

LISTING RULES (PRIMARY MARKET EFFECTIVENESS) (DUAL CLASS SHARE STRUCTURE) INSTRUMENT 2021

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 101 (Listing rules: general provisions);
 - (4) section 137A (The FCA’s general rules);
 - (5) section 137T (General supplementary powers); and
 - (6) section 139A (Power of the FCA to give guidance).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 3 December 2021.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Listing Rules sourcebook (LR) is amended in accordance with Annex B to this instrument.

Citation

- F. This instrument may be cited as the Listing Rules (Primary Market Effectiveness) (Dual Class Share Structure) Instrument 2021.

By order of the Board
25 November 2021

Annex A

Amendments to the Glossary of definitions

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

specified has the meaning given to it in *LR 9.2.22CR*.
weighted
voting rights
shares

weighted *shares* that carry more than one vote on one or more matters to be decided at
voting rights a general meeting.
shares

Annex B

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text.

6 Additional requirements for premium listing (commercial company)

...

6.9 Constitutional arrangements

...

6.9.1A R Where the *applicant* will have *specified weighted voting rights shares* in issue following *admission*, the *applicant* must have in a place a constitution that ensures that:

- (1) the only shareholders other than *premium listed* shareholders who may participate in the shareholder votes referred to in LR 9.2.21R(1) are holders of *specified weighted voting rights shares* in accordance with LR 9.2.22AR; and
- (2) the voting rights attached to *specified weighted voting rights shares* may only count towards the shareholder votes referred to in LR 9.2.21R(1) for the period stated in LR 9.2.22AR(3) or, where applicable, LR 9.2.22AR(4).

...

9 Continuing obligations

...

9.2 Requirements with continuing application

...

Voting on matters relevant to premium listing

9.2.21 R (1) ~~Where~~ Subject to LR 9.2.22AR, where the provisions of LR 5.2, LR 5.4A, LR 9.4, LR 9.5, LR 10, LR 11, LR 12 or LR 15 require a shareholder vote to be taken, that vote must be decided by a resolution of the holders of the *listed company's shares* that have been *admitted* to *premium listing*.

- (2) Where the provisions of LR 5.2.5R(2), LR 5.4A.4R(3)(b)(ii), LR 5.4A.4R(3)(c)(ii) or LR 9.2.2ER require that the resolution must in addition be approved by *independent shareholders*, only *independent*

shareholders who hold the *listed company's shares* that have been *admitted to premium listing* can vote.

...

Voting on matters relevant to premium listing by holders of specified weighted voting rights shares

- 9.2.22A R (1) Holders of *specified weighted voting rights shares* may participate in a vote on matters falling within the provisions referred to in *LR 9.2.21R* in accordance with the voting rights attached to those *shares*.
- (2) *LR 9.2.22AR(1)* only applies with respect to *issuers*:
- (a) to which the condition in *LR 6.9.1AR* applied on the first occasion they made an application for *shares* to be *admitted to premium listing*; and
- (b) which have had no *class of weighted voting rights shares* in issue other than *specified weighted voting rights shares* since the *issuer* first had a *class of shares* admitted to *premium listing*.
- (3) Subject to paragraph (4), the exception to *LR 9.2.21R* in paragraph (1) applies for a period of 5 years beginning with the date on which the *issuer* first had a *class of shares* admitted to *premium listing*.
- (4) Where an *admission of shares* to *premium listing* is connected with a transaction or arrangement of the kind listed below in relation to a *listed company (A)*, the exception to *LR 9.2.21R* in paragraph (1) applies for a period of 5 years beginning with the date on which *A* first had a *class of shares* admitted to *premium listing*:
- (a) an acquisition of *A*;
- (b) a reorganisation or restructuring of *A's group*;
- (c) the *listing* of a new holding company of *A*;
- (d) a *reverse takeover* in connection with *A*;
- (e) a merger involving *A's* business;
- (f) any transaction or arrangement having similar effect to those set out in (a) to (e).
- 9.2.22B G The purpose of *LR 9.2.22AR(4)* is to ensure that holders of *specified weighted voting rights shares* only participate in the shareholder votes referred to for 5 years from the date of *company A's* initial *listing*, and not, for example, 5 years from the date of any new holding company's *admission to listing*. A group restructuring or a *reverse takeover* or another similar transaction should not have the effect of artificially extending the period within which holders of *A's specified weighted voting rights shares* may

exercise voting rights on the matters relevant to *premium listing* referred to in LR 9.2.21R(1).

9.2.22C R *Specified weighted voting rights shares are weighted voting rights shares of a class which meet the following conditions:*

- (1) subject to paragraph (2), each *share* carries the same number of votes on matters at a general meeting of the *company* as a *share* in the *class* admitted to *premium listing*;
- (2) in relation to the following matters only, each *share* may carry up to 20 times the votes carried by a *share* in the *class* admitted to *premium listing*:
 - (a) the removal of the holder as a *director* whether under section 168 of the Companies Act 2006 or otherwise; and
 - (b) following a change of control in the *issuer*, any matter; and
- (3) the *shares* may only be held by a *director* of the *issuer* or, following the death of a *director*, a beneficiary of the *director's* estate.

9.2.22D R (1) For the purposes of LR 9.2.22CR(1)(b), (subject to paragraph (2)) a change of control is the acquisition by any *person* of an interest in *shares* in a *listed company* that, taken together with *shares* in which that *person* and any *persons* acting in concert with them are interested, results in that *person* being entitled to exercise or control the exercise of more than 50 per cent of the votes able to be cast on all or substantially all matters at general meetings of the *company*.

(2) There is no change of control for the purposes of LR 9.2.22CR(1)(b) where the *person* acquiring an interest in *shares* is a holder of *specified weighted voting rights shares* or any *person* acting in concert with that *person*.

(3) Without prejudice to the generality of paragraph (1), if such an acquisition is effected by means of:

- (a) a scheme of arrangement under Part 26 of the Companies Act 2006, a change of control occurs when the scheme of arrangement becomes effective;
- (b) a takeover offer under Part 28 of the Companies Act 2006, a change of control occurs when the takeover offer becomes unconditional in all respects.

9.2.22E G The effect of LR 9.2.22AR(1) and LR 9.2.22CR is that:

- (1) the holder of *specified weighting voting rights shares* may vote on matters otherwise reserved to holders of *premium listed shares* under

LR 9.2.21R(1) on the same basis as those shareholders, subject to LR 9.2.22AR(2) to (4); and

- (2) if there is a change of control, the holder of a *specified weighted voting rights share* may then vote on such matters on the basis of weighted voting rights of up to 20 times the votes attaching to a *premium listed share*, subject to LR 9.2.22AR(2) to (4) and LR 9.2.22CR.

9.2.22F G The FCA may modify the operation of LR 9.2.21AR to LR 9.2.21DR in exceptional circumstances, for example to accommodate the operation of:

- (1) special share arrangements designed to protect the national interest;
- (2) dual listed company voting arrangements; and
- (3) voting rights attaching to *preference shares* or similar *securities* that are in arrears.

Notifications to the FCA: notifications regarding continuing obligations

9.2.23 R A listed company must notify the FCA without delay if it does not comply with any continuing obligation set out in LR 9.2.2AR, LR 9.2.2ABR, LR 9.2.2ADR, LR 9.2.2ER, LR 9.2.2FR, LR 9.2.15R₂ or LR 9.2.21R or LR 9.2.22AR.

...

15 Close-Ended Investment Funds: Premium listing

...

15.4 Continuing obligations

...

Investment policy

...

15.4.1C R LR 9.2.22AR to LR 9.2.22FG do not apply to a *close-ended investment fund*.

...

16 Open-ended investment companies: Premium listing

...

16.4 Requirements with continuing application

...

16.4.1A R LR 9.2.22AR to LR 9.2.22FG do not apply to an open-ended investment company.

...

21 Sovereign Controlled Commercial Companies: Premium listing

...

21.4 Continuing obligations: Equity shares

...

21.4.1A R LR 9.2.22AR to LR 9.2.22FG do not apply for the purposes of LR 21.4.1R.

...

21.4.4 R For the purposes of LR 21.4.1R(1):

- (1) in the second sentence of ~~LR 2.2.21R~~ LR 9.2.21R(2) the reference to the provisions of LR 5.4A.4R(3)(b)(ii) and LR 5.4A.4R(3)(c)(ii) must be read as a reference to the provisions of LR 5.4A.4R(3)(d)(ii);

...

...

21.8 Continuing obligation: Certificates representing shares

Compliance with LR 9 (Continuing obligations)

21.8.1 R A listed company must comply with LR 9 (Continuing obligations) except:

...

- (4) ~~LR 9.2.21R to LR 9.2.22G~~ LR 9.2.22FG; and

...

...

App 1.1 Relevant definitions

Note: the following definitions relevant to the listing rules are extract from the *Glossary*.

App 1.1.1 R ...

...	
-----	--

<i>specified investment</i>	...
<i><u>specified weighted voting rights shares</u></i>	<u>has the meaning given to it in LR 9.2.22CR.</u>
...	
<i>warrant</i>	...
<i><u>weighted voting rights shares</u></i>	<u>shares that carry more than one vote on one or more matters to be decided at a general meeting.</u>