

**LISTING RULES (TREASURY SHARES) INSTRUMENT 2003****Powers exercised**

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act (“the Act”):
- (1) section 74 (The official list);
  - (2) section 101 (Listing rules: general provisions); and
  - (3) section 157(1) (Guidance).

**Commencement**

- B. This instrument comes into force on 1 December 2003.

**Amendments to the Listing Rules**

- C. The Listing Rules are amended in accordance with Annex A to this instrument.

**Guidance**

- D. The UKLA Guidance Manual is amended in accordance with Annex B to this instrument.

**Citation**

- E. This instrument may be cited as the Listing Rules (Treasury Shares) Instrument 2003.

By Order of the Board  
15 October 2003

## Annex A

### Amendments to the Listing Rules

#### Part I- Text of principal additions and amendments to Chapter 15 of the Listing Rules

In this Annex underlining indicates new text and striking through indicates deleted text. Where an entire new section of text is being inserted, the place where it goes is indicated and it is not underlined.

...

15.9 Any purchase of the company's own equity shares by or on behalf of the company, or any other member of its group must be notified to a Regulatory Information Service as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which that purchase occurred. The notification must include:

- (a) the date of the purchase;
- (b) the number of equity shares purchased; ~~and~~
- (c) the purchase price for each of the highest and lowest prices paid, where relevant;
- (d) a statement as to what number of the equity shares were purchased for cancellation and what number were purchased in order to be held as treasury shares; and
- (e) where equity shares were purchased to be held as treasury shares, a statement of:
  - (i) the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares; and
  - (ii) the number of shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares.

...

15.15 Any purchases, early redemptions or cancellations of the company's own listed securities other than equity shares by or on behalf of the company or any other member of the group of which it is part must be notified to a Regulatory Information Service when an aggregate of 10% of the initial amount of the relevant class of securities has been purchased, redeemed or cancelled and for each 5% in aggregate of the initial amount of that class acquired thereafter. Such notifications must be made as soon as possible and in any event no later than 7.30am on the business day following the calendar day on which the relevant threshold is reached or exceeded.

The notification must state the amount of securities acquired, redeemed or cancelled since the last such notification, the amount of the class of securities remaining outstanding and whether or not the securities are to be cancelled. In addition, where the company purchases or makes an early redemption of shares other than equity shares, the notification must also include:

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

After 15.18, insert the following new text.

## **Treasury Shares**

### **Model Code**

- 15.19 (a) Sales for cash, or transfers for the purposes of or pursuant to an employees' share scheme, of treasury shares must not be made at a time when, under the provisions of the Model Code, a director of the company would be prohibited from dealing in the securities of that company.
- (b) The prohibition in paragraph 15.19(a) does not apply to sales or transfers by a company of treasury shares in the circumstances set out below:
- (i) transfers of shares arising out of the operation of an employees' share scheme into a saving scheme investing only in securities of the listed company following:
    - (a) exercise of an option under a savings related share option scheme; or
    - (b) release of shares from a profit sharing scheme;
  - (ii) with the exception of a disposal of securities received by a director as a participant, dealings in connection with an Inland Revenue approved "Save-as-you-earn" share option scheme, or any other employees' shares scheme under which participation is extended, on similar terms to those contained in an Inland Revenue approved "Save-as-you-earn" share option scheme, to all or most employees of the participating companies in that scheme;

- (iii) with the exception of a disposal of securities received by a director as a participant, dealing in connection with an Inland Revenue approved profit share scheme, or any similar profit share scheme under which participation is extended, on similar terms to those contained in an Inland Revenue approved profit share scheme, to all or most employees of the participating companies in that scheme;
- (iv) arrangements which involve a sale of securities in the listed company with the intention of making a matched purchase of such securities on the next business day;
- (v) transfers of shares already held by means of a matched sale and purchase into a saving scheme or into a pension scheme in which the relevant directors is a participant or beneficiary;
- (vi) the cancellation or surrender of an option under an employees' share scheme; and
- (vii) transfers of securities by an independent trustee of an employees' share scheme to a beneficiary who is not a director or a relevant employee.

15.20 The prohibition in paragraph 15.19 does not apply to sales or transfers by a company of treasury shares belonging to a class whose price or value would not be likely to be substantially affected by the publication of the information giving rise to the prohibited period. However, this paragraph does not permit the sale or transfer of treasury shares that are either equity shares or shares belonging to a class whose price or value is ordinarily affected by the knowledge of major new developments in the company's sphere of activity.

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

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

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

- (ii) the number of shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the allotment and non-cancellation of such shares.

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

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

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

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

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

- (a) to a small number of persons who are specifically approved by shareholders in general meeting and who have been named in the circular for the general meeting; or
- (b) pursuant to a general disapplication of section 89 of the Companies Act 1985 approved by shareholders in general meeting.

15.25 The prohibition in paragraph 15.23 will not apply to transfers of treasury shares for cash by a company to an employee share scheme under which participation is offered on similar terms to all or substantially all employees of the issuer and its subsidiaries.

## Part II - Text of consequential amendments to the Listing Rules

...

### Definitions

...

Insert the following new definition in the appropriate alphabetical position.

treasury shares: are qualifying shares to which sections 162A to 162G of the Companies Act 1985 apply

...

3.13 For the purposes of paragraph 3.12, a controlling shareholder is any person (or persons acting jointly by agreement whether formal or otherwise) who is:

- (a) entitled to exercise, or to control the exercise of, 30% or more of the rights to vote at general meetings of the applicant (but the rights to vote attaching to any treasury shares held by a company are not to be taken into account when calculating a person's percentage of rights to vote under this paragraph); or
- (b) able to control the appointment of directors who are able to exercise a majority of votes at board meetings of the applicant.

...

...

3.16 Except where securities of the same class are already listed, the expected aggregate market value of all securities (excluding treasury shares) to be listed must be at least:

- (a) £700,000 for shares; and
- (b) £200,000 for debt securities (except there is no minimum limit in the case of tap issues where the amount of the debt securities is not fixed).

...

3.21A For the purposes of paragraphs 3.19 and 3.21, treasury shares are not taken into consideration when calculating the percentage of a class of shares in the hands of the public.

...

3.23 In the absence of exceptional circumstances the issue of warrants or options to subscribe for equity shares must be limited to not more than 20% of the issued equity share capital (calculated exclusive of treasury shares) of the applicant at the time of issue of the warrants or options. Rights under employees' share schemes will not be included for the purpose of this 20% limit.

...

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

...

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

...

## APPENDIX 2 TO CHAPTER 5

...

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

3. The exempt listing document must contain:

...

- (f) a statement that application has been made for listing, the date on which the shares will be admitted to listing and on which dealings will commence and:
- (i) in the case of shares, the nominal or accounting par value of the shares, the number of each class of shares held as treasury shares and the information required by paragraphs 6.B.7 and 6.B.8 (summary of rights of shares);

...

...

- 6.C.9 The amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the shares of which it is composed with details of their principal characteristics and the number of each class of shares held as treasury shares; if any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of the shares not yet fully paid up,



broken down, where applicable, according to the extent to which they have been paid up.

...

6.C.15 The names of the persons, so far as they are known to the issuer, who, directly or indirectly, jointly or severally, exercise or could exercise control over the issuer, and particulars of the proportion of the voting capital held by such persons. For these purposes;

(a) joint control means control exercised by two or more persons who have concluded an agreement which may lead to their adopting a common policy in respect of the issuer; and

(b) treasury shares are not to be taken into account when calculating the proportion of voting control held by any person in relation to whom disclosure is required under this paragraph.

6.C.16 In so far as is known to the issuer, the name of any person, other than a director and other than the issuer itself by virtue of it holding treasury shares, who, directly or indirectly, is interested in 3% or more of the issuer's capital (calculated exclusive of treasury shares), together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement.

...

6.J.9 The amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities of which it is composed with details of their principal characteristics and the number of each class of shares held as treasury shares; if any part of the issued capital is still to be paid up, a statement of the number, or total nominal value, and the type of securities not yet fully paid up, broken down, where applicable, according to the extent to which they have been paid up.

...

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

...

#### **Additional documents for new applicants**

(g) in the case of a new applicant:

...

- (iii) if requested by the UK Listing Authority, where any corporate shareholder (other than the applicant itself by virtue of it holding treasury shares) holds 5% or more of the issued equity shares (calculated exclusive of treasury shares), a declaration by a duly authorised officer of that corporate shareholder, giving details of its registered office, directors, shareholders and objects and such other details as the UK Listing Authority shall require;

## CHAPTER 9 CONTINUING OBLIGATIONS

### Scope of chapter

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

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

...

- 9.18 (a) Unless shareholders otherwise permit, a company proposing to issue equity securities for cash or sell treasury shares that are equity securities for cash must first offer those securities to existing equity shareholders (other than the company itself by virtue of it holding treasury shares) and to holders of other equity securities of the company who are entitled to be offered them in proportion to their existing holdings (see also paragraphs 9.20 and 14.8). Only to the extent that the securities are not taken up by such persons under the offer may they then be issued for cash to others or otherwise than in the proportion mentioned above.

- (b) To the extent that a company is proposing to sell treasury shares that are equity securities for cash to an employee share scheme, a company need not comply with paragraph 9.18(a) above.

...

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

otherwise than to existing shareholders in proportion to their existing holdings will be permitted in accordance with that authorisation.

...

9.43 Where power is taken in the articles to impose sanctions on a shareholder who is in default in complying with a notice served under section 212 of the Companies Act 1985:

...

(b) for a shareholding of less than 0.25% of the relevant class (calculated exclusive of treasury shares), the only sanction the articles may provide for is a prohibition against attending at meetings and voting; for a shareholding of 0.25% or more of the relevant class (calculated exclusive of treasury shares), the articles may also provide:

(i) for the withholding of the payment of dividends (including shares issued in lieu of dividend) on the shares concerned; and

(ii) for the placing of restrictions on the transfer of the shares, provided that restrictions on transfer do not apply to a sale to a bona fide unconnected third party (such as a sale through an RIE or an overseas exchange or by the acceptance of a takeover offer); and

...

10.5 The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:

...

(d) **Consideration to market capitalisation** - the consideration divided by the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company (see also paragraphs 10.14 and 10.17 (b) and (d)); and

...

...

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

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

...

...

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

...

- (c) in the case of the shares and debt securities aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those shares and debt securities, if available, before the announcement, or their nominal value; ~~and~~
- (d) in the case of market capitalisation for the purposes of the percentage ratio in paragraph 10.5(d), the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company at the close of business on the last day immediately preceding the announcement. In certain circumstances, the UK Listing Authority may agree to include the market value of other listed equity securities to determine the market capitalisation of the listed company; and
- (e) in the case of shares and debt securities aggregated for the purposes of the gross capital percentage ratio in paragraph 10.15(b), any treasury shares held by the company are not to be taken into account.

...

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

...

#### **Issue of new securities and sale of treasury shares**

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

...

12.43 The following items must, unless the UK Listing Authority otherwise agrees, be included in the annual report and accounts:

...

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

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

...

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

- (a) an employees' share scheme if the scheme involves or may involve the issue of new shares or the transfer of treasury shares; and
- (b) subject to the provisions of paragraph 13.13A, a long-term incentive scheme in which one or more directors of the issuer is eligible to participate.

...

14.7 A circular in connection with a resolution proposing to grant the directors authority to allot relevant securities (as that term is defined in section 80 of the Companies Act 1985) must include:

(a) a statement of the maximum amount of relevant securities which the directors will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue (calculated exclusive of treasury shares) as at a date not more than one month prior to the date of the circular;

(aa) a statement of the number of treasury shares held by the company as at the date not more than one month prior to the date of the circular and the percentage which that amount represents of the total ordinary share capital in issue (calculated exclusive of treasury shares) as at the date not more than one month prior to the date of the circular;

.....

14.12 A circular containing an offer to shareholders of the right to elect to receive shares in lieu of all or part of a cash dividend must include:

(a) a statement of the total number of shares that would be issued if all eligible shareholders were to elect to receive shares in respect of their entire shareholdings, and the percentage which that number represents of the equity shares (excluding treasury shares) in issue at the date of the circular;

...

## **CHAPTER 15**

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

#### **Scope of chapter**

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

The main headings are:

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

### 15.19 treasury shares

...

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

...

- (f) the total numbers of warrants and options to subscribe for equity shares that are outstanding at the latest practicable date prior to publication of the circular and both the proportion of issued share capital (excluding treasury shares) that they represent at that time and that they will represent if the full authority to buyback shares (existing and being sought) is used.

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

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

The working capital statement required under this paragraph must be based on the assumption that the authority sought will be used in full at the maximum price allowed and this assumption must be stated.

### **Purchases of less than 15%**

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

### **Purchases of 15% or more**

- 15.7 Purchases by a company of 15% or more of any class of its equity shares (excluding treasury shares) pursuant to a general authority granted by shareholders must be made by way of either a tender or a partial offer to all shareholders of that class on the same terms. Where a series of purchases is made pursuant to a general authority granted by shareholders, which in aggregate amounts to 15% or more of the number of shares of the relevant class which were in issue immediately following the shareholders meeting at which the general authority to purchase was granted, a tender or partial offer need only be made in respect of any purchase that takes the aggregate to or

above that level. Purchases that have been specifically approved by shareholders are not to be taken into account in determining whether the 15% level has been reached.

...

- 15.14 Where within a period of 12 months a company purchases warrants or options to subscribe or purchase its own equity shares which on exercise convey entitlement to shares representing 15% or more of the company's existing issued shares (excluding treasury shares), the company must send to its shareholders a circular containing the following information:

...

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

...

- (e) paragraph 10.5(d) does not apply, but when any of the consideration for an acquisition is in shares an alternative test will be applied comparing the shares to be issued with the number of shares in issue (excluding treasury shares);

...

- 19.1 The following definitions apply:

- (a) a "mineral company" is a company or group of which a principal activity is, or is planned to be, the extraction of mineral resources (which may or may not include exploration for mineral resources). In determining what constitutes a principal activity, the UK Listing Authority will have regard to all the circumstances, including whether the activity represents 25% or more of gross revenue, operating expenses, assets or market capitalisation of the company or group (for these purposes, treasury shares are not be taken into account when calculating a company's market capitalisation);

...

- 19.3 A new applicant, which is a mineral company, must:

...

### **Value of reserves**

- (d) demonstrate that, immediately prior to its application for admission to listing, the aggregate value (see paragraph 19.15(1)) of its proven and probable reserves as estimated in the competent person's report, required by paragraph 19.4(a), is not less than 50% of the expected aggregate market value of its equity share capital



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

...

21.20 An investment company (other than an investment trust) must continue to comply with paragraph 21.9(g) and (h). An investment company (including an investment trust) must continue to comply with paragraph 21.9(d) and must comply with the applicable continuing obligations set out in the listing rules, modified by paragraphs 21.22 to 21.25 and, in the case of overseas companies, by chapter 17, save that:

...

(c) for open-ended investment companies, paragraphs 9.11, 9.12 and 9.14 (notification of major interests in shares) do not apply (but interests of any one person or entity which exceed 10% of the issued shares (calculated exclusive of treasury shares) of any class in the capital of the company must, so far as they are known to the company, be notified to a Regulatory Information Service without delay following the company becoming aware of those interests);

...

(g) chapter 15 (purchase of own securities and provisions relating to shares held in treasury) does not apply to open-ended investment companies;

...

(j) for an investment company (including an investment trust), dealings by directors, and purchases by the company of its own securities and, in respect of treasury shares, sales for cash and transfers (except for sales or transfers by a company of treasury shares in the circumstances set out in paragraph 15.19(b)) during a close period which would otherwise be prohibited under the provisions of the Model Code, may be permitted if the UK Listing Authority is satisfied that all price sensitive information which the directors and the company may have in periods leading up to an announcement of results has previously been notified to a Regulatory Information Service. The UK Listing Authority must be consulted at an early stage.

...

21.21 Unless authorised by the shareholders, a closed-ended investment company may not issue further shares of the same class as existing shares for cash at a price below the net asset value per share of those shares unless they are first offered pro rata to existing holders of shares of that class. When calculating the net asset value per share under this paragraph any treasury shares held by the company are not to be taken into account.

...

27.5 In the application of chapter 3 to a strategic investment company, the requirements of paragraphs 3.3(a) (audited accounts for three years) and 3.6 (nature and duration of business activities) are modified as follows:

...

- (e) the company must have a market capitalisation on admission of at least £100m (based on the issue price and shares, other than treasury shares, in issue on admission); and

...

...

**SCHEDULE 1A**

**SPONSOR'S CONFIRMATION OF INDEPENDENCE**

To: UK Listing Authority .....20....

Full name of sponsor: .....("the sponsor")

Full name of issuer: ..... ("the issuer")

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

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

Issuer or group company	Nature of holding	Holding	%*	Name of beneficial owner
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or

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

and either

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

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

or

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

and either

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

Name	Employer	Company of which individual is a director
------	----------	---

and confirm that the individual(s) will take no part in the sponsor's activities in relation to this transaction;

or

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

and either

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

or

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

SIGNED BY .....

Partner/director or duly authorised officer,

for and on behalf of

.....

Name of sponsor

### **Confirmation of independence by the Compliance Department**

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

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

SIGNED BY .....

Compliance Officer

for and on behalf of

.....

Name of sponsor

~~Notes deleted—December 2001~~ \*Treasury shares are not to be included in the number of shares of the relevant class when calculating percentage holding.

## SCHEDULE 10

### NOTIFICATION OF MAJOR INTERESTS IN SHARES

AVS  
NO

All relevant boxes should be completed in block capital letters.

<b>1.</b> Name of company		<b>2.</b> Name of shareholder having a major interest	
<b>3.</b> Please state whether notification indicates that it is in respect of holding of the shareholder named in 2 above or in respect of a non-beneficial interest or in the case of an individual holder if it is a holding of that person's spouse or children under the age of 18		<b>4.</b> Name of the registered holder(s) and, if more than one holder, the number of shares held by each of them	
<b>5.</b> Number of shares/amount of stock acquired	<b>6.</b> Percentage of issued class ( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )	<b>7.</b> Number of shares/amount of stock disposed	<b>8.</b> Percentage of issued class ( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )
<b>9.</b> Class of security		<b>10.</b> Date of transaction	<b>11.</b> Date company informed

12. Total holding following this notification	13. Total percentage holding of issued class following this notification ( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )
14. Any additional information	15. Name of contact and telephone number for queries
16. Name and signature of authorised company official responsible for making this notification  Date of notification _____ 20 _____	

**SCHEDULE 11**

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

AVS   
NO

All relevant boxes should be completed in block capital letters.

1. Name of company	2. Name of director
3. Please state whether notification indicates that it is in respect of holding of the shareholder named in 2 above or in respect of a non-beneficial interest or in the case of an individual holder if it is a holding of that person's spouse or children under the age of 18 or in respect of an non-beneficial interest	4. Name of the registered holder(s) and, if more than one holder, the number of shares held by each of them (if notified)
5. Please state whether notification relates to a person(s) connected with the director named in 2 above and identify the connected person(s)	6. Please state the nature of the transaction. For PEP transactions please indicate whether general/single co PEP and if discretionary/non discretionary /non discretionary



7. Number of shares/amount of stock acquired	8. Percentage of issued class( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )	9. Number of shares/amount of stock disposed	10. Percentage of issued class ( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )
11. Class of security	12. Price per share	13. Date of transaction	14. Date company informed
15. Total holding following this notification		16. Total percentage holding of issued class following this notification ( <u>any treasury shares held by company should not be taken into account when calculating percentage</u> )	

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

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

## Annex B

### Changes to UKLA Guidance Manual

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

#### THE CONTINUING OBLIGATIONS GUIDE

##### The UKLA's guide to the continuing obligations regime

...

#### 1. INTRODUCTION

...

##### Sources of the continuing obligations

1.2 The requirements relating to the continuing obligations can be found, principally, in the following chapters of the listing rules:

- Chapter 9 – general provisions of continuing obligations
- Chapter 10 – transactions
- Chapter 11 – transactions with related parties
- Chapter 12 – financial information
- Chapters 13 and 14 – documents not requiring prior approval and circulars
- Chapter 15 – purchase of own securities and provisions relating to shares held in treasury
- Chapter 25 – innovative high growth companies

#### 4 Notification: share dealings and shareholders

...

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

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

4.25 **Listed companies** must:

...

- b) notify an RIS of:

...

- (iii) any purchase by or on behalf of the company of its own equity shares **as soon as possible** and no later than 7.30 am on the next business day; ~~and~~
- (iv) any purchases, early redemption or cancellation of its own non-equity shares when an aggregate 10% of the initial amount of the securities (and each aggregate 5% thereafter) is purchased, redeemed or cancelled **by 7.30 am on the following day**;
- (v) any allotment of shares to the company, by virtue of it holding treasury shares, as part of a capitalisation or bonus issue by the company **as soon as possible** and no later than 7.30 am on the next business day; and
- (vi) any sale, transfer out of treasury or cancellation of treasury shares **as soon as possible** and no later than 7.30 am on the next business day.

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

...

- b) for purchases of equity securities:
  - (i) the date of purchase;
  - (ii) the number of shares purchased;
  - (iii) the price paid, or the highest and lowest prices paid;
  - (iv) a statement as to what number of the equity shares were purchased for cancellation and what number were purchased in order to be held as treasury shares;
  - (v) where equity shares were purchased to be held as treasury shares, a statement of:
    - (a) the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares;
    - (b) the number of shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares;
- c) for purchases, early redemptions or cancellations of non-equity securities:

...

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

(iii) the sale or transfer price for each of the highest and lowest prices paid, where relevant;

(iv) a statement of:

(a) the total number of treasury shares of each class held by the company following the sale, transfer or cancellation of such shares; and

(b) the number of shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the sale, transfer or cancellation of such shares.

...

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

...

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

...

7.4 The percentage ratios are the figures, expressed as a percentage, resulting from each of the following calculations:

d) Consideration to market capitalisation – the consideration divided by the aggregate market value of all the ordinary shares (excluding treasury shares) of the listed company.

...

## Appendix 5

### PIP SERVICE CRITERIA

#### Procedures in relation to applications for the approval of services provided by a Primary Information Provider (“PIP”)

...

Appendix to PIP service criteria – Headline categories for use with regulatory announcements

...	
<b>HIGH PRIORITY</b>	
Headline category	Description
<b>1<sup>st</sup> Quarter Results</b>	<b>First quarter financial results</b>
...	
<del><b>Purchase of Own Securities</b></del>	<del><b>Notification of a share buy back</b></del>
<b><u>Transaction in Own Shares</u></b>	<b><u>Notification of a transaction involving own shares, including a purchase, sale, redemption, cancellation, transfer or allotment</u></b>
<b>Re Agreement</b>	<b>Statement regarding an agreement between entities</b>
...	