
		<u>Announcement</u>	<u>Circular</u>	<u>Shareholder approval</u>	<u>Suspension</u>
Class 3	Less than 5%	**	-	-	-
Class 2	5% to less than 25%	Yes	-	-	-
Class 1	25% to less than 100%	Yes	Yes	Yes	-
Reverse takeover	100% or more	Yes	Yes	Yes	Yes ***

**An announcement is only required if the transaction is an acquisition in respect of which the consideration includes the issue of securities for which listing will be sought or the company releases any details to the public.

***A suspension may not be required if there is no announcement made by the company or a breach of confidence has not occurred prior to the publication of the relevant documents (provided the documents are published prior to 7.30am on the particular day).

Percentage Ratios

- 7.4 The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:
- Assets – the gross assets the subject of the transaction divided by the gross assets of the listed company.
 - Profits – the profits attributable to the assets the subject of the transaction divided by the profits of the listed company

- c) Turnover – the turnover attributable to the assets the subject of the transaction divided by the turnover of the listed company.
- d) Consideration to market capitalisation – the consideration divided by the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company.
- e) Gross capital – the gross capital of the company or business being acquired divided by the gross capital of the listed company. This percentage ratio is only to be applied in the case of an acquisition of a company or business.

7.5 The listing rules set out in detail how to calculate each ratio (paragraphs 10.7 to 10.16) and explain which figures should be used for classification purposes (paragraphs 10.17 to 10.19).

7.6 As noted below where a particular ratio calculation is anomalous or inappropriate, the UKLA may agree to substitute an alternative calculation. Listed companies are encouraged to discuss the class tests and underlying ratio calculations with the Equity and Capital Markets Group at an early stage, where there is concern about the appropriateness of a particular ratio calculation.

General

7.7 **Is a transaction caught?:** if there is any doubt about whether a transaction falls within any of the four categories the matter should be discussed with the UKLA's Equity and Capital Markets Group (tel: Help Desk 020 7066 8333).

7.8 **Half-year balance sheet:** if a company has published a balance sheet in the half-yearly report, the assets from the half-yearly report must be used for classification purposes, even if the balance sheet has not been reviewed by the auditors.

7.9 **Any change to a percentage ratio:** that alters the classification of a transaction, between the time it was first discussed with the UKLA and announcing the transaction, must be discussed with the Equity and Capital Markets Group.

7.10 **Anomalous results:** where any of the above calculations produces an anomalous result (for example where a percentage ratio involves comparing profits with losses) the Equity and Capital Markets Group must be consulted. In such circumstances the UKLA may agree to substitute that particular percentage ratio with other relevant indicators of size.

7.11 **Inappropriate calculations:** where the sphere of activity of the listed company makes a calculation inappropriate, the Equity and Capital Markets Group must again be consulted and the UKLA may agree to

disregard the calculation and require the substitution of other relevant indicators of size.

- 7.12 **Other issues:** since each transaction usually has unique aspects, companies are encouraged to speak to their advisers and the Equity and Capital Markets Group at an early stage if they are in any doubt as to the classification or there is any doubt about the application of the transaction rules. Companies listed under Chapter 25 provisions must consult the Equity and Capital Markets Group at an early stage.

Announcements

7.13 Listed companies must:

- a) notify a RIS, where required, as soon as the terms of a transaction have been agreed; and
- b) make a supplementary notification and advise the Equity and Capital Markets Group or Monitoring Team without delay if, at any time after the initial announcement, the listed company becomes aware that:
 - (a) there has been a significant change affecting any matter contained in that earlier announcement; or
 - (iii) a significant new matter has arisen which would have been required to be mentioned in that earlier announcement if it had arisen at the time of the preparation of that announcement.

7.14 Contents of announcements. The detailed content requirements for each class of transaction may be found in the following paragraphs of the listing rules:

- a) Class 3 10.29-10.30
- b) Class 2 10.31-10.34
- c) Class 1 10.31-10.38
- d) Reverse Take-overs 10.39

7.15 **Review:** announcements do not normally have to be reviewed prior to publication by the UKLA, unless the UKLA so requests. Circulars, however, generally do need to be reviewed prior to publication.

Class 1 circulars

7.16 **Contents:** the specific requirements for the contents of Class 1 circulars are described in:

- a) paragraphs 10.40 to 10.43 of the listing rules.
- b) appendix to Chapter 10

Transactions with related parties

7.17 Transactions between companies (or their subsidiary undertakings) and their directors or substantial shareholders (or their associates) or persons or other entities which exercise significant influence over them are subject to specific requirements to provide a safeguard against parties which have (or may be perceived as having) a position of influence over a company and to protect those involved in the transaction from inappropriate or misinformed criticism.

7.18 A transaction with a related party will normally require an announcement, a circular to shareholders seeking their approval and the abstention of the related party from voting.

7.19 **Small transactions:** in certain circumstances, for example where the transaction is very small, the requirements referred to in paragraph 10 above do not apply. Instead, before the transaction is completed, the company must provide the UKLA with the following in writing:

- a) details of the proposed related party transaction;
- b) confirmation from an acceptable independent adviser that the terms of the transaction are fair and reasonable and
- c) an undertaking to include details of the related party transaction in the next Annual Report and Accounts.

In these circumstances, the company or its adviser should liaise with the Equity and Capital Markets Group Help Desk (020 7066 8333).

Further information and advice

7.20 **Related party definition:** the definition of a related party is, of necessity, complex. In any case of doubt the company must consult the Equity and Capital Markets Group at an early stage (Help Desk 020 7066 8333 option 2).

7.21 **Mergers and Take-overs:** a listed company that is or may become involved in a merger or take-over should be aware of the provisions and restrictions set down in the City Code on Take-overs and Mergers. Copies of the Code can be obtained from the Panel on Take-overs and Mergers, PO Box 226, The Stock Exchange Building, London EC2P 2JX (tel 020 7382 9026).

Documents and circulars

7.22 Chapter 14 of the listing rules sets out:

- a) general requirements which apply to all circulars sent by a company to its shareholders;
- b) specific requirements for circulars of a routine nature; and
- c) requirements for certain documents and circulars which, if complied with, obviate the need for the company to submit them to the UKLA prior to publication.

Circulars

7.23 **Listed companies** must:

- a) seek prior approval from the UKLA before any circular, save those defined as of a routine nature, may be circulated or made publicly available;
- b) support their application for prior approval by providing the UKLA with three copies of (as applicable) the:
 - (i) circular;
 - (ii) working capital letter and confirmation of independence in the form set out in Schedule 1A from the sponsor; and
 - (iii) statement of adjustments.
- c) ensure the circular provides a clear and adequate explanation of the subject matter;
- d) ensure two copies of any circular in its final form (whether or not required to be submitted to the UKLA for prior approval) are lodged with the UKLA for publication by making them available to the public at the Document Viewing Facility at the same time as it is despatched to shareholders; and
- e) notify, without delay, a Regulatory Information Service when a document has been submitted for publication through the Document Viewing Facility, unless the full text of the document is provided to a Regulatory Information Service.

7.24 **Circulars of a routine nature:** which do not need prior approval by the UKLA before publication are those relating to:

- a) authority to allot shares;
- b) disapplication of pre-emption rights;

- c) increase in authorised share capital;
- d) reduction of capital;
- e) a capitalisation issue;
- f) scrip dividend alternative;
- g) scrip dividend mandate schemes;
- h) purchase of own securities;
- i) notices of meetings;
- j) early redemption of debt securities;
- k) reminders of conversion rights; and
- l) chapter 13 documents (see paragraph 7.29 below).

General

7.25 **Timing of document approval:** approval will normally only be given on a business day between the hours of 9.00am and 5.30pm unless specific alternative arrangements are made in advance. It will normally take approximately two hours from submission of the final document for the UKLA to approve the document.

7.26 **Definition of circular:** any document issued to holders of listed securities including notices of meetings but excluding listing particulars, annual reports and accounts, interim reports, proxy cards and dividend or interest vouchers.

7.27 **Is it unusual?:** Enquiries relating to whether or not the features of a circular are unusual should be directed to the Equity and Capital Markets Group (tel: Help Desk 020 7066 8333 option 2).

7.28 **Problems, mistakes and variations:** where a problem or mistake has occurred or a variation is to be sought relating to routine circulars, queries should be directed to the Equity and Capital Markets Group (tel: Help Desk 020 7066 8333 option 2).

Documents (other than circulars) not requiring prior approval

7.29 Documents that comply with the requirements of Chapter 13 of the listing rules do not generally require submission to the UKLA in draft and include:

- a) trust deeds;
- b) employees' share schemes and long term incentive schemes involving the issue of new shares;

- c) temporary and definitive documents of title; and
- d) proxy forms.

7.30 **Listed companies** must ensure that:

- a) documents not requiring the UKLA's prior approval or routine circulars comply with the requirements of the listing rules;
- b) two copies of those documents not requiring prior approval are lodged in final form with the UKLA (marked for the attention of the Equity and Capital Markets Group, UKLA) with any letter of compliance no later than:
 - (i) the date of despatch of the notice convening the meeting to decide on the document or amendment to it;
 - (ii) where there is no such meeting, the date of despatch of the document to the holders of the relevant securities; or
 - (iii) where there is no such meeting and no such despatch, the effective date of the document or amendment to it.

7.31 A company with only debt securities listed is not required to lodge an amendment to its memorandum and articles of association unless the proposed amendments affects the rights of holders of debt securities.

Letter of compliance

7.32 In the case of trust deeds a letter of compliance will be required from the company's legal advisers or other suitably qualified professional advisers at the same time it is lodged with the UKLA.

7.33 In cases where it may not be possible to give a letter of compliance, the Equity and Capital Markets Group must be consulted at an early stage and a draft of the document (with an explanation of any unusual matters) must be submitted to the Equity and Capital Markets Group.

General

7.34 **Exceptions:** where a document or a circular that would otherwise be of a routine nature has unusual features or fails to comply exactly with all the necessary requirements of Chapter 13, a company should consult the Equity and Capital Markets Group (tel: Help Desk 020 7066 8333 option 2) which may:

- a) permit variations from the requirements; or
- b) require the company to obtain prior approval for the document from the UKLA.

8. Key contacts

The UKLA

- 8.1 The responsibilities of the UKLA include the:
- a) admission of securities to listing;
 - b) review and approval of circulars, listing particulars and prospectuses;
 - c) discussion of listing and eligibility requirements with companies and their advisers;
 - d) monitoring of compliance by listed companies with the continuing obligations; and
 - e) enforcement and compliance with the listing rules development of, and consultation on, proposals to amend the listing rules.

The UKLA's Monitoring Function

- 8.2 Monitoring of the continuing obligations is carried out by:

The Monitoring Team: responsible for monitoring compliance with the general disclosure requirements in respect of price sensitive information and those continuing obligations related to directors' and substantial shareholders' dealings and the Model Code (tel: Help Desk 020 7066 8333 option 4). The Monitoring Team is also responsible for monitoring small transactions, financial information and related continuing obligations.

Equity and Capital Markets Group

- 8.3 **The Equity and Capital Markets Group** pre-vets listing particulars, other documents sent to shareholders, and documents relating to specialist securities including Eurobonds, GDRs, warrants and convertible bonds. The work of reviewing and approving these documents is carried out by the Equity and Capital Markets Group (tel: Help Desk 020 7066 8333 option 2).
- 8.4 The group is split into transaction teams, which are made up of a team manager and a mixture of full-time employees and seconded staff from a variety of backgrounds including accountants, lawyers and other individuals with a corporate finance background.
- 8.5 Communication with the Equity and Capital Markets Group is usually through the sponsor or other adviser to the issuer but companies are encouraged to contact the Equity and Capital Markets Group, if appropriate.
- 8.6 Matters discussed with the Equity and Capital Markets Group include:

- a) points of principle prior to submission of draft documentation;
 - b) detailed issues raised by the Equity and Capital Markets Group on a particular transaction; and
 - c) interpretation and advice on related listing rules.
- 8.7 Where discussions take place which do not involve the issuer's sponsor or other adviser, the company should ensure that the sponsor is advised of the matters discussed as soon as practicable.

Listing Application Team

- 8.8 **The Listing Application Team** is responsible for admitting securities to the Official List. The team is also responsible for the calculation and collection of the UKLA's listing fees. (tel: Help Desk 020 7066 8333 option 3).

Some non-UKLA contacts

- 8.9 **The Panel on Take-overs and Mergers** is responsible for the City Code on Take-overs and Mergers. The responsibilities under the Code apply to those actively engaged in the securities markets and are also regarded by the Panel as applying to directors of companies which are subject to the Code and to persons or groups who seek to gain or consolidate effective control of such companies or who otherwise participate in, or are connected with, transactions to which the Code applies (tel: 020 7382 9026).
- 8.10 **The Financial Reporting Council** (tel: 020 7404 8818) is the overarching and facilitating body of the Accounting Standards Board and the Financial Reporting Review Panel and has the general role of:
- a) promoting good financial reporting; and
 - b) providing guidance to the Accounting Standards Board on work programmes and on broad policy issues.
- 8.11 **The Accounting Standards Board (ASB)** is responsible for making, amending and withdrawing accounting standards, under statutory authority and issues 'best practice' statements on related matters (tel: 020 7404 8818).
- 8.12 **The Financial Reporting Review Panel** is authorised by the Secretary of State for Trade and Industry to review company accounts for compliance with company legislation and accounting standards and can seek an order from the Court to remedy accounts if necessary (tel:020 7404 8818).

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	extension/offer becoming wholly unconditional
Prior Notice of Merger	Statement regarding proposed mergers
Product Launch	Statement regarding the launch of a new product by a company
Re Agreement	Statement regarding an agreement between entities
Re Alliance	Statement regarding an alliance between entities
Re Contract	Statement regarding a contract entered into/awarded/signed
Re Joint Venture	Statement regarding a joint venture between entities
Regulatory Application	Application by a company to a regulatory body for a product or service (e.g. approval to market a pharmaceutical product)
Regulatory Approval	Approval from a regulatory body for a company's product or service (e.g. approval to market a pharmaceutical product)
Research Update	A statement giving an update on research (e.g. clinical trials)
Response to (insert appropriate text)	Statement submitted in response to a previous statement made another entity
Restructure Proposals	Operational restructuring of a company
Result of AGM	Notification of the result of any voting at an AGM
Result of EGM	Notification of the result of any voting at an EGM
Result of Equity Issue	Notification of the result of an issue of equity shares e.g. offer for subscription/offer for sale/rights issue
Result of Meeting	Outcome of a meeting other than an AGM or EGM
Result of Tender Offer	Notification of the result of a tender offer
Rule 8 - [insert name of offeree or offeror]	POTAM requirement for the disclosure of dealings during an offer period

SAR - [insert name of company]	Notification of a holding required by POTAM Substantial Acquisition Rules 3 and 5. The company name inserted should be the name of the company in which shares have been acquired or disposed of
Scheme of arrangement	Statement giving details of a scheme of arrangement
Statement re (insert appropriate text)	Statement regarding a particular POTAM issue
Statement re (insert appropriate text)	Statement regarding a particular issue
Statement re (insert appropriate text)	Statement by the Competition Commission regarding the outcome of its investigation of a takeover/merger
Statement re Possible Offer	Statement that a company is in discussions which may or may not lead to an offer being made
Statement re Press Comment	Statement regarding press comment
Statement re Share Price Movement	Statement regarding a movement the price of a company's listed securities
Syndicate Results	Statement of results submitted by Lloyd's insurance syndicates
Tender Offer	Notification of a tender offer
Trading Statement	Statement regarding a company's trading performance (e.g. profit warning)
Transaction in Own Shares	Notification of a transaction involving own shares, including a purchase, sale, redemption, cancellation, transfer or allotment
Miscellaneous	Miscellaneous high priority announcements

MEDIUM PRIORITY	
Headline category	Description
Additional Listing	Notification of any addition to a company's existing share capital
Base Rate Change	Statement regarding a change in the interest rate offered/charged by a financial institution
Block listing Interim Review	Six monthly notification by a company issuing securities on a regular basis (see Schedule 5 of the FSA Listing Rules)
Compulsory Acqn of Shares	Statement regarding the compulsory acquisition of shares
Director Shareholding	Notification of interests of directors and connected persons (see Schedule 11 of the FSA Listing Rules)
Directorate change	Notification of any change to a company's board e.g. appointments/resignations/changes to important functions or executive responsibilities of a director
Dividend Declaration	Declaration of a dividend (issued by a company itself as opposed to Regulatory Benefits Department of the London Stock Exchange - see below)
FRN Variable Rate Fix	Update of interest rate for a floating rate note
Geographical Distribution	Notification by an investment company/trust of the geographical distribution of its assets
Holding(s) in Company	Notification of major interest in shares (see Schedule 10 of the FSA Listing Rules)
Net Asset Value(s)	Notification by an investment company/trust of its Net Asset Value
Total Assets Value	Notification by an investment company/trust of its Total Asset Value
Treasury Stock	Notification of the rate of interest payable on treasury stocks
Miscellaneous	Miscellaneous medium priority announcements

LOW PRIORITY	
Headline category	Description
Annual report & accounts	Notification that a company's annual report & accounts have been published and are available for public inspection
Change of Adviser	Notification of a change of a company's stockbroker/financial adviser etc.
Change of Name	Notification of a company's change of name
Circ re.[insert appropriate document title]	Notification that a document issued to holders of listed securities (including notices of meetings but excluding listing particulars, annual report and accounts, interim reports, proxy cards and dividend or interest vouchers) is available for public inspection
Company Secretary Change	Notification of the appointment/resignation of a company secretary
Director Declaration	Notification of details of all directorships held by a director in any other publicly quoted company and any details required by paragraph 6.F.2(b) to (g) of the FSA Listing Rules
Doc re. [insert appropriate document title]	Notification that a document issued to holders of listed securities is available for public inspection
New Accounting Ref Date	Notification of a change in a company's accounting reference date
Notice of AGM	Notification of a company's annual general meeting
Notice of EGM	Notification of a company's extraordinary general meeting
Notice of Results	Notification of the date financial results will be published
Offer Document Posted	Statement that offer document has been posted to holders of a company's listed securities
Miscellaneous	Miscellaneous low priority announcements
Test Message	Message submitted to test announcement system but not published