

## UKLA Technical Note

### Long-term incentive schemes

---

Ref: UKLA / TN / 208.1

LR 9

LR 9.4.2R(2) relates to a long-term incentive scheme which is set up to facilitate the retention or recruitment of a director. Despite the disclosure requirement set out in LR 9.4.3R, it is important to note that application of this rule is limited to 'unusual circumstances', as it allows the issuer to avoid a shareholder vote in respect of the arrangement. For this reason, we expect this rule would be rarely used in practice. In circumstances where issuers are in any doubt about the application of the rule, they should contact the UKLA as early as possible to seek guidance.