

## Chapter 9

# Continuing obligations



## 9.1 Preliminary

### Application

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

## 9.2 Requirements with continuing application

### Admission to trading

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

### Independent business

- 9.2.2A** **R** (1) A *listed company* must carry on an independent business as its main activity at all times.
- (2) [deleted]

- 9.2.2AA** **G** ■ LR 6.4.3G provides *guidance* on factors that may indicate that a *listed company* is not carrying on an independent business.

### Controlling shareholders

- 9.2.2AB** **R** A *listed company* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *listed company* is still able to carry on an independent business as its main activity at all times.
- 9.2.2AC** **G** ■ LR 6.5.3G provides *guidance* on factors that may indicate that a *listed company* with a *controlling shareholder* is not carrying on an independent business.
- 9.2.2AD** **R** Where a *listed company* has a *controlling shareholder*, it must have in place at all times:

- (1) a written and legally binding agreement which is intended to ensure that the *controlling shareholder* complies with the undertakings in ■ LR 6.5.4R; and
- (2) a constitution that allows the election and re-election of *independent directors* to be conducted in accordance with ■ LR 9.2.2ER and ■ LR 9.2.2FR (election provisions).

## 9.2.2B

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In order to comply with ■ LR 9.2.2ADR(1), where a *listed company* will have more than one *controlling shareholder*, the *listed company* will not be required to enter into a separate agreement with each *controlling shareholder* if:

- (1) the *listed company* reasonably considers, in light of its understanding of the relationship between the relevant *controlling shareholders*, that a *controlling shareholder* can procure the compliance of another *controlling shareholder* and that *controlling shareholder's associates* with the undertakings in ■ LR 6.5.4R; and
- (2) the agreement, which contains the undertakings in ■ LR 6.5.4R, entered into with the relevant *controlling shareholder* also contains:
  - (a) a provision in which the *controlling shareholder* agrees to procure the compliance of a non-signing *controlling shareholder* and its *associates* with the undertakings in ■ LR 6.5.4R; and
  - (b) the names of any such non-signing *controlling shareholder*.

## 9.2.2C

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Where as a result of changes in ownership or control of a *listed company*, a *person* becomes a *controlling shareholder* of the *listed company*, the *listed company* will be allowed:

- (1) a period of not more than 6 months from the event that resulted in that *person* becoming a *controlling shareholder* to comply with ■ LR 9.2.2ADR(1); and
- (2) in the case of a *listed company* which did not previously have a *controlling shareholder*, until the date of the next annual general meeting of the *listed company*, other than an annual general meeting for which notice:
  - (a) has already been given; or
  - (b) is given within a period of 3 months from the event that resulted in that *person* becoming a *controlling shareholder*;
 to comply with ■ LR 9.2.2ADR(2).

## 9.2.2D

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In complying with ■ LR 9.2.2ADR(2), a *listed company* may allow an existing *independent director* who is being proposed for re-election (including any such *director* who was appointed by the board of the *listed company* until the next annual general meeting) to remain in office until any resolution required by ■ LR 9.2.2FR has been voted on.

## 9.2.2E

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Where ■ LR 9.2.2ADR applies, the election or re-election of any *independent director* by shareholders must be approved by:

- (1) the shareholders of the *listed company*; and
- (2) the *independent shareholders* of the *listed company*.

**9.2.2F** **R** Where **■ LR 9.2.2E R** applies, if the election or re-election of an *independent director* is not approved by both the shareholders and the *independent shareholders* of the *listed company*, but the *listed company* wishes to propose that *person* for election or re-election as an *independent director*, the *listed company* must propose a further resolution to elect or re-elect the proposed *independent director* which:

- (1) must not be voted on within a period of 90 days from the date of the original vote;
- (2) must be voted on within a period of 30 days from the end of the period set out in (1); and
- (3) must be approved by the shareholders of the *listed company*.

**9.2.2G** **R** A *listed company* must comply with the undertakings in **■ LR 6.5.4R** or **■ LR 9.2.2ADR(1)** at all times.

**9.2.2H** **G** In addition to the annual confirmation required to be included in a *listed company's* annual financial report under **■ LR 9.8.4R (14)**, the *FCA* may request information from a *listed company* under **■ LR 1.3.1 R (3)** to confirm or verify that an undertaking in **■ LR 6.5.4R** or **■ LR 9.2.2ADR(1)** or a procurement obligation (as set out in **■ LR 6.5.5R(2)(a)** or **■ LR 9.2.2BR (2)(a)**) contained in an agreement entered into under **■ LR 6.5.4R** or **■ LR 9.2.2ADR(1)** is being or has been complied with.

**Control of business**.....

**9.2.2I** **R** A *listed company* must exercise operational control over the business it carries on as its main activity at all times.

**9.2.2J** **G** **■ LR 6.6.3G** provides *guidance* on factors that may indicate that a *listed company* is not exercising operational control over the business it carries on as its main activity.

- 9.2.2K** **R**
- (1) This *rule* applies where a *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.
  - (2) The *mineral company* is not required to comply with **■ LR 9.2.2IR** where it can demonstrate the factors set out in **■ LR 6.10.3R(2)**.

**9.2.3** **R** [deleted]

**9.2.4** **R** [deleted]

### Compliance with the disclosure requirements, transparency rules and corporate governance rules

- 9.2.5** **G** A *listed company*, whose *equity shares* are admitted to trading on a *regulated market*, should consider the obligations under the *disclosure requirements*.
- 9.2.6** **R** A *listed company* that is not already required to comply with the obligations referred to under article 17 of the *Market Abuse Regulation* must comply with those obligations as if it were an *issuer* for the purposes of the *disclosure requirements* and *transparency rules* subject to article 22 of the *Market Abuse Regulation*.
- 9.2.6A** **G** A *listed company*, whose *equity shares* are admitted to trading on a *regulated market*, should consider its obligations under ■ DTR 4 (Periodic financial reporting), ■ DTR 5 (Vote holder and issuer notification rules), ■ DTR 6 (Access to information) and ■ DTR 7 (Corporate governance).
- 9.2.6B** **R** A *listed company* that is not already required to comply with the *transparency rules* must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an *issuer* for the purposes of the *transparency rules*.
- 9.2.6C** **R** A *listed company* that is not already required to comply with ■ DTR 7.3 (Related party transactions) must comply with ■ DTR 7.3 as if it were an *issuer* to which ■ DTR 7.3 applies, subject to the modifications set out in ■ LR 9.2.6DR.
- 9.2.6D** **R** For the purposes of ■ LR 9.2.6CR, ■ DTR 7.3 is modified as follows:
- (1) ■ DTR 7.3.2R must be read as if the words “has the meaning in *UK-adopted IFRS*” are replaced by:
    - “has the meaning:
      - (a) in *UK-adopted IFRS*; or
      - (b) where the *listed company* prepares annual consolidated financial statements in accordance with accounting standards which have been determined to be equivalent to *UK-adopted IFRS* and which are set out in the *TD Equivalence Decision*,
        - (i) in *UK-adopted IFRS*, or

(ii) in the equivalent accounting standards in accordance with which its annual consolidated financial statements are prepared;

at the choice of the *listed company*."

- (2) ■ DTR 7.3.8R(2) and ■ (3) do not apply;
- (3) ■ DTR 7.3.9R must be read as follows:
- (a) as if the words "after obtaining board approval" are replaced by "after publishing an announcement in accordance with ■ DTR 7.3.8R(1)"; and
- (b) the reference to ■ DTR 7.3.8R must be read as a reference to ■ DTR 7.3.8R as modified by ■ LR 9.2.6DR(2); and
- (4) in ■ DTR 7.3.13R the references to ■ DTR 7.3.8R must be read as references to ■ DTR 7.3.8R as modified by ■ LR 9.2.6DR(2).

### Disclosure of rights attached to equity shares

9.2.6E

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Unless exempted in ■ LR 9.2.6HR, a *listed company* must:

- (1) forward to the *FCA* for publication a copy of one or more of the following:
- (a) the approved *prospectus* or *listing particulars* for its *listed equity shares*;
- (b) the relevant agreement or document setting out the terms and conditions on which its *listed equity shares* were issued; or
- (c) a document describing:
- (i) the rights attached to its *listed equity shares*;
- (ii) limitations on such rights; and
- (iii) the procedure for the exercise of such rights, produced in accordance with the relevant Annex of the *Prospectus Regulation* that would have applied had the *listed company* been required to produce a *prospectus* for those *listed equity shares*; and
- (2) if the information in relation to the rights attached to its *listed equity shares* set out in the document previously forwarded in accordance with (1) is no longer accurate, forward to the *FCA* for publication a copy of either of the following:
- (a) a new document in accordance with (1); or
- (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *listed company's listed equity shares*.

9.2.6F

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The documents in ■ LR 9.2.6ER must be forwarded to the *FCA* for publication by uploading them to the *national storage mechanism*.

**9.2.6G** G The purpose of ■ LR 9.2.6ER is to require *listed companies* to maintain publicly available information in relation to the rights attached to their *listed equity shares* so that investors can access such information.

**9.2.6H** R A *listed company* is exempt from ■ LR 9.2.6ER where:

- (1) it has previously forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a document specified in ■ LR 9.2.6ER(1);
- (2) if the information in relation to the rights attached to its *listed equity shares* set out in the document previously forwarded or filed in accordance with (1) is no longer accurate, it has forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, a copy of either of the following:
  - (a) one of the documents specified in ■ LR 9.2.6ER(1); or
  - (b) a document describing or setting out the changes which have occurred in relation to the rights attached to the *listed company's listed equity shares*, and
- (3) the documents in (1) and (2) have been forwarded to the *FCA* for publication, or otherwise filed with the *FCA*, by:
  - (a) forwarding them for publication on a location previously identified on the *FCA* website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility; or
  - (b) uploading them to the *national storage mechanism*.

**9.2.7** R (1) (2) [deleted]

**9.2.8** R [deleted]

**9.2.8A** G [deleted]

**9.2.9** G [deleted]

**9.2.10** R [deleted]

**Contact details**  
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**9.2.11** R A *listed company* must ensure that the *FCA* is provided with up to date contact details of at least one appropriate person nominated by it to act as the first point of contact with the *FCA* in relation to the *company's*



- compliance with the *listing rules* and the *disclosure requirements* and *transparency rules*.
- 9.2.12 **G** The contact person referred to in ■ LR 9.2.11 R will be expected to be:
- (1) knowledgeable about the *listed company* and the *listing rules* applicable to it;
  - (2) capable of ensuring that appropriate action is taken on a timely basis; and
  - (3) contactable on *business days* between the hours of 7 a.m. to 7 p.m.
- Sponsors**.....
- 9.2.13 **G** A *listed company* should consider its notification obligations under ■ LR 8.5.
- 9.2.13A **R** In relation to the provision of a *sponsor service*, a *company* with a *premium listing* must cooperate with its *sponsor* by providing the *sponsor* with all information reasonably requested by the *sponsor* for the purpose of carrying out the *sponsor service* in accordance with ■ LR 8.
- 9.2.14 **R** [deleted]
- Shares in public hands**.....
- 9.2.15 **R** A *listed company* must comply with ■ LR 6.14.1R to ■ LR 6.14.3R at all times.
- 9.2.15A **G** [deleted]
- 9.2.16 **R**
- 9.2.17 **G**
- Publication of unaudited financial information**.....
- 9.2.18 **R**
- (1) This *rule* applies to a *listed company* that has published:
    - (a) any unaudited financial information in a *class 1 circular* or a *prospectus*; or
    - (b) any *profit forecast* or *profit estimate*.
  - (2) The first time a *listed company* publishes financial information as required by ■ DTR 4.1 after the publication of the unaudited financial information, *profit forecast* or *profit estimate*, it must:
    - (a) reproduce that financial information, *profit forecast* or *profit estimate* in its next annual report and accounts;

- (b) produce and disclose in the annual report and accounts the actual figures for the same period covered by the information reproduced under paragraph (2)(a); and
- (c) provide an explanation of the difference, if there is a difference of 10% or more between the figures required by paragraph (2)(b) and those reproduced under paragraph (2)(a).

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

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

**Externally managed companies**

9.2.20 **R** An *issuer* must at all times ensure that the discretion of its board to make strategic decisions on behalf of the *company* has not been limited or transferred to a *person* outside the *issuer's group*, and that the board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *issuer's group*.

**Voting on matters relevant to premium listing**

9.2.21 **R**

- (1) 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.

9.2.22 **G** The *FCA* may modify the operation of ■ LR 9.2.21 R 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.

**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 9.2.2A R, ■ LR 9.2.2ABR, ■ LR 9.2.2ADR, ■ LR 9.2.2E R, ■ LR 9.2.2F R, ■ LR 9.2.15 R, ■ LR 9.2.21 R or ■ LR 9.2.22AR.

**Notifications to the FCA: notifications regarding compliance with independence provisions**

- 9.2.24 **R** A *listed company* must notify the *FCA* without delay if:
- (1) it no longer complies with ■ LR 9.2.2G R;
  - (2) it becomes aware that an undertaking in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has not been complied with by the *controlling shareholder* or any of its *associates*; or
  - (3) it becomes aware that a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) contained in an agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has not been complied with by a *controlling shareholder*.

**Notifications to the FCA: notifications regarding LR 9.8.4AR**

- 9.2.25 **R** A *listed company* must notify the *FCA* without delay if its annual financial report contains a statement of the kind specified under ■ LR 9.8.4A R.

**Inability to comply with continuing obligations**

- 9.2.26 **G** Where a *listed company* is unable to comply with a continuing obligation set out in ■ LR 9.2, it should consider seeking a cancellation of *listing* or applying for a transfer of its *listing* category. In particular, the *listed company* should note ■ LR 5.2.2 G (2) and ■ LR 5.4A.16 G.



**9.3 Continuing obligations: holders**

9.3.1 **R** [deleted]

9.3.2 **G** [deleted]

9.3.3 **R** [deleted]

9.3.4 **R** [deleted]

9.3.5 **R** [deleted]

**Proxy forms**

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

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

**Proxy forms for re-election of retiring directors**

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

9.3.8 **R** [deleted]

## Sanctions

9.3.9

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

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

9.3.10

G

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

## Pre-emption rights

9.3.11

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

- (1) existing holders of that class of *equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and
- (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.

9.3.12

R

■ LR 9.3.11 R does not apply to:

- (1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by

shareholders in accordance with section 570 (Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority; or

- (2) a *listed company* undertaking a *rights issue* or *open offer* provided the disapplication of pre-emption rights is with respect to:
  - (a) *equity securities* representing fractional entitlements; or
  - (b) *equity securities* which the *company* considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of a territory other than its country of incorporation unless that territory is the *United Kingdom*; or
- (3) a *listed company* selling *treasury shares* for cash to an *employee share scheme*; or
- (4) an *overseas company* with a *premium listing* if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC or article 33 of Directive 2012/30/EU and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority;
- (5) [deleted]



## 9.4 Documents requiring prior approval

### Employees share schemes and long-term incentive plans

- 9.4.1** **R** (1) This *rule* applies to the following schemes of a *listed company* incorporated in the *United Kingdom* and of any of its *major subsidiary undertaking* (even if that *major subsidiary undertaking* is incorporated or operates overseas):
- (a) an *employees' share scheme* if the scheme involves or may involve the issue of new *shares* or the transfer of *treasury shares*; and
  - (b) a *long-term incentive scheme* in which one or more *directors* of the *listed company* is eligible to participate.
- (2) The *listed company* must ensure that the *employees' share scheme* or *long-term incentive scheme* is approved by an ordinary resolution of the shareholders of the *listed company* in general meeting before it is adopted.
- 9.4.2** **R** ■ LR 9.4.1 R does not apply to the following *long-term incentive schemes*:
- (1) an arrangement where participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are eligible to participate in the arrangement (provided that all or substantially all *employees* are not *directors* of the *listed company*); and
  - (2) an arrangement where the only participant is a *director* of the *listed company* (or an individual whose appointment as a *director* of the *listed company* is being contemplated) and the arrangement is established specifically to facilitate, in unusual circumstances, the recruitment or retention of the relevant individual.
- 9.4.3** **R** For a scheme referred to in ■ LR 9.4.2R (2), the following information must be disclosed in the first annual report published by the *listed company* after the date on which the relevant individual becomes eligible to participate in the arrangement:
- (1) all of the information prescribed in ■ LR 13.8.11 R;
  - (2) the name of the sole participant;
  - (3) the date on which the participant first became eligible to participate in the arrangement;

- (4) an explanation of why the circumstances in which the arrangement was established were unusual;
- (5) the conditions to be satisfied under the terms of the arrangement; and
- (6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

#### Discounted option arrangements

9.4.4

R

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

9.4.5

R

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

- (1) under an *employees' share scheme* if participation is offered on similar terms to all or substantially all *employees* of the *listed company* or any of its *subsidiary undertakings* whose *employees* are entitled to participate in the scheme; or
- (2) following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately before the take-over or reconstruction for *shares* in either a *company* of which the *listed company* thereby obtains control or in any of that *company's subsidiary undertakings*.

## 9.5 Transactions

### Rights issue

- 9.5.1** **R** For a placing of rights arising from a *rights issue* before the official start of dealings, a *listed company* must ensure that:
- (1) the placing relates to at least 25% of the maximum number of *equity securities* offered;
  - (2) the places are committed to take up whatever is placed with them;
  - (3) the price paid by the places does not exceed the price at which the *equity securities* which are the subject of the *rights issue* are offered by more than one half of the calculated premium over that offer price (that premium being the difference between the offer price and the theoretical ex-rights price); and
  - (4) the *equity securities* which are the subject of the *rights issue* are of the same *class* as the *equity securities* already *listed*.
- 9.5.2** **G** The *FCA* may modify **LR 9.5.1R (1)** to allow the placing to relate to less than 25% if it is satisfied that requiring at least 25% would be detrimental to the success of the issue.
- 9.5.3** **G** In a *rights issue*, the *FCA* may list the *equity securities* at the same time as they are admitted to trading in nil paid form. On the *equity securities* being paid up and the allotment becoming unconditional, the *listing* will continue without any need for a further application to list fully paid *securities*.
- 9.5.4** **R** If existing *shareholders* do not take up their rights to subscribe in a *rights issue*:
- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed 5.00, the proceeds may be retained for the *company's* benefit; and
  - (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.

- 9.5.5** **R** A *listed company* must ensure that for a *rights issue* the following are notified to a *RIS* as soon as possible:
- (1) the issue price and principal terms of the issue; and
  - (2) the results of the issue and, if any rights not taken up are sold, details of the sale, including the date and price per *share*.
- 9.5.6** **R** A *listed company* must ensure that the offer relating to a *rights issue* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.
- Open offers**
- 9.5.7** **R** A *listed company* must ensure that the timetable for an *open offer* is approved by the *RIE* on which its *equity securities* are traded.
- 9.5.7A** **R** A *listed company* must ensure that the *open offer* remains open for acceptance for at least 10 *business days*. For the purposes of calculating the period of 10 *business days*, the first *business day* is the date on which the offer is first open for acceptance.
- 9.5.8** **R** A *listed company* must ensure that in relation to communicating information on an *open offer*:
- (1) if the offer is subject to shareholder approval in general meeting the announcement must state that this is the case; and
  - (2) the *circular* dealing with the offer must not contain any statement that might be taken to imply that the offer gives the same entitlements as a *rights issue* unless it is an offer with a compensatory element.
- 9.5.8A** **R** If existing *shareholders* do not take up their rights to subscribe in an *open offer* with a compensatory element:
- (1) the *listed company* must ensure that the *equity securities* to which the offer relates are offered for subscription or purchase on terms that any premium obtained over the subscription or purchase price (net of expenses) is to be for the account of the holders, except that if the proceeds for an existing holder do not exceed £5, the proceeds may be retained for the *company's* benefit; and
  - (2) the *equity securities* may be allotted or sold to underwriters, if on the expiry of the subscription period no premium (net of expenses) has been obtained.
- 9.5.8B** **R** A *listed company* must ensure that for a subscription in an *open offer* with a compensatory element the following are notified to a *RIS* as soon as possible:
- (1) the offer price and principal terms of the offer; and

- (2) the results of the offer and, if any *securities* not taken up are sold, details of the sale, including the date and price per *share*.

### Vendor consideration placing

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

### Discounts not to exceed 10%

- 9.5.10 **R**
- (1) If a *listed company* makes an *open offer, placing, vendor consideration placing, offer for subscription of equity shares* or an issue out of treasury (other than in respect of an employees' share scheme) of a *class* already *listed*, the price must not be at a discount of more than 10% to the middle market price of those *shares* at the time of announcing the terms of the offer for an *open offer* or *offer for subscription of equity shares* or at the time of agreeing the placing for a *placing* or *vendor consideration placing*.
- (2) In paragraph (1), the middle market price of *equity shares* means the middle market quotation for those *equity shares* as derived from the daily official list of the *London Stock Exchange* or any other publication of an *RIE* showing quotations for *listed securities* for the relevant date.
- (2A) If a *listed company* makes an *open offer, placing, vendor consideration placing* or *offer for subscription of equity shares* during the trading day it may use an appropriate on-screen intra-day price derived from another market.
- (3) Paragraph (1) does not apply to an offer or placing at a discount of more than 10% if:
- the terms of the offer or placing at that discount have been specifically approved by the issuer's shareholders; or
  - it is an issue of *shares* for cash or the sale of *treasury shares* for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders' rights of pre-emption).
- (4) The *listed company* must notify a *RIS* as soon as possible after it has agreed the terms of the offer or placing.

- 9.5.10A **G** On each occasion that the *listed company* plans to use an on-screen intra-day price it should discuss the source of the price in advance with the *FCA*. The *FCA* may be satisfied that there is sufficient justification for its use if the alternative market has an appropriate level of liquidity and the source is one that is widely accepted by the market.

### Offer for sale or subscription

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

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

### Reconstruction or refinancing

- 9.5.12 **R**
- (1) If a *listed company* produces a *circular* containing proposals to be put to shareholders in a general meeting relating to a reconstruction or a re-financing, the *circular* must be produced in accordance with ■ LR 13.3 and must include a working capital statement.
  - (2) The requirement for a working capital statement set out in paragraph (1) does not apply to a *closed-ended investment fund*.
  - (3) The working capital statement required by paragraph (1) must be prepared in accordance with item 3.1 of Annex 11 of the *PR Regulation* and on the basis that the reconstruction or the re-financing has taken place.

### Fractional entitlements

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

### Further issues

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

### Temporary documents of title (including renounceable documents)

- 9.5.15 **R**
- A *listed company* must ensure that any temporary document of title (other than one issued in global form) for an *equity security*:
- (1) is serially numbered;
  - (2) states where applicable:

- (a) the name and address of the first holder and names of joint holders (if any);
  - (b) for a fixed income *security*, the amount of the next payment of interest or dividend;
  - (c) the pro rata entitlement;
  - (d) the last date on which transfers were or will be accepted for registration for participation in the issue;
  - (e) how the *securities* rank for dividend or interest;
  - (f) the nature of the document of title and proposed date of issue;
  - (g) how fractions (if any) are to be treated; and
  - (h) for a *rights issue*, the time, being not less than 10 *business days* calculated in accordance with ■ LR 9.5.6 R, in which the offer may be accepted, and how *equity securities* not taken up will be dealt with; and
- (3) if renounceable:
- (a) states in a heading that the document is of value and negotiable;
  - (b) advises holders of *equity securities* who are in any doubt as to what action to take to consult appropriate independent advisers immediately;
  - (c) states that where all of the *securities* have been sold by the addressee (other than ex rights or ex capitalisation), the document should be passed to the person through whom the sale was effected for transmission to the purchaser;
  - (d) has the form of renunciation and the registration instructions printed on the back of, or attached to, the document;
  - (e) includes provision for splitting (without fee) and for split documents to be certified by an official of the *company* or authorised agent;
  - (f) provides for the last day for renunciation to be the second *business day* after the last day for splitting; and
  - (g) if at the same time as an allotment is made of *shares* issued for cash, *shares* of the same *class* are also allotted credited as fully paid to vendors or others, provides for the period for renunciation to be the same as, but no longer than, that provided for in the case of *shares* issued for cash.

### Definitive documents of title

9.5.16

R

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

- (1) the authority under which the *listed company* is constituted and the country of incorporation and registered number (if any);
- (2) the number or amount of *securities* the certificate represents and, if applicable, the number and denomination of units (in the top right-hand corner);

- (3) a footnote stating that no transfer of the *security* or any portion of it represented by the certificate can be registered without production of the certificate;
- (4) if applicable, the minimum amount and multiples thereof in which the *security* is transferable;
- (5) the date of the certificate;
- (6) [deleted]
- (7) for *equity shares* with preferential rights, on the face (or, if not practicable, on the reverse), a statement of the conditions thereof as to capital, dividends and (where applicable) conversion.



## 9.6 Notifications

### Copies of documents

**9.6.1** **R** A *listed company* must forward to the *FCA* for publication a copy of all *circulars*, notices, reports or other documents to which the *listing rules* apply at the same time as they are issued, by uploading it to the *national storage mechanism*.

**9.6.2** **R** A *listed company* must forward to the *FCA* for publication a copy of all resolutions passed by the *listed company* other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting, by uploading it to the *national storage mechanism*.

**9.6.3** **R**

- (1) A *listed company* must notify a *RIS* as soon as possible when a document has been forwarded to the *FCA* under **LR 9.6.1 R** or **LR 9.6.2 R** unless the full text of the document is provided to the *RIS*.
- (2) A notification made under paragraph (1) must set out where copies of the relevant document can be obtained.

### Notifications relating to capital

**9.6.4** **R** A *listed company* must notify a *RIS* as soon as possible (unless otherwise indicated in this rule) of the following information relating to its capital:

- (1) any proposed change in its capital structure including the structure of its *listed debt securities*, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress;
- (2) [deleted]
- (3) any redemption of *listed shares* including details of the number of *shares* redeemed and the number of *shares* of that class outstanding following the redemption;
- (4) any extension of time granted for the currency of temporary documents of title; and
- (5) [deleted]
- (6) (except in relation to a block listing of *securities*) the results of any new issue of *equity securities* or a public offering of existing *equity securities*.

9.6.5 **R** [deleted]

9.6.6 **R** Where the *securities* are subject to an underwriting agreement a *listed company* may, at its discretion and subject to the obligations in article 17 of the *Market Abuse Regulation*, delay notifying a *RIS* as required by ■ LR 9.6.4R (6) for up to two *business days* until the obligation by the underwriter to take or procure others to take *securities* is finally determined or lapses. In the case of an issue or offer of *securities* which is not underwritten, notification of the result must be made as soon as it is known.

9.6.7 **R** [deleted]

9.6.8 **R** [deleted]

9.6.9 **G** [deleted]

9.6.10 **G** [deleted]

#### Notification of board changes and directors' details

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

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

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

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

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

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

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

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

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

#### Notification of lock-up arrangements

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

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

**Notification of shareholder resolutions**

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

**Change of name**

- 9.6.19** **R** A *listed company* which changes its name must, as soon as possible:
- (1) notify a *RIS* of the change, stating the date on which it has taken effect;
  - (2) inform the *FCA* in writing of the change; and
  - (3) where the *listed company* is incorporated in the *United Kingdom*, send the *FCA* a copy of the revised certificate of incorporation issued by the Registrar of Companies.

**Change of accounting date**

- 9.6.20** **R** A *listed company* must notify a *RIS* as soon as possible of:
- (1) any change in its accounting reference date; and
  - (2) the new accounting reference date.
- 9.6.21** **R** A *listed company* must prepare and publish a second interim report in accordance with **DTR 4.2** if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.
- 9.6.22** **G** The second interim report must be prepared and published in respect of either:
- (1) the period up to the old accounting reference date; or
  - (2) the period up to a date not more than six months prior to the new accounting reference date.

## 9.7A Preliminary statement of annual results, and statement of dividends

### Preliminary statement of annual results

9.7A.1 **R** If a *listed company* prepares a preliminary statement of annual results:

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

### Statement of dividends

9.7A.2 **R** A *listed company* must notify a *RIS* as soon as possible after the board has approved any decision to pay or make any dividend or other distribution on *listed equity* or to withhold any dividend or interest payment on *listed securities* giving details of:

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

**Omission of information**

9.7A.3

G

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

## 9.8 Annual financial report

9.8.1 **R** [deleted]

9.8.2 **R** [deleted]

9.8.3 **R** [deleted]

### Information to be included in annual report and accounts

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

- (1) a statement of the amount of interest capitalised by the *group* during the period under review with an indication of the amount and treatment of any related tax relief;
- (2) any information required by **■ LR 9.2.18 R** (Publication of unaudited financial information);
- (3) [deleted]
- (4) details of any long-term incentive schemes as required by **■ LR 9.4.3 R**;
- (5) details of any arrangements under which a *director* of the *company* has waived or agreed to waive any emoluments from the *company* or any *subsidiary undertaking*;
- (6) where a *director* has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review;
- (7) in the case of any allotment for cash of *equity securities* made during the period under review otherwise than to the holders of the *company's equity shares* in proportion to their holdings of such *equity shares* and which has not been specifically authorised by the *company's* shareholders:
  - (a) the classes of shares allotted and for each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment;
  - (b) the names of the allottees, if less than six in number, and in the case of six or more allottees a brief generic description of each new class of equity holder (e.g. holder of loan stock);

- (c) the market price of the allotted *securities* on the date on which the terms of the issue were fixed; and
  - (d) the date on which the terms of the issue were fixed;
- (8) the information required by paragraph (7) must be given for any unlisted *major subsidiary undertaking* of the *company*;
- (9) where a *listed company* has *listed shares* in issue and is a *subsidiary undertaking* of another *company*, details of the participation by the *parent undertaking* in any placing made during the period under review;
- (10) details of any *contract of significance* subsisting during the period under review:
- (a) to which the *listed company*, or one of its *subsidiary undertakings*, is a party and in which a *director* of the *listed company* is or was materially interested; and
  - (b) between the *listed company*, or one of its *subsidiary undertakings*, and a *controlling shareholder*;
- (11) details of any contract for the provision of services to the *listed company* or any of its *subsidiary undertakings* by a *controlling shareholder*, subsisting during the period under review, unless:
- (a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and
  - (b) it is not a *contract of significance*;
- (12) details of any arrangement under which a shareholder has waived or agreed to waive any dividends;
- (13) where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review; and
- (14) a statement made by the board:
- (a) that the *listed company* has entered into any agreement required under ■ LR 9.2.2ADR(1); or
  - (b) where the *listed company* has not entered into an agreement required under ■ LR 9.2.2ADR(1):
    - (i) a statement that the *FCA* has been notified of that non-compliance in accordance with ■ LR 9.2.23 R; and
    - (ii) a brief description of the background to and reasons for failing to enter into the agreement that enables shareholders to evaluate the impact of non-compliance on the *listed company*; and
  - (c) that:
    - (i) the *listed company* has complied with the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) during the period under review;
    - (ii) so far as the *listed company* is aware, the undertakings in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) have been complied with during the period under review by the *controlling shareholder* or any of its *associates*; and



- (iii) so far as the *listed company* is aware, the procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) included in any agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has been complied with during the period under review by a *controlling shareholder*; or
- (d) where an undertaking in ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) or a procurement obligation (as set out in ■ LR 6.5.5R(2)(a) or ■ LR 9.2.2BR (2)(a)) included in any agreement entered into under ■ LR 6.5.4R or ■ LR 9.2.2ADR(1) has not been complied with during the period under review:
  - (i) a statement that the *FCA* has been notified of that non-compliance in accordance with ■ LR 9.2.24 R; and
  - (ii) a brief description of the background to and reasons for failing to comply with the relevant undertaking or procurement obligation that enables shareholders to evaluate the impact of non-compliance on the *listed company*.

**9.8.4A** **R** Where an *independent director* declines to support a statement made under ■ LR 9.8.4R (14)(a) or ■ (c), the statement must record this fact.

**9.8.4B** **G** Where a *listed company's* annual financial report contains a statement of the type referred to in ■ LR 9.8.4R (14)(b) or ■ (d), the *FCA* may still take any action it considers necessary in relation to the underlying breach by the *listed company* of ■ LR 9.2.2ADR(1) or ■ LR 9.2.2G R.

**9.8.4C** **R** The *listed company's* annual financial report must include the information required under ■ LR 9.8.4 R in a single identifiable section, unless the annual financial report includes a cross reference table indicating where that information is set out.

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

#### Additional information

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

- (1) a statement setting out all the interests (in respect of which transactions are notifiable to the company under article 19 of the *Market Abuse Regulation*) of each *person* who is a *director* of the *listed company* as at the end of the period under review including:
  - (a) all changes in the interests of each *director* that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or

- (b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each *director*.

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

- (2) a statement showing the interests disclosed to the *listed company* in accordance with ■ DTR 5 as at the end of the period under review and:
  - (a) all interests disclosed to the *listed company* in accordance with ■ DTR 5 that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or
  - (b) if no interests have been disclosed to the *listed company* in accordance with ■ DTR 5 in the period described in (a), a statement that no changes have been disclosed to the *listed company*.
- (3) statements by the *directors* on:
  - (a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the *UK Corporate Governance Code*); and
  - (b) their assessment of the prospects of the *company* (containing the information set out in Provision 31 of the *UK Corporate Governance Code*);

prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council in September 2014;
- (4) a statement setting out:
  - (a) details of any shareholders' authority for the purchase, by the *listed company*, of its own *shares* that is still valid at the end of the period under review;
  - (b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such *shares* purchased, or proposed to be purchased, by the *listed company* during the period under review;
  - (c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc); and
  - (d) in the case of sales of *treasury shares* for cash made otherwise than through the market, or in connection with an *employees' share scheme*, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the *listed company's securities* (or to all holders of a relevant class of its *securities*) on the same terms, particulars of

the names of purchasers of such *shares* sold, or proposed to be sold, by the *company* during the period under review;

- (5) a statement of how the *listed company* has applied the Principles set out in the *UK Corporate Governance Code*, in a manner that would enable shareholders to evaluate how the principles have been applied;
- (6) a statement as to whether the *listed company* has:
  - (a) complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code*; or
  - (b) not complied throughout the accounting period with all relevant provisions set out in the *UK Corporate Governance Code* and if so, setting out:
    - (i) those provisions, if any it has not complied with;
    - (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and
    - (iii) the *company's* reasons for non-compliance;
- (7) a report to the shareholders by the Board which contains the information set out in ■ LR 9.8.8 R;
- (8) a statement setting out:
  - (a) whether the *listed company* has included in its annual financial report climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*;
  - (b) in cases where the *listed company* has:
    - (i) made climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, but has included some or all of these disclosures in a document other than the annual financial report:
      - (A) the recommendations and/or recommended disclosures for which it has included disclosures in that other document;
      - (B) a description of that document and where it can be found; and
      - (C) the reasons for including the relevant disclosures in that document and not in the annual financial report;
    - (ii) not included climate-related financial disclosures consistent with all of the *TCFD Recommendations and Recommended Disclosures* in either its annual financial report or other document as referred to in (i):
      - (A) the recommendations and/or recommended disclosures for which it has not included such disclosures;
      - (B) the reasons for not including such disclosures; and
      - (C) any steps it is taking or plans to take in order to be able to make those disclosures in the future, and the timeframe within which it expects to be able to make those disclosures; and

- (c) where in its annual financial report or (where appropriate) other document the climate-related financial disclosures referred to in (a) can be found;
- (9) a statement setting out:
- (a) whether the *listed company* has met the following targets on board diversity as at a chosen reference date within its accounting period:
    - (i) at least 40% of the individuals on its board of *directors* are women;
    - (ii) at least one of the following senior positions on its board of *directors* is held by a woman:
      - (A) the chair;
      - (B) the chief executive;
      - (C) the senior independent director; or
      - (D) the chief financial officer; and
    - (iii) at least one individual on its board of *directors* is from a *minority ethnic background*;
  - (b) in cases where the *listed company* has not met all of the targets in (a):
    - (i) the targets it has not met; and
    - (ii) the reasons for not meeting those targets;
  - (c) the reference date used for the purposes of (a) and, where this is different from the reference date used for the purposes of reporting this information in respect of the previous accounting period, an explanation as to why; and
  - (d) any changes to the board that have occurred between the reference date used for the purposes of (a) and the date on which the annual financial report is approved that have affected the *listed company's* ability to meet one or more of the targets in (a);
- (10) subject to ■ LR 9.8.6GR, numerical data on the ethnic background and the gender identity or sex of the individuals on the *listed company's* board and in its *executive management* as at the reference date used for the purposes of ■ LR 9.8.6R(9)(a), which should be set out in the format of the tables contained in ■ LR 9 Annex 2 and contain the information prescribed by those tables; and
- (11) an explanation of the *listed company's* approach to collecting the data used for the purposes of making the disclosures in ■ LR 9.8.6 R(9) and ■ (10).

## 9.8.6A

G

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

requirement for PDMRs in article 19 of the *Market Abuse Regulation*. *Persons* who are *directors* during, but not at the end of, the period under review need not be included.

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

**9.8.6B** G For the purposes of ■ LR 9.8.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should undertake a detailed assessment of those disclosures which takes into account:

- (1) Section C of the *TCFD Annex* entitled “Guidance for All Sectors”;
- (2) (where appropriate) Section D of the *TCFD Annex* entitled “Supplemental Guidance for the Financial Sector”; and
- (3) (where appropriate) Section E of the *TCFD Annex* entitled “Supplemental Guidance for Non-Financial Groups”.

**9.8.6C** G For the purposes of ■ LR 9.8.6R(8), in determining whether a *listed company's* climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, the *FCA* considers that the following documents are relevant:

- (1) the *TCFD Final Report* and the *TCFD Annex*, to the extent not already referred to in ■ LR 9.8.6R(8) and ■ LR 9.8.6BG;
- (2) the *TCFD Technical Supplement on the Use of Scenario Analysis*;
- (3) the *TCFD Guidance on Risk Management Integration and Disclosure*;
- (4) (where appropriate) the *TCFD Guidance on Scenario Analysis for Non-Financial Companies*; and
- (5) the *TCFD Guidance on Metrics, Targets and Transition Plans*.

**9.8.6D** G For the purposes of ■ LR 9.8.6R(8), in determining whether climate-related financial disclosures are consistent with the *TCFD Recommendations and Recommended Disclosures*, a *listed company* should consider whether those disclosures provide sufficient detail to enable users to assess the *listed company's* exposure to and approach to addressing climate-related issues.

A *listed company* should carry out its own assessment to ascertain the appropriate level of detail to be included in its climate-related financial disclosures, taking into account factors such as:

- (1) the level of its exposure to climate-related risks and opportunities; and
- (2) the scope and objectives of its climate-related strategy,

noting that these factors may relate to the nature, size and complexity of the *listed company's* business.

- 9.8.6E** G (2) For the purposes of ■ LR 9.8.6R(8), the *FCA* would ordinarily expect a *listed company* to be able to make climate-related financial disclosures consistent with the *TCFD Recommendations and Recommended Disclosures*, except where it faces transitional challenges in obtaining relevant data or embedding relevant modelling or analytical capabilities.
- (2) In particular, the *FCA* would expect that a *listed company* should ordinarily be able to make disclosures consistent with:
- (a) the recommendation and recommended disclosures on governance in the *TCFD Recommendations and Recommended Disclosures*;
  - (b) the recommendation and recommended disclosures on risk management in the *TCFD Recommendations and Recommended Disclosures*; and
  - (c) recommended disclosures (a) and (b) set out under the recommendation on strategy in the *TCFD Recommendations and Recommended Disclosures*, to the extent that the *listed company* does not face the transitional challenges referred to in (1) in relation to such disclosures.
- 9.8.6F** G Where making disclosures on transition plans as part of its disclosures on strategy under the *TCFD Recommendations and Recommended Disclosures*, a *listed company* that is headquartered in, or operates in, a country that has made a commitment to a net zero economy, such as the UK's commitment in the Climate Change Act 2008 (2050 Target Amendment) Order 2019, is encouraged to assess the extent to which it has considered that commitment in developing and disclosing its transition plan. Where it has not considered this commitment in developing and disclosing its transition plan, the *FCA* encourages a *listed company* to explain why it has not done so.
- 9.8.6G** R In relation to ■ LR 9.8.6R(10), where individuals on a *listed company's* board or in its *executive management* are situated *overseas*, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, then a *listed company* may instead explain the extent to which it is unable to make the relevant disclosures.
- 9.8.6H** G Given the range of possible approaches to data collection for reporting on gender identity or sex for the purposes of ■ LR 9.8.6R(10), a *listed company* may add to the categories included in the first column of the table in ■ LR 9 Annex 2.1R (a) in order to reflect the basis on which it has collected data.
- 9.8.6I** G In relation to ■ LR 9.8.6R(11), the *FCA* expects a *listed company's* approach to data collection to be:



- (a) consistent for the purposes of reporting under both ■ LR 9.8.6R(9) and ■ (10), and
- (b) consistent across all individuals in relation to whom data is being reported.

The FCA expects the explanation of a *listed company's* approach to data collection to include the method of collection and / or source of the data, and where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked.

**9.8.6J** **G** In addition to the information required under ■ LR 9.8.6R (9) to ■ (11) (and without prejudice to the requirements of ■ DTR 7.2.8AR), a *listed company* may, if it wishes to do so, include the following in its annual financial report:

- (a) a brief summary of any key policies, procedures and processes, and any wider context, that it considers contribute to improving the diversity of its board and *executive management*;
- (b) any mitigating factors or circumstances which make achieving diversity on its board more challenging (for example, the size of the board or the country where its main operations are located); and
- (c) any risks it foresees in being able to meet or continue to meet the board diversity targets in ■ LR 9.8.6R(9)(a) in the next accounting period, or any plans to improve the diversity of its board.

**9.8.7** **R** An *overseas company* with a *premium listing* must include in its annual report and accounts the information in ■ LR 9.8.6R (5), ■ LR 9.8.6R(6), ■ LR 9.8.6R(8) to ■ (11) and ■ LR 9.8.8R.

- 9.8.7A** **R**
- (1) An *overseas company* with a *premium listing* must comply with ■ DTR 7.2 (Corporate governance statements) as if it were an *issuer* to which that section applies.
  - (2) An *overseas company* with a *premium listing* which complies with ■ LR 9.8.7 R will be taken to satisfy the requirements of ■ DTR 7.2.2 R and ■ DTR 7.2.3 R, but must comply with all of the other requirements of ■ DTR 7.2 as if it were an *issuer* to which that section applies.

**Report to shareholders**

**9.8.8** **R** The report to the shareholders by the Board required by ■ LR 9.8.6R (7) must contain details of the unexpired term of any *director's* 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.

**Information required by law**

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

**Auditors report**

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

- (1) ■ LR 9.8.6R (3) (statements by the *directors* regarding going concern and longer-term viability); and
- (2) the parts of the statement required by ■ LR 9.8.6R (6) (corporate governance) that relate to Provisions 6 and 24 to 29 of the *UK Corporate Governance Code*.

**9.8.11** **R** [deleted]

**9.8.12** **R** [deleted]

**Strategic report with supplementary information**

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**9.8.13** **R** Any strategic report with supplementary information provided to shareholders by a *listed company* as permitted under section 426 of the Companies Act 2006, must disclose:

- (1) earnings per share; and
- (2) the information required for a strategic report set out in or under the Companies Act 2006 and the supplementary material required under section 426A of the Companies Act 2006.



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## THE MODEL CODE (R)

Table: The Model Code [deleted]



## Data on the diversity of the individuals on a listed company’s board and in its executive management

The following tables set out the information a *listed company* must include in its annual financial report under ■ LR 9.8.6R(10), and the format in which it must be set out.

(a) Table for reporting on gender identity or sex

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men					
Women					
[Other categories]					
Not specified/ prefer not to say					
[Note: the placeholder for 'Other categories' is optional and should be used to indicate additional categories which a listed company may wish to include in accordance with LR 9.8.6HG.]					

(b) Table for reporting on ethnic background

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)					
Mixed/Multiple Ethnic Groups					
Asian/Asian British					
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Not specified/ prefer not to say					