Chapter 9

Continuing obligations
9.1 Preliminary

Application

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

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

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

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

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.

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.

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

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

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

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.

(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).
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 in the United Kingdom, 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 (or with corresponding requirements imposed by another EEA Member State) must comply with ■ DTR 4, ■ DTR 5 and ■ DTR 6 as if it were an issuer for the purposes of the transparency rules.

9.2.6C R A listed company that is not already required to comply with:

(1) ■ DTR 7.3 (Related party transactions); or

(2) requirements imposed by another EEA State that correspond to ■ DTR 7.3;

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 IFRS” are replaced by:

“has the meaning:
(a) in 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 IFRS by the European Commission in accordance with Commission Regulation (EC) No. 1569/2007 of 21 December 2007 establishing a mechanism for the determination of equivalence of accounting standards applied by third country issuers of securities pursuant to Directives 2003/71/EC and 2004/109/EC of the European Parliament and of the Council,

(i) in 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).

9.2.7 ■

(1) (2) [deleted]

9.2.8 ■ [deleted]

9.2.8A ■ [deleted]

9.2.9 ■ [deleted]

9.2.10 ■ [deleted]

Contact details

9.2.11 ■

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 ■

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 ■

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

[deleted]

A listed company must comply with LR 6.14.1R to LR 6.14.3R at all times.

Where the FCA has modified LR 6.14.1R to accept a percentage lower than 25% on the basis that the market will operate properly with a lower percentage, but the FCA considers that in practice the market for the shares is not operating properly, the FCA may revoke the modification in accordance with LR 1.2.1 R (4).

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.

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).

LR 9.2.18 R does not apply to:

(1) pro forma financial information prepared in accordance with Annex 1 and Annex 20 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  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. Where the provisions of LR 5.2.5 R (2), LR 5.4A.4 R (3)(b)(ii), LR 5.4A.4R(3)(c)(ii) or LR 9.2.2E R require that the resolution must in addition be approved by the 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.

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 or LR 9.2.21 R.

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 9.8.4AR.

**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

Proxy forms

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

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 [deleted]
Sanctions

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.

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

Pre-emption rights

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.

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; or

(5) an open-ended investment company.
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 undertakings (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 9.4.2 R (2), the following information must be disclosed in the first annual report published by the listed company after the date on which the relevant individual becomes eligible to participate in the arrangement:

   (1) all of the information prescribed in ■ LR 13.8.11 R;
   
   (2) the name of the sole participant;
   
   (3) the date on which the participant first became eligible to participate in the arrangement;
(4) an explanation of why the circumstances in which the arrangement was established were unusual;

(5) the conditions to be satisfied under the terms of the arrangement; and

(6) the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

Discounted option arrangements

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.

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.

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 placees are committed to take up whatever is placed with them;

(3) the price paid by the placees 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.
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.

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**

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

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.

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.

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.

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**

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%**

(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:

(a) the terms of the offer or placing at that discount have been specifically approved by the issuer’s shareholders; or

(b) it is an issue of shares for cash or the sale of treasury shares for cash under a pre-existing general authority to disapply section 561 of the Companies Act 2006 (Existing shareholders’ rights of pre-emption).

(4) The listed company must notify a RIS as soon as possible after it has agreed the terms of the offer or placing.

**Offer for sale or subscription**

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, 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

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 A listed company must forward to the FCA for publication through the document viewing facility, two copies of all circulars, notices, reports or other documents to which the listing rules apply at the same time as they are issued.

9.6.2 A listed company must forward to the FCA, for publication through the document viewing facility, two copies of all resolutions passed by the listed company other than resolutions concerning ordinary business at an annual general meeting as soon as possible after the relevant general meeting.

9.6.3 (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 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.
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.

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

1. the appointment of a new director stating the appointees name and whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility of the position;

2. the resignation, removal or retirement of a director (unless the director retires by rotation and is re-appointed at a general meeting of the listed company’s shareholders);

3. important changes to the role, functions or responsibilities of a director; and

4. the effective date of the change if it is not with immediate effect;

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

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.

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 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 9.6.13R (2) to 9.6.13R (6); and

(2) any new directorships held by the director in any other publicly quoted company.

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

Notification of lock-up arrangements

9.6.16 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 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

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

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

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.

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.

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 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 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

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

[Note: LR 9.8 does not apply to a listed company with a financial year ending before 30 September 2013, or to a listed company with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013. As set out in LR TR 11, a listed company with a financial year ending before 30 September 2013, or a listed company with a financial year ending on or after 30 September 2013 whose annual financial report has been made public on or before 13 December 2013, must instead comply with the requirements set out in LR App 2.]

9.8.1 [deleted]

9.8.2 [deleted]

9.8.3 [deleted]

9.8.4 Information to be included in annual report and accounts

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 securities, 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;
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.

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.

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.

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.

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.

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 C.1.3 of the UK Corporate Governance Code); and

(b) their assessment of the prospects of the company (containing the information set out in provision C.2.2 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 2of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and
(d) in the case of sales of treasury shares for cash made otherwise than through the market, or in connection with an employees' share scheme, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the listed company's securities (or to all holders of a relevant class of its securities) on the same terms, particulars of the names of purchasers of such shares sold, or proposed to be sold, by the company during the period under review;

(5) a statement of how the listed company has applied the Main Principles set out in 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; and

(7) a report to the shareholders by the Board which contains the information set out in LR 9.8.8 R.

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.

9.8.7  R

An overseas company with a premium listing must include in its annual report and accounts the information in LR 9.8.6R (5), LR 9.8.6R (6) and LR 9.8.8 R.
(1) An overseas company with a premium listing that is not required to comply with requirements imposed by another EEA State that correspond to DTR 7.2 (Corporate governance statements) must comply with DTR 7.2 as if it were an issuer to which that section applies.

(2) An overseas company with a premium listing which complies with LR 9.8.7R will be taken to satisfy the requirements of DTR 7.2.2R and DTR 7.2.3R, but (unless it is required to comply with requirements imposed by another EEA State that correspond to DTR 7.2) must comply with all of the other requirements of DTR 7.2 as if it were an issuer to which that section applies.

Report to shareholders

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

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

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 the following provisions of the UK Corporate Governance Code:
   (a) C.1.1;
   (b) C.2.1 and C.2.3; and
   (c) C.3.1 to C.3.8.

Strategic report with supplementary information

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.
THE MODEL CODE (R)

Table: The Model Code [deleted]