London Stock Exchange
Admission and Disclosure Standards

EFFECTIVE: 1 October 2018 [X] 2019
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### SCHEDULE 6 – ADMISSION TO TRADING ONLY

### SCHEDULE 7 - SHANGHAI-LONDON STOCK CONNECT SEGMENT

100102
Glossary

The following terms have the following meanings when used in the Standards unless the context otherwise requires. For any defined terms not listed here, please refer to the Rules of the London Stock Exchange.

Where UK legislative or regulatory references are used in the Standards, these should be read as referring to the law or regulation in force from time to time.

For the avoidance of doubt: (i) reference to any EU regulation as applied in the UK means a reference to the relevant regulation as it is applied in the UK pursuant to the European Union (Withdrawal) Act 2018 following the UK’s departure from the EU; and (ii) references to regulated market and MTF are references to UK regulated markets and UK MTFs unless stated otherwise.

The High Growth Segment rulebook at Schedule 5 contains a separate glossary which should be read in conjunction with that schedule only.

Admission and Disclosure Standards (Standards) the Exchange’s Admission and Disclosure Standards for securities admitted or seeking to be admitted to trading, as set out in this document (including the schedules), as amended from time to time.

admission/admitted or admission/admitted to trading or admission/admitted to trading on our markets

Admission to Trading Only or ATT Only ‘Admission to Trading Only’ allows eligible issuers to trade on the Exchange’s trading services on the basis of a listing on a suitable exchange, where the issuer has agreed to comply with the Standards. ‘Admission to Trading Only’ is part of the Exchange’s UK MTF. Securities admitted to ‘Admission to Trading Only’ are not admitted to the Official List.

AIM the Exchange’s market for smaller, growing companies. Securities admitted to AIM are not admitted to the Main Marketregulated market.

applicant an issuer that is proposing to apply, or is applying, for admission to trading of any of its securities.

application an application made by an applicant.

block admission an issuer may apply for a block admission of a specified number of securities if:
ADMISSION AND DISCLOSURE STANDARDS

(a) the securities are not allotted prior to admission;

(b) no prospectus or listing particulars are required for the securities; and

(c) the application process can be made more efficient due to the frequent or irregular nature of allotments.

Examples may include an employee share scheme or a regular savings scheme and the exercise of options.

bonus issue
issue of shares to existing shareholders, free of charge, in proportion to their holding.

business day
any day on which the Exchange is open for dealing.

capital reorganisation
reorganisation of a company’s share capital resulting in a change in nominal value.

capitalisation issue
see “bonus issue”.

capitalisation of reserves
distributing existing financial reserves to existing shareholders by issuing extra shares, free of charge, in proportion to their holding.

central counterparty
a body that assumes the risk for central counterparty transactions.

central counterparty security
a security designated by the Exchange and a central counterparty as eligible for central counterparty processing.

central counterparty transactions
an electronically matched order on the trading system in a central counterparty security.

central securities depositary
an entity which operates a system enabling clients to hold, manage and transfer securities by book entry.

class
securities, the rights attaching to which are, or will be, identical and which form a single issue (or series of issues).

Compliance Procedures
the compliance procedures as issued by the Exchange from time to time, setting out procedures for the Exchange when imposing sanctions on an issuer who has contravened the Standards and procedures for issuers in relation to appeals regarding the Exchange’s application and interpretation of the Standards, contained herein.

conversions
conversion from one class of security to another (e.g. Preference to Ordinary).

competent authority
a competent authority for listing and approval of prospectuses in the relevant UK or EEA member state. In the UK, this is the primary market function of the
consolidations where a company changes the structure of its share capital by reducing the number of shares it has in issue and increasing the nominal value and share price.

covered warrant a listed security issued by a party other than the issuer or originator of the underlying asset, that gives the holder the right, but not the obligation, to buy or sell an underlying asset at a specified price during, or at the end of, a specified time period.

currency elections distribution of cash to shareholders in proportion to their holdings, where holders have the option to elect for payment in alternative currencies.

Datasync Email Service the Datasync Email Service is disseminated hourly from 10:00 to 18:00. Subscribers receive an email containing a report in an excel format which provides advanced notification of revisions to Exchange reference data and details updates to the trading system, which are effective on the following trading day.

debt securities securities representing a loan from an investor to an issuer for which an issuer generally promises to pay a certain amount in excess of the nominal rate (usually deemed interest) on a specified date. For example debentures, debenture or loan stock, bonds and notes, whether secured or unsecured.

demergers free distribution of stock in a subsidiary company or a holding in another company to existing shareholders.

deposit agreement an appropriate agreement in place between an issuer of depositary receipts and its depositary bank

depository bank the bank who issues the depositary receipts.

depository receipt (DR) a transferable certificate that represents shares in a company and confers certain rights in respect of those shares, issued by a depositary bank for the purposes of admission to trading.

designated representative a representative of the issuer (not being an employee of the issuer) acting on behalf of the issuer as the primary day-to-day contact point with the Exchange on regulatory matters.

Disclosure Guidance and Transparency Rules (DTR) the Disclosure Guidance and Transparency Rules of the FCA, which can be found in the FCA Handbook
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<td>Dividend Re-Investment Program (DRIP)</td>
<td>Cash dividend where holders have the option to reinvest the cash into existing shares of the company at the market price.</td>
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<tr>
<td>Dividend Re-Investment Scheme (DRIS)</td>
<td>Cash dividend where holders have the option to reinvest the cash into new shares of the company at the market price or net asset value.</td>
</tr>
<tr>
<td>EEA</td>
<td>The European Economic Area. Includes all current EU member states plus Iceland, Liechtenstein and Norway.</td>
</tr>
<tr>
<td>EEA ETFs</td>
<td>An ETF incorporated in a jurisdiction within the EEA and which is listed with an EEA competent authority (excluding the UKLA).</td>
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<td>Enfranchisements</td>
<td>Change of voting rights in a class of shares, normally by a conversion into a new class.</td>
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<td>EU MTF</td>
<td>An MTF which operates in accordance with Title II of MiFID.</td>
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<td>EU regulated market</td>
<td>A regulated market which is authorised and functions regularly and in accordance with Title III or MiFID.</td>
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<td>Exchange</td>
<td>London Stock Exchange plc, which trades as “London Stock Exchange”.</td>
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<td>Exchange Traded Funds (ETFs)</td>
<td>Listed funds that track the performance of an underlying index or basket and can be traded in the same way as an ordinary share.</td>
</tr>
<tr>
<td>Exchange Traded Products (ETPs)</td>
<td>Listed securities (asset backed notes) that track the performance of a single underlying index or basket. Exchange Traded Commodities (ETCs) and Exchange Traded Notes (ETNs) are classified as ETPs.</td>
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<tr>
<td>‘ex’ date</td>
<td>When a stock or dividend is issued by a company it is based upon an “on register” or “record date”. However, to create a level playing field, when shares are traded on the Exchange, during a benefit event (e.g. a dividend payment) an ‘ex’ date is set. Before this ‘ex’ date, if the shares are sold, the buying party is entitled to the benefit. If the benefit is received by the selling party the selling party will be required to pass on the benefit to the buying party.</td>
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<td>FCA</td>
<td>Financial Conduct Authority.</td>
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<td>FCA Handbook</td>
<td>The FCA Handbook of rules and guidance.</td>
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<td>FCA recognition status</td>
<td>Recognition of UCITS under section 272 of FSMA or temporary recognition under Part 6 of the Collective Investment Schemes (Amendment etc.) (EU Exit) Directive.</td>
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Regulations 2018.

Form 1
the Exchange’s form to complete for formal application of admission of securities to trading. Form 1 can be found on our website at: www.londonstockexchange.com/mainmarket/usefuldocuments.

freely negotiable transferable securities shall be considered freely negotiable if they can be traded between the parties to a transaction, and subsequently transferred without restriction, and if all securities within the same class as the security in question are fungible.


High Growth Segment
the High Growth Segment of the Main Market, principally for high growth, trading businesses that intend in due course to seek admission to the Official List but that may not yet meet the applicable eligibility criteria, in particular due to having a lower proportion of securities in public hands. The High Growth Segment is part of the Exchange’s regulated market, and companies must meet the associated requirements set by relevant EU directives and regulations. Securities admitted to the High Growth Segment are not admitted to the Official List.

investment entities collective investment undertakings of the closed-end type.

ISM International Securities Market of the Exchange, which is a specialist market tailored to professional investors. ISM is an MTF operated by the Exchange. Securities (as defined in the ISM Rulebook) admitted to trading on ISM are not admitted to the Official List maintained by the FCA.

ISM Rulebook the rules which apply to an issuer seeking admission to trading of Securities (as defined in the ISM Rulebook), or whose Securities (as defined in the ISM Rulebook) are admitted to trading, on ISM.

issuer any company or other legal person or undertaking (including a public sector issuer) any class of whose securities has been admitted, or is proposed to be, the subject of an application for admission to trading.

listed or listing (i) for companies for which the UKLA FCA is the home competent authority, listed is as defined under the Listing Rules.

(ii) for other companies, listed is defined as admitted to listing in accordance with their securities regulator’s
rules.

**Listing, listed** and unlisted shall be construed accordingly.

**listed structured products** listed, cash settled, securitised derivatives issued by a party other than the **issuer** or originator of the underlying asset.

**listing particulars** a document in such form and containing such information as may be specified in the **Listing Rules**, including any supplementary listing particulars.

**Listing Rules** the **Listing Rules** of the **UKAFCA**, which can be found in the **FCA Handbook**.

**Main Market** the **Exchange's regulated market** for **securities admitted to trading**, which must meet the associated requirements set by **EU directives** and **regulations** and, where applicable for a **UK regulated market** and, the **Listing Rules**. The Main Market includes **securities admitted to the Official List** (premium or standard **listing**), the **Specialist Fund Segment** and the **High Growth Segment**.

**Market Abuse Regulation** The **Market Abuse Regulation (EU) No 596/2014**.

**market capitalisation** is the aggregate market value of all the securities (excluding treasury shares).


**multilateral trading facility or MTF** a **multilateral system**, operated by an investment firm or **market operator**, which brings together multiple third-party **buying and selling interests in financial instruments** (in the system and in accordance with non-discretionary rules) in a way which results in a **contract** a **Multilateral Trading Facility**, defined under **MiFID**.

**new applicant** an applicant with no **securities** already **admitted to trading**.

**offer for subscription** an invitation to the **public by, or on behalf of, an issuer** to subscribe for **securities** of the **issuer** not yet in issue or allotted (and may be in the form of an invitation to tender at or above a stated minimum price).

**Official List** the list maintained by the **FCA** in accordance with section 74(1) of the **Financial Services and Markets Act 2000**.

**open offer** offer to existing shareholders where they can buy new shares in the company in proportion to their existing
holding, usually at a discount to the market price. Holders cannot trade in the open offer entitlement. Also known as "non-renounceable rights".

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<td>order book</td>
<td>a facility operated by the <strong>Exchange</strong> for the electronic submission and automatic execution of orders in any <strong>order book security</strong>.</td>
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<td>Order book for Retail Bonds</td>
<td>the <strong>trading service</strong> operated by the <strong>Exchange</strong> for debt securities that are eligible for the <strong>Order book for Retail Bonds</strong>.</td>
</tr>
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<td>order book security</td>
<td>a security which the <strong>Exchange</strong> has <strong>admitted to trading</strong> on an <strong>order book</strong>.</td>
</tr>
<tr>
<td>order-driven trading service</td>
<td>a trading service based on an <strong>order book</strong>.</td>
</tr>
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<td>passport</td>
<td>the ability to make a public offer or <strong>admit to trading</strong> on a <strong>regulated market</strong> in any of the EEA member states with the production of a <strong>prospectus</strong> drawn up in accordance with the <strong>Prospectus Directive</strong> and approved in one member state.</td>
</tr>
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<td>prescribed market</td>
<td>a market which has been prescribed by Her Majesty’s Treasury in the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001 (SI 2001/996).</td>
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<td>Prospectus</td>
<td>the document prepared in connection with an <strong>application for admission of securities</strong> to trading on a <strong>UK regulated market</strong>, an <strong>EEA regulated market</strong> or an offer of securities to the public in the <strong>UK or</strong> any EEA member state pursuant to the rules made by the relevant EEA competent authority.</td>
</tr>
<tr>
<td>Prospectus Rules</td>
<td>The <strong>Prospectus Rules</strong> sourcebook made under the Financial Services and Markets Act 2000 by the <strong>FCA</strong>, as amended by the <strong>FCA</strong> from time to time.</td>
</tr>
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<td>PSM</td>
<td>the Professional Securities Market, which is a market for <strong>debt securities</strong> or <strong>depositary receipts</strong> of any denomination, aimed at professional investors. PSM is an <strong>UK MTF</strong> operated by the Exchange. <strong>Securities admitted to trading</strong> on PSM must be <strong>listed</strong> in accordance with Chapter 4 of the <strong>Listing Rules</strong>.</td>
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<td>public offer</td>
<td>as such term is defined in the <strong>FCA Handbook</strong>, a public offer, as defined under Article 2(1)(d) of the <strong>Prospectus Directive</strong>.</td>
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public sector issuers states and their regional and local authorities, state monopolies, state finance organisations, public international bodies and statutory bodies.

Recognised Investment Exchange an organisation that is recognised by FCA as complying with the recognition requirements laid down in the Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001.


record date the date on which a shareholder must be registered as the owner of shares in order to receive a dividend or other entitlement.

redenomination the process of changing the currency on a financial security.

redemptions repayment of a holding of a class of security.

Reference Data Service the Exchange’s Reference Data Service, designed to enable market participants to synchronise their trading database with that of the Exchange.

Regulatory Information Service a Regulatory Information Service that is approved by the FCA as meeting the Criteria for Regulatory Information Services and that is on the list of Regulatory Information Services maintained by the FCA.

regulated market a multilateral system operated or managed by a market operator, which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments (in the system and in accordance with non-discretionary rules) in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules or systems, a regulated market, as defined under MiFID.

return of capital/cash distribution of cash normally resulting from the sale of an asset or securities or other transaction unrelated to retained earnings.

rights issue offer to existing shareholders where they can buy new shares in the company in proportion to their existing holding usually at a discount to the market price. Holders also have the ability to trade in the rights.
RMB is an abbreviation of Renminbi, the official currency of the People’s Republic of China.

the Regulatory Information Service of the London Stock Exchange.

a scheme of arrangement requiring shareholder approval under Part 26 of the Companies Act 2006.

a reconstruction under section 110 of the Insolvency Act 1986.

distribution of a dividend to shareholders with an option to elect to receive new shares in the company based on a predetermined price instead of a cash payment.

shares, depositary receipts, units in a collective investment scheme (as defined in the Financial Services and Markets Act 2000), options to subscribe or purchase securities, treasury shares, specialist securities and other instruments specified in section C of Annex I of MiFID part 1 of Schedule 2 to Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (“financial instruments”).

any regulator of financial services to which the issuer is bound to comply with its rules and regulations. This may or may not be the same as (or may be in addition to) its EEA competent authority.

the process of completing transactions through delivery of the securities together with any related rights and benefits, in return for payment.

Shanghai-London Stock Connect is a collaboration between the Exchange and the Shanghai Stock Exchange, which enables investors to access Chinese A-Shares through a depositary receipt programme listed in London and qualifying listed issuers, through separate depositary receipt programmes, to access Chinese investors in Shanghai.

Pursuant to Shanghai-London Stock Connect, the Shanghai-London Stock Connect Segment of the Main Market is a segment of the regulated market for the admission to trading of listed depositary receipts representing Chinese A-Shares that are listed on the Shanghai Stock Exchange. Issuers must meet the associated requirements set by EU directives and regulations.

the Specialist Fund Segment of the Main Market, is for
Segment investment entities that target institutional, professional, professionally advised and knowledgeable investors. The Specialist Fund Segment is part of the Exchange’s regulated market, and issuers must meet the associated requirements set by EU directives and regulations. Securities admitted to the Specialist Fund Segment are not admitted to the Official List.

specialist securities debt securities, warrants and certificates representing debt securities which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters. For the avoidance of doubt, “specialist securities” should not be construed as meaning securities that are admitted to the Specialist Fund Segment.

stabilisation a stabilisation may occur after a new issue in accordance with FCA rules. It will entail the stabilising manager buying shares in the market in order to counter selling pressure in the initial market. This stabilisation period must be fully disclosed by way of a daily notice and last for a maximum of 30 days.

Standards see Admission and Disclosure Standards.

subdivision whereby a company splits each ordinary share into more than one share, thereby increasing the number of shares in issue and decreasing the share price and nominal value.

suitable exchange an exchange deemed suitable by the Exchange for the purpose of admitting ATT Only securities.

suspension of trading any cessation of trading imposed by the Exchange, including a trading halt.

tender/repurchase offers offer made to existing holders to sell their shares at a set price.

trading system the trading system operated by the Exchange.

transferable securities transferable securities as defined under Article 4.1(44) of MiFID in the Markets in Financial Instruments Regulation 600/2014 (UK MiFIR), as applied in the UK.

UCITS and UCITS Directive undertakings for collective investment in transferable securities that are established:

a) in the UK, in accordance with FSMA; or

b) in the EU, in accordance with Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations...
and administrative provisions relating to undertakings for collective investment in transferable securities (as amended).

UK United Kingdom.

UK MAR the Market Abuse Regulation (EU) No 596/2014, as applied in the UK.

UK MTF an MTF that is operated by a UK investment firm or a UK market operator.

UK regulated market a regulated market which is operated by a Recognised Investment Exchange but not an overseas investment exchange within the meaning of section 313(1) of FSMA.

UKLA the competent authority for listing in the UK, namely the UK Listing Authority, which is part of the FCA.

unlisted see listed.

when issued dealing a period of conditional trading with deferred settlement wherein trades are conditional to the securities listing or trading becoming effective.
SECTION 1: INTRODUCTION

1.1 Overview

This document sets out the rules and responsibilities in relation to a company’s admission to trading and ongoing disclosure obligations for companies seeking admission, or already admitted, to trading on our markets.

Defined terms are in bold and definitions can be found in the Glossary.

References to times shall mean London time.

The rules include guidance, which can be located directly below the rule, in italics. From time to time, the Exchange may also issue separate guidance notes on specific issues which may affect certain companies.

The rules for trading securities are set out in the “Rules of the London Stock Exchange”.

1.2 Purpose

The Exchange operates a regulated market and two MTFs which are registered with the FCA, European Securities and Markets Authority in accordance with relevant EU directives and regulations. The Main Market is the Exchange’s regulated market and includes issuers admitted to trading on the Official List (premium or standard listing), the Shanghai-London Stock Connect Segment, the High Growth Segment and the Specialist Fund Segment. The Exchange’s MTFs include AIM and a MTF on which all other MTF securities are traded, including ISM, PSM and ATT Only securities.

The Exchange is a Recognised Investment Exchange under UK law. This means the Exchange must ensure that all securities admitted to trading on its markets, and all dealings in those securities are conducted in accordance with the primary and secondary market regulatory obligations set out in the FCA’s sourcebook for Recognised Investment Exchanges. This requires minimum standards to be placed upon companies seeking to have their securities admitted to trading.

In developing the Standards, which are set out this document, we have applied the following principles:

- to provide companies which meet the admission requirements with access to our markets
- to promote investor confidence in the markets we operate
- to maintain the quality and attractiveness of our markets to companies and investors
- to operate proper and orderly markets
- to minimise any overlap with the rules of an issuer’s EEA–competent authority.
1.3 Scope

The Standards apply to all issuers on all the Exchange's markets, but do not apply to securities admitted to trading on AIM and derivatives contracts traded on the London Stock Exchange Derivatives Market. Other than the compliance procedures set out at Section 5, the Standards do not apply to Securities (as defined in the ISM Rulebook) admitted to trading on ISM.

The Standards also apply to an issuer with a prospectus approved by an EEA competent authority passporting to the UK for admission of its securities to a regulated market (with or without an application for the Official List), subject to the transitional provisions in Part V of the Official Listing of Securities, Prospectus and Transparency (Amendment) (EU Exit) Regulations 2019.

The Standards also apply to a Key Adviser in respect of relevant provisions to the High Growth Segment.

Where transferable securities (which have been admitted to trading on a regulated market) are admitted to trading on a MTF or the regulated market operated by the Exchange, without a request from the issuer, the Exchange does not require the issuer to demonstrate compliance with the initial, ongoing or ad hoc disclosure obligations set out in the Standards or the disclosure obligations defined in paragraph 9ZB of the Recognition Requirements Regulations.

For many issuers, a two-stage admission process will apply to companies who want to have their securities admitted to trading on our markets, which will involve the securities being admitted to listing by the issuer's securities regulator as well as admitted to trading by the Exchange.

We require issuers that are admitted to trading on our markets to comply with the disclosure obligations of the issuer's securities regulator to give investors dealing in those securities proper information for determining the current value of the securities and confidence that the market is well-regulated.

All of the Exchange's markets referred to above fall within the definition of a “prescribed market” for the purposes of the Financial Services and Markets Act 2000 (as amended) and are subject to the UK's market abuse regime.

1.4 Admission to our markets

1.4.1 The route to admission

New applicants

To join our markets, most companies need to show that they have met the minimum requirements of an EEA the relevant competent authority. Companies must also commit to comply with our Standards. However, we retain discretion and flexibility so that, in appropriate circumstances, some areas of the Standards can be tailored to reflect an individual issuer's needs. Derogations from these Standards are at the sole discretion of the Exchange and requests should be made in writing to the Exchange and give sufficient time for the Exchange to consider the request.
Where a **prospectus** is required to be published prior to **admission to trading** by the **Exchange**, the rules governing the publication of a **prospectus** are those of the **home EEA competent authority** of the **issuer/applicant**. In the **UK**, the competent authority is the **UKLA**. A **prospectus** may also be required where an **issuer** is making an offer of its **transferable securities** to the public.

**Issuers** seeking **admission** to the **listed** segments of the **Main Market** or **PSM** should have regard to the relevant chapters of the **Listing Rules** and must be added to the **Official List** by the **UKLA**. **Issuers** applying to **admit listed depositary receipts** to the Shanghai-London Stock Connect Segment should also have regard to **Schedule 7**.

**Issuers** seeking **admission** to the **Specialist Fund Segment** should have regard to **Schedule 4**.

**Issuers** seeking **admission** to the **High Growth Segment** should have regard to the “High Growth Segment Rulebook” at **Schedule 5** and which applies to all **issuers** seeking **admission** or **admitted** to that segment and their **Key Advisers** (as such term is defined in those rules), in addition to these rules.

**Issuers** seeking **admission** to ISM should comply with the **ISM Rulebook** and have regard to **Section 5** of these **Standards**, as appropriate and as set out in the **ISM Rulebook**.

**Issuers** seeking **admission** to **Admission to Trading Only** should have regard to **Schedule 6**.

Prior to **admission**, **new applicants** who are applying for **admission to trading** must submit the appropriate forms within the timeframe set out in the **Standards**. The **application** includes the **issuer’s** agreement to be bound by the **Standards**, and all fields must be completed, including the proposed **settlement** solution for trading in the **issuer’s securities**. The **Exchange** considers **applications** on each **business day**.

Once **admitted to trading**, **securities** are traded on the **Exchange’s Millennium Exchange trading system**. Information on the different trading services is available in the **Exchange’s Millennium Exchange and the TRADEcho Business Parameters** available at [http://www.londonstockexchange.com/products-and-services/technical-library/millennium-exchange-technical specifications/millennium-exchange-technical specifications.htm](http://www.londonstockexchange.com/products-and-services/technical-library/millennium-exchange-technical specifications/millennium-exchange-technical specifications.htm) which is available on our website.

### 1.4.2 Additional guidance for certain securities

**Debt securities**

**Debt securities** are **admitted to trading** on the **Main Market**, **ISM** or **PSM**. They are traded on the **Exchange’s** dedicated trading services for **debt securities**, including the **Order book for Retail Bonds** and the **Order book for Fixed Income Securities**. **Issuers** should have regard to the guidance set out at: [http://www.lseg.com/debt-secu ies](http://www.lseg.com/debt-securities).
Green Bonds

Green bonds are admitted to the Main Market, ISM or PSM. A debt security can be traded on a dedicated green bond segment if it meets the green bond criteria set out on our website at: http://www.lseg.com/debt-securities.

Depository receipts

Depository Receipts are admitted to trading on the Main Market, PSM or ATT Only. They are traded on the Exchange’s dedicated trading service for depositary receipts, the International Order Book.

Guidance

Issuers of depositary receipts may wish to consider admitting the maximum number of securities which the prospectus or listing particulars allow, in order to avoid having to produce a prospectus whenever new depositary receipts are created as part of the normal course of a depositary receipt programme.

ETFs & ETPs (including EEA ETFs)

ETFs and ETPs are admitted to trading on the Main Market.

Issuers of EEA ETFs should have regard to Rule 4.9 and Part C of Schedule 1. Issuers should also refer to the listing policy set out at: http://www.lseg.com/markets-products-and-services/our-markets/london-stock-exchange/exchange-traded-funds/listing-and-admissions-on-our-website.

1.5 Transfers between our markets and market segments

For any transfer between the Exchange’s markets or market segments, an issuer must follow the full admission process for the market to which the issuer seeks admission to trading. An issuer must also follow the Listing Rules where applicable.

For further information relating to transfers between our markets, please contact the relevant team at the Exchange.

1.5.1 Transfers from AIM

A move from AIM to another of our markets will, in most cases, require the production of a prospectus, in line with the rules governing the publication of prospectuses in the jurisdiction of the relevant home EEA competent authority.

1.5.2 Transfers from High Growth Segment to the Official List

Issuers wishing to transfer from the High Growth Segment to the Official List are required to follow the process set out in the High Growth Segment rulebook contained in Schedule 5.
1.5.3 Transfers to ISM

Issuers wishing to transfer from any of the Exchange’s markets to ISM are required to follow the process set out in Schedule 9 of the ISM Rulebook.

1.5.4 Transfers between all other markets

Issuers wishing to transfer from any of the Exchange’s markets not listed in 1.5.1, 1.5.2 or 1.5.3 above are required to do the following:

- Comply with the Standards including the procedures set out in Schedule 1 (and where relevant, the criteria contained in Schedules 4 or 6). Issuers that wish to transfer between listing categories should have particular regard to Rule 4.2A.

- Issue an announcement via a Regulatory Information Service stating the issuer’s intention to transfer to the relevant market at least 5 business days before the transfer is to take place; and

- Where relevant, confirm whether a prospectus or listing particulars is required.

1.6 Communication with the Exchange

Our relationship with issuers is a matter of fundamental importance to us. Companies applying for admission to our markets for the first time are encouraged to approach us at the earliest possible stage and, in any event, no later than the timetable outlined in the Standards.

New applicants are required to identify a contact within their organisation who will be responsible for communications with the Exchange, both during the initial application process and on an ongoing basis – this gives us a clear channel for communicating directly with the issuer.

The issuer’s contact should be one of the issuer’s directors or senior employees and should be fully conversant with all of the issuer’s responsibilities relating to the trading of its securities on our markets. If an applicant would like to discuss its application with the Exchange, we would welcome the opportunity to meet prior to admission.

The issuer’s contact needs to be able to respond to requests and day-to-day market enquiries from us and, in particular, be available before our markets open each morning to resolve any issues which could impact on the market’s orderly operation. To ensure that someone is available to answer questions, we encourage issuers to appoint a designated representative from another organisation in addition to the company contact to help cover the day-to-day enquiries. The designated representative is normally the issuer’s corporate broker, financial adviser, lawyer or accountant. Applicants and issuers will at all times be responsible for the actions and communications made to the Exchange by a designated representative.

1.7 Continuing obligations

The Exchange has a responsibility to ensure that it operates proper and orderly
markets. In order to achieve this, it is essential that issuers on our markets publish price-sensitive information on a timely basis and in accordance with the Market Abuse Regulation UK MAR and (if applicable) or the rules of their securities regulator, which impose a general obligation on issuers whose securities are admitted to trading on a regulated market or MTF to release information of this type. Such information must be published via a Regulatory Information Service. The timely publication of information benefits companies by allowing the market in their securities to function properly and benefits investors by ensuring that all participants are operating on an equal basis.

The Standards relating to disclosure of information to the Exchange are outlined in ‘Continuing Obligations’ and include a requirement for an issuer to inform the Exchange of the timetable for any corporate action affecting the rights of existing shareholders.

1.8 Compliance

It is vital that compliance with the Standards is enforced for the benefit of all issuers and the Exchange’s markets as a whole. Compliance with the Standards is important to ensure that we continue to operate high-quality and orderly markets and that there is suitable protection for all market participants.

As far as possible, when a breach is detected, action is taken on a timely basis. In particular, we are able to suspend trading in an issuer’s securities and, in extreme circumstances, to cancel the right of an issuer’s securities to be traded. We can also censure an issuer (privately or publicly) or issue a fine, if it has breached our Standards. The procedures relating to disciplinary and appeals matters are set out in the Compliance Procedures.

1.9 Fees

The admission fee is calculated in accordance with the Exchange’s scale of fees as set out in the document “Fees for issuers”. This publication, as updated from time to time, can be found on our website at www.londonstockexchange.com/fees calculator.

The Exchange reserves the right to cancel an issuer’s securities (in accordance with Rule 4.20) or refuse an application for admission to trading where an applicant or issuer fails to pay applicable fees owed by it to the Exchange.
SECTION 2: ADMISSION CONDITIONS

Issuers must satisfy the obligations set forth in this section to enable the Exchange to perform its functions and meet its regulatory responsibilities as a Recognised Investment Exchange and operator of a regulated market and MTFs.

PART 1 – ADMISSION CONDITIONS

2.1 An application for admission to trading of any class of securities must:

(a) relate to all securities of that class, issued or proposed to be issued; or

(b) if securities of that class are already admitted to trading on the Exchange’s markets, relate to all further securities of that class, issued or proposed to be issued.

Guidance to Rule:

For UK incorporated issuers that are subject to the Listing Rules, an application for admission to trading of any class of securities must relate only to securities which are listed or proposed to be listed or equivalent.

2.2 An issuer must be in compliance with the requirements of:

(a) any securities regulator by which it is regulated; and /or

(b) any stock exchange on which it has securities admitted to trading.

2.3 In the case of transferable securities, all such securities must be freely negotiable.

2.4 Securities that are admitted to trading on any regulated market operated by the Exchange must be capable of being traded in a fair, orderly and efficient manner.

2.5 The Exchange may refuse an application for the admission to trading of securities if it considers that:

(a) the applicant’s situation is such that admission of the securities may be detrimental to the orderly operation of the Exchange’s markets and/or to the integrity or reputation of such markets; or

(b) the applicant does not and/or will not comply with the Standards or with any special condition imposed upon the applicant by the Exchange.

2.6 Issuers must confirm that they meet the criteria and requirements of the market to which they are applying.

Guidance to Rule:

Issuers are required to tick the relevant box on Form 1 to indicate the market
to which they are seeking admission.

In addition to Rule 2.5, as per our obligations under MiFID, the FCA’s sourcebook for Recognised Investment Exchanges, the Exchange has the right to refuse an application for the admission to trading of securities to a certain market or market segment if it considers that the securities are better suited to another of the Exchange’s markets or segments.

Settlement

2.7 To be admitted to trading, securities must be eligible for electronic settlement. The issuer must inform the Exchange at the time of application of the chosen settlement mechanism and if settlement restrictions will apply to any securities to be considered for admission.

Guidance to Rule:

The Exchange requires that an appropriate settlement solution is in place, dependent upon the trading platform on which the securities are to be traded. Accepted central security depositaries include Euroclear UK & Ireland, Euroclear Bank, Depository Trust Clearing Corporation (DTCC) or Monte Titoli S.p.A.. Other central securities depositaries will be considered on a case-by-case basis.

Issuers should note that certain of the Exchange’s trading services have trades cleared by central counterparties. In these cases, the securities have to be eligible for the central counterparty as well as the central securities depositary. In addition, the central counterparties may restrict where settlement can occur.

Communication

2.8 An issuer must identify a contact within their organisation who will be responsible for communications between the Exchange and the issuer, and the Exchange must be notified in writing of any changes thereafter. An issuer may also wish to use a designated representative. The issuer will be responsible for all actions and communications with the Exchange made on its behalf by a designated representative.

Guidance to Rule:

The contact should be fully conversant with the issuer’s responsibilities under these Standards and will be either a director or senior employee of the issuer in a position to act as the Exchange’s point of contact. At the issuer’s discretion, a designated representative from another organisation may also be selected to act as the primary day-to-day contact point with the Exchange on regulatory matters. Details of the issuer’s contact and any designated representative must be provided to the Exchange at the time of the application for admission to trading and the Exchange must be notified in writing of any changes thereafter.

2.9 An issuer must ensure that all information provided in connection with the
application for admission to trading is in all respects accurate, complete and not misleading. An issuer must be open, honest and co-operative in all dealings with the Exchange.

PART 2– CRITERIA FOR CERTAIN ROUTES TO MARKET

Specialist Fund Segment

2.10 In addition to the provisions contained in Rules 2.1 to 2.9, an issuer applying for admission to trading or has been admitted on the Specialist Fund Segment must comply with the rules at Schedule 4.

High Growth Segment

2.11 In addition to the provisions contained in Rules 2.1 to 2.9, an issuer applying for admission to trading or has been admitted on the High Growth Segment must comply with the High Growth Segment rulebook at Schedule 5.

Admission to Trading Only

2.12 In addition to the provisions contained in Rules 2.1 to 2.9, an issuer applying for admission to or has been admitted to Admission to Trading Only must comply with the rules at Schedule 6.

Shanghai-London Stock Connect

2.13 In addition to the provisions contained in Rules 2.1 to 2.9, an issuer applying for admission to or has been admitted to the Shanghai-London Stock Connect Segment must comply with the rules at Schedule 7.

Issuers seeking admission of any of their securities to the Shanghai Stock Exchange, pursuant to Shanghai-London Stock Connect, should notify the Exchange of their intentions in writing at the following address stockconnect@lseg.com.

EEA ETFs

2.14 In addition to the provisions contained in Rules 2.1 to 2.9, an issuer of EEA ETFs must follow the EEA ETFs procedures at Part C of Schedule 1.

PART 3– ADMISSION PROCESS

Early notification

2.15 In addition to the application requirements of these Standards, an applicant who proposes to admit equity or depositary receipt securities should notify the Exchange no later than when it provides its eligibility letter to the Listing Transactions team of the FCA—UKLA (or at least 20 business days prior to
proposed admission to trading on the Specialist Fund Segment, High Growth Segment or ATT Only). An applicant must provide the Exchange with such further information that it requests. Notifications should be made to en@lseg.com. An issuer proposing to admit securities that will be the subject of an application for admission to trading must agree the timetable for the admission to trading of those securities in advance with the Exchange.

2.16 The issuer must contact the Exchange no later than ten business days the application is to be considered.

Guidance to Rule:

The Form 1 should be sent to the Exchange (marked for the attention of “Admissions”) in accordance with the procedures contained in Schedule 1.

2.17 Admission of securities becomes effective only when the decision of the Exchange to admit the securities to trading has been announced by the Exchange via a Regulatory Information Service.

Publication of admission documentation on London Stock Exchange’s website

2.18 As soon as an applicant has electronically published either a registration document, prospectus, listing particulars, admission particulars or a similar document, in association with an admission to one of the Exchange’s markets, the applicant must provide a copy of the published document to the Exchange. The Exchange may in turn make such document available on the Exchange’s website. A copy should be sent to en@lseg.com.

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1 In respect of an issuer of equity or depositary receipts that is already admitted to trading, this notification requirement applies if the further issue involves the publication of a prospectus.
SECTION 3: APPLICATION RULES

Introduction

This section includes rules and guidance in respect of provisional applications and formal applications of securities for admission to trading.

Provisional application

3.1 To ensure the Exchange can properly consider any application for admission to trading the issuer must comply with the procedure contained in Part A of Schedule 1. Amendments to Schedule 1 will be made from time to time as the Exchange considers appropriate.

3.2 The issuer must submit a provisional application to the Exchange no later than ten business days before the application is to be considered.

Formal application

3.3 Save where otherwise agreed by the Exchange, an applicant must comply with the procedure contained in Part B of Schedule 1 in order to make its formal application to the Exchange.

3.4 The Exchange will not ordinarily admit securities to trading without each of the documents and items listed in Part B of Schedule 1 having been lodged with the Exchange (marked for the attention of “Admissions”) in so far as they are relevant. All documents submitted to the Exchange must be written in English and submitted electronically.

3.5 Part C of Schedule 1 sets out additional requirements for certain securities.

Further issues

3.6 When further issues of securities are allotted of the same class as securities already admitted to trading on our markets, issuers must assess whether either a prospectus or listing particulars are required. If applicable, these must be submitted to the relevant EEA competent authority (FCA) for review and approval in accordance with its rules. Application for admission of such further securities by the submission of a Form 1 must also be made, at the same time as the application for listing where applicable, and in any event not later than 48 hours before the application is to be considered.

Fees

3.7 An invoice for the admission fee will be raised on admission. The admission fee is calculated in accordance with the Exchange’s scale of fees (see Rule 4.11). Payment of the admission fee must be received no later than 30 days after the date of this invoice.

When Issued Dealing

3.8 If a request for when issued dealing is to be considered, the procedure in Schedule 2 must be followed.
3.9 The Exchange may refuse when issued dealing if it considers that:

a) the when issued dealing may be detrimental to the orderly operation of the Exchange's markets or to the integrity or reputation of such markets; or

b) the applicant for when issued dealing does not and/or will not comply with the Standards or with any special condition imposed upon the applicant by the Exchange.

Guidance to Rule:

All when issued dealing trades will be for deferred settlement and if the resulting securities are not admitted to trading on an unconditional basis, every when issued dealing trade effected is void.

After admission

3.10 Where relevant, a statement of the number of securities which were, in fact, issued and, where different from the number which were the subject of the application, the aggregate number of securities of that class in issue must be lodged with the Exchange (marked for the attention of “Admissions”) as soon as it becomes available.

3.11 An issuer who proposes to change its name must, as soon as possible, notify the Exchange in writing of the change, stating the date on which it has taken effect. The issuer should provide the Exchange with a copy of the revised change of name document as issued by the relevant registrar of companies in the issuer's country of incorporation.

Block admission

3.12 Where an issuer admits securities that will not be allotted prior to admission and that do not require a prospectus or listing particulars, the issuer may make an application for a block admission. These admissions may be pursuant to employee share schemes or the exercise of options.

Guidance to Rule:

Where an issuer wishes to admit securities on a regular basis, they may make an application for a block admission. Block admissions will usually be for the reasons stated in Rule 3.12 but the Exchange will consider requests for other reasons. The Exchange will monitor the correct usage of this facility and the number of block admission applications per issuer.
SECTION 4: CONTINUING OBLIGATIONS

General

4.1 In order for its securities to be admitted to trading and to remain on the Exchange’s markets, issuers must be in compliance with:

(a) the requirements of any securities regulator by which it is regulated; and/or

(b) the requirements of any stock exchange on which it has securities admitted to trading; and

(c) the provisions set out in the Standards, including any modification to the application of the Standards which has been notified via our website.

This shall be without prejudice to any securities regulator and/or stock exchange having rights to enforce compliance under its own rules and requirements, national law and regulations and EU directives and regulations.

UK MAR provides for separate disclosure obligations for issuers admitted to the Exchange’s markets. The disclosure obligations in UK MAR relate to the disclosure of inside information and disclosure of transactions by persons discharging managerial responsibilities (“PDMR”) and persons closely associated with them. UK MAR also provides for restrictions on PDMRs dealing during mandatory close periods. These obligations apply to issuers who have requested or approved admission of their securities on the Exchange’s regulated market or MTFs. The disclosure obligations under MAR will be within the remit of the relevant competent authority. In the UK, the competent authority is the FCA.

4.2 Issuers must notify the Exchange without delay of any change of status of the information provided in respect of the listing or admission to trading (or cancellation from trading) of the issuer’s securities on any other exchange or trading platform, where such admission or cancellation is at the application or agreement of the issuer.

4.2A An issuer admitted to trading on the Main Market that wishes to transfer between listing categories pursuant to Listing Rule 5.4A must notify the Exchange of its intention to transfer listing category. Such notification must be made as early as possible and no later than 3 business days before the transfer is due to take place. The notification should include: details of the issuer, the relevant security and the change in listing category sought; an explanation of why the issuer is seeking to transfer; the date on which the issuer wishes the transfer to take effect and contact details of the person the Exchange should liaise with in relation to the transfer.

4.3 Subject to the Exchange’s compliance with requirements of national law and EU-directives and regulations, the Exchange may make additions to, dispense with or modify the application of the Standards (either unconditionally or subject to conditions) in such cases and by reference to such circumstances...
as it considers appropriate.

**Provision of information**

4.4 **Issuers** and their designated representatives must provide to the Exchange without delay any information or explanation that the Exchange may reasonably require for the purpose of verifying whether the Standards are being or have been complied with or which relates to the integrity or orderly operation of the Exchange's markets.

4.5 An issuer should reasonably satisfy itself that all information provided by it to the Exchange is correct, complete and not misleading and, if it comes to the subsequent attention of the issuer that the information provided does not meet this requirement, the issuer should advise the Exchange as soon as practicable.

**Depositary receipts**

4.6 An issuer of depositary receipts admitted to trading must ensure it has in place arrangements to provide to the Exchange each quarter, information on the number of securities issued and outstanding. An issuer of depositary receipts must also, upon request from the Exchange, provide an end of day number of securities issued and outstanding at any other time that the Exchange considers appropriate.

**Guidance to Rule:**

*The quarterly information required under this rule is the quarterly average of each end of business day number of issued and outstanding depositary receipts.* The information must be provided to the Exchange by the tenth business day of January, April, July and October in respect of the preceding calendar quarter. An issuer of depositary receipts may prefer to instruct their depositary bank to make this information available to the Exchange on their behalf.

**Corporate actions**

4.7 **Issuers** must inform the Exchange (marked for the attention of “Stock Situations Analysis Team”) in advance of any notification of the timetable for any proposed action affecting the rights of its existing holders of its securities traded on our markets.

4.8 **Issuers** must comply with the provisions of Schedule 3 in order to comply with Rule 4.7.

**EEA ETFs**

4.9 **Issuers** of EEA ETFs, for whom the UKLA FCA is not the listing authority:

- (i) must have FCA recognition status;
- (ii) must comply with the listing rules of the EEA state in which they are listed; and
- (iii) must notify a Regulatory Information Service as soon as possible of all circulars, notices, reports (as required by the listing rules of the
EEA state in which they are listed), at the same time as any such documents are issued;

Unless the full text of the document is provided to the Regulatory Information Service, the notification must set out where copies of the relevant document can be obtained.

(iii)(iv) must appoint a registrar in the UK if: (a) there are 200 or more holders resident in the UK; or (b) 10% of more of the equity securities are held by persons resident in the UK.

(iv)(v) must notify a Regulatory Information Service on a daily basis of the number of outstanding shares and the Net Asset Value per share.

Guidance to Rule:

In relation to sub-paragraph (iii) above, an issuer should also consider the requirements of any settlement venue for a UK registrar.

An issuer must consider its obligations under UK MAR.

An issuer must also obtain fund recognition from the FCA and adhere to the continuing obligations contained within FSMA and the UCITS Directives.

Settlement

4.10 The Exchange requires that the securities continue to be eligible for electronic settlement, as set out in the Guidance to Rule 2.7.

Fees

4.11 An issuer with securities admitted to trading shall pay to the Exchange all applicable charges set out in the document “Fees for issuers” as soon as payment becomes due. This publication, as updated from time to time, can be found on our website:

www.londonstockexchange.com/mainmarket/usefuldocuments

Where an issuer fails to comply with this requirement, the Exchange may cancel the issuer's securities in accordance with Rule 4.20.

Suspension

4.12 The Exchange will ordinarily suspend the admission to and trading of any securities on its markets if a listing of such securities is suspended.

4.13 The Exchange may suspend trading of such securities with effect from such time as it may determine, and in such circumstances as it thinks fit where the ability of the Exchange to ensure the orderly operation of its markets is, or may be, jeopardised, even if only temporarily.

4.14 Any request by an issuer to suspend trading of its securities must be confirmed to the Exchange in writing by the issuer or its designated representative.
4.15 Where trading has been suspended, the Exchange may impose such conditions as it considers appropriate prior to resumption of trading.

4.16 An issuer must continue to comply with the Standards, even when admission of its securities to trading is suspended, unless the Exchange otherwise agrees.

Cancellation

4.17 The Exchange will ordinarily cancel the admission to and trading of any securities on its markets if a listing of such securities is delisted by the relevant competent authority (and where the issuer has not undertaken a transfer in accordance with Rule 1.5). The Exchange may cancel an issuer’s admission to and trading of its securities if it is satisfied that there are special circumstances that preclude normal dealings in such securities. For the purposes of this paragraph, special circumstances may include a situation where the securities’ listing has been suspended for more than six months.

4.18 An issuer that wishes the Exchange to cancel the admission of its securities to trading must inform the Exchange in writing, not later than 20 business days before the date of cancellation. An issuer is also required to announce the intended cancellation of any of its securities through a Regulatory Information Service. The Exchange will announce the cancellation of the issuer’s securities through the Datosync Email Service and through a Regulatory Information Service.

4.19 Cancellation at the request of the issuer, in accordance with Rule 4.18, will only be effective subject to the issuer complying with any legal or regulatory obligation and providing the Exchange with appropriate confirmation.

Guidance to Rules

The Exchange will not exercise its powers under Rules 4.12 to 4.19, in respect of an issuer which does not or no longer complies with these Standards, where suspension or cancellation of an issuer’s securities would, in the Exchange’s determination, be likely to cause significant damage to the interests of investors or the orderly functioning of the financial markets.

Compliance and Appeals

4.20 Where the Exchange considers that an issuer has contravened the Standards and considers it appropriate to impose any sanction as set out in Rule 4.21, it will follow the procedure set out in the Compliance Procedures.

4.21 If an issuer has contravened the Standards, one or more of the following actions may result:

(a) censure of the issuer and, in addition, publication of such censure;

(b) a fine; and/or

(c) cancellation of the right of the issuer to have its securities, or any class
of its **securities**, traded on the **Exchange**'s markets.

4.22 An **issuer** may appeal against a decision of the **Exchange** in relation to the application and interpretation of the **Standards**. The procedures for such appeals are set out in the **Compliance Procedures**.
SECTION 5 - COMPLIANCE PROCEDURES

DISCIPLINARY PROCESS

Where the Exchange believes there has been a breach of the Standards or the ISM Rulebook by an issuer, the Exchange may commence disciplinary action against such issuer. In this Section 5, references to a breach of the Standards, also includes a breach of the ISM Rulebook. The Exchange may issue a warning notice and/or refer disciplinary matters to either the Executive Panel or the Disciplinary Committee. In appropriate cases (including where a greater sanction than the Executive Panel is authorised to impose is deemed appropriate by the Executive Panel), the Executive Panel may refer the case to the Disciplinary Committee.

There are a number of factors which the Exchange takes into account when considering what disciplinary action to take in relation to a rule breach. These are set out below:

- The seriousness, size and nature of the rule breach
- How the rule breach came to light
- The actual or potential market impact of the rule breach, and any likely repercussions
- The general compliance history of the issuer, and specific history regarding the rule breach in question
- Consistent and fair application of the rules (any precedents of previous similar rule breaches)
- The responsiveness and conduct of the issuer in relation to the matter under investigation.

The Exchange's approach to regulation is aimed at maintaining the integrity, orderliness, transparency and good reputation of its markets and changing issuers' behaviour in those markets where necessary. The Exchange will investigate the facts of each case, seeking to understand why the rule breach occurred and will assess whether any remedial action the issuer has taken is adequate to prevent similar future occurrences.

The Executive Panel is a panel comprised of appropriately experienced senior members of the Exchange's staff. The procedures followed by the Executive Panel are set out in rules 5.5 to 5.38. Any final decision of the Executive Panel (other than a decision to refer a matter to the Disciplinary Committee) may be appealed to the Appeals Committee. There is no appeal on interim decisions.

The Disciplinary Committee is drawn from a pool of appropriately experienced (non-Exchange) persons and its procedures are set out in rules 5.39 to 5.80. The Disciplinary Committee may impose a wider range of sanctions than the Executive Panel and has discretion to publicise its findings. Any final decision of the Disciplinary Committee may be appealed to the Appeals Committee. There is no
appeal on interim decisions.

The Appeals Committee is also drawn from a pool of appropriately experienced (non-
*Exchange*) persons and hears appeals against the findings of both the Executive
Panel and the Disciplinary Committee. The procedures followed by the Appeals
Committee are set out in rules 5.81 to 5.115. The Appeals Committee may uphold,
quash or vary any decision it is asked to consider. The Appeals Committee decision
is final.

The table below summarises the disciplinary process operated by the *Exchange*.

<table>
<thead>
<tr>
<th>Process</th>
<th>Normal use</th>
<th>Constitution</th>
<th>Appellate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warning Notices</td>
<td>• Rule breaches</td>
<td>(no hearing)</td>
<td></td>
</tr>
<tr>
<td>Executive Panel</td>
<td>• Disciplinary matters</td>
<td>Senior Exchange staff</td>
<td>Appeals Committee</td>
</tr>
</tbody>
</table>
| Disciplinary Committee | • Disciplinary matters              | Appropriately experienced (non-
                                          *Exchange*) persons          | Appeals Committee             |
| Appeals Committee  | • Disciplinary appeals against          | Appropriately experienced (non-
                                          Executive Panel findings     |                                |
                                          • Disciplinary appeals against Disciplinary Committee findings |                                |
The table below summarises the sanctions available to the Exchange for any breach of the Standards.

<table>
<thead>
<tr>
<th>Process</th>
<th>Available sanctions</th>
<th>Appellate body</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Warning Notices</strong></td>
<td>• May stipulate corrective action required</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Formal record of action for issuer's case history</td>
<td></td>
</tr>
<tr>
<td><strong>Executive Panel</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>One of:</td>
<td>Appeals Committee</td>
</tr>
<tr>
<td></td>
<td>• Private censure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Fine up to £100,000 per breach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Referral to Disciplinary Committee</td>
<td></td>
</tr>
<tr>
<td><strong>Disciplinary Committee</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>One or more of:</td>
<td>Appeals Committee</td>
</tr>
<tr>
<td></td>
<td>• Private censure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Public censure</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Unlimited fine</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Cancellation of the right of the issuer to have its securities, or any class of its securities, traded on the Exchange's markets</td>
<td></td>
</tr>
<tr>
<td><strong>Appeals Committee</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>Executive Panel referrals:</td>
<td>binding</td>
</tr>
<tr>
<td></td>
<td>• Any sanction available to the Executive Panel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disciplinary Committee referrals:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Any sanction available to the Disciplinary Committee</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Findings of the Executive Panel in respect of breaches of the Standards by issuers are published anonymously by the Exchange from time to time. Disclosure of findings is at the discretion of the Committee hearing the case (subject to rule 5.2) in accordance with the Standards. Matters subject to appeal will not be published before the appeal is completed.

<sup>2</sup>
NON-DISCIPLINARY APPEAL PROCESS

In the first instance, appeals against decisions of the Exchange are heard by the Executive Panel. The Executive Panel may uphold, quash or vary any decision it is asked to consider. There is no appeal on the Exchange’s decision to refer a matter to the Executive Panel or the Disciplinary Committee.

Appeals against the findings of the Executive Panel, and referrals from the Executive Panel are heard by the Appeals Committee. The Appeals Committee may uphold, quash or vary any decision it is asked to consider. The Appeals Committee decision is binding.

The table below summarises the non-disciplinary process operated by the Exchange.

<table>
<thead>
<tr>
<th>Process</th>
<th>Normal use</th>
<th>Constitution</th>
<th>Appellate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Panel</td>
<td>• All non-disciplinary appeals (in the first instance)</td>
<td>Senior Exchange staff</td>
<td>Appeals Committee</td>
</tr>
<tr>
<td>Appeals Committee</td>
<td>• Appeals against Executive Panel findings in non-disciplinary matters</td>
<td>Appropriately experienced (non-Exchange) persons</td>
<td>binding</td>
</tr>
</tbody>
</table>

The table below summarises the sanctions available to the Exchange for any breach of the Standards.

<table>
<thead>
<tr>
<th>Process</th>
<th>Sanction</th>
<th>Appellate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Panel</td>
<td>One of:</td>
<td>Appeals Committee</td>
</tr>
<tr>
<td></td>
<td>• Uphold decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Quash decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Vary decision</td>
<td></td>
</tr>
<tr>
<td>Appeals Committee</td>
<td>One of:</td>
<td>binding</td>
</tr>
<tr>
<td></td>
<td>• Uphold decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Quash decision</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Vary decision</td>
<td></td>
</tr>
</tbody>
</table>

PROCESS AND PROCEDURES

Burden of proof

5.1. The burden of proof shall be on the Exchange. The Exchange, the Executive Panel, the Disciplinary Committee or the Appeals Committee (as appropriate)
shall not find an allegation proved unless it is satisfied on the balance of probabilities.

**Market guidance**

5.2. The Exchange reserves the right to publish, without disclosing the identity of any party concerned, in part, in summary or in full, the findings of the Executive Panel, Disciplinary Committee or Appeals Committee where the Exchange believes that to do so would be of assistance to the market.

**WARNING NOTICES**

**Function of Warning Notices**

5.3. The Exchange may issue a warning notice to an issuer for a breach of the rules.

5.4. A warning notice forms part of an issuer's formal compliance record.

**EXECUTIVE PANEL**

**Role**

5.5. The Executive Panel shall, when acting as a tribunal of first instance, hear and determine charges against an issuer in respect of a breach of the Standards.

5.6. The Executive Panel shall, when acting as an appellate tribunal, hear and determine appeals by an appellant against a decision of the Exchange.

**Disciplinary Powers**

5.7. Where the Executive Panel acting as a tribunal of first instance finds an allegation proven on the balance of probabilities, the Executive Panel may:

5.7.1. issue a written warning (a private censure); or

5.7.2. impose a fine of up to £100,000 for each breach; or

5.7.3. refer the case to the Disciplinary Committee for hearing.

5.8. The Executive Panel may grant a consent order in respect of any settlement within its powers that may be negotiated between the Exchange and an issuer in relation to any disciplinary action taken by the Exchange.

**Appeal powers**

5.9. The Executive Panel may, when acting as an appellate tribunal, uphold, quash or vary (in accordance with the Standards) any decision by the Exchange which can be appealed under the Standards, or refer the matter to the Appeals Committee for further consideration.
Membership

5.10. Members of the Executive Panel shall be appropriately experienced senior members of the Exchange’s staff.

5.11. The Executive Panel appointed pursuant to a referral or an appeal shall have between three and five members (including the Chairman) and shall have a quorum of three.

5.12. No member of the Exchange’s staff who has been involved in the investigation or prosecution of the charge(s) in a disciplinary case shall be appointed to the Executive Panel considering that disciplinary case.

5.13. No member of the Exchange’s staff who has been involved in a decision by the Exchange which is the subject of an appeal to the Executive Panel shall be appointed to the Executive Panel considering an appeal against that decision.

5.14. The names of the members of the Executive Panel will be disclosed to the issuer.

5.15. Each Executive Panel hearing a case shall appoint one of its members to be the Chairman.

5.16. A party may object to the membership of the Executive Panel on the grounds of conflict of interest or breach of rules 5.12 or 5.13. Such objection must be notified in writing, promptly, and prior to the hearing of the case, to the Exchange. If the Executive Panel upholds the objection, it will take appropriate action to address the objection. The decision of the Executive Panel under this rule is an interim decision and cannot be appealed separately from an appeal against the final decision of the Executive Panel under rule 5.34.

Confidentiality

5.17 Other than as set out in the Standards, and other than as between a party and its advisers, each party shall keep confidential any matters relating to any proceedings save where disclosure is permitted or required by law.

Mode of referral when acting as a tribunal of first instance

5.18. Proceedings before the Executive Panel shall be commenced by the Exchange submitting a statement of case to the issuer. The statement of case shall set out the charge(s) and all material facts taken into account and shall have attached to it copies of all documents relevant to the charge(s).

5.19. The issuer may, within five business days (or such other period agreed between the parties) of receipt of the statement of case, submit to the Exchange a statement of response setting out all material facts and having attached to it copies of all documents relied upon.

5.20. The Chairman of the Executive Panel may vary the period referred to in rule 5.19 at the request of the issuer.
5.21. Following receipt of the **issuer's** statement of response, the **Exchange** shall submit to the Executive Panel the statement of case and the **issuer's** response (if any), together with copies of all other relevant documents.

**Mode of referral when acting as an appellate tribunal**

5.22. Appeals to the Executive Panel must be commenced by service of a notice in writing on the **Exchange** within 10 **business days** of the service of the decision by the **Exchange**. The notice should set out the name of the appellant, the decision appealed against, the grounds of appeal, all material facts and shall have attached to it copies of all documents relevant to the appeal. The notice should be copied to the **Exchange's** Company Secretary, who will ensure that the notice is transmitted to the Chairman of the Executive Panel.

5.23. The **Exchange** may, within 10 **business days** (or such other period agreed between the parties) of receipt of the notice under rule 5.22, submit to the Chairman of the Executive Panel a statement of response setting out all material facts and having attached to it copies of all documents relied upon. Such statement shall be copied to the appellant (subject to any legal duty of confidentiality with respect to any details in such response).

5.24. On receipt of a notice under rule 5.22 and any statement of response under rule 5.23, the Chairman of the Executive Panel will arrange a hearing as soon as reasonably practicable.

5.25. The Chairman of the Executive Panel may vary the time periods referred to in rules 5.22 – 5.24 (other than the period during which an appeal may be made under rule 5.22) at the request of either party.

**Procedure**

5.26. Save in circumstances where either party notifies the Chairman of the Executive Panel that it believes an oral hearing is essential to establish all the relevant facts and requests the Chairman to hold such an oral hearing, proceedings before the Executive Panel will take place through the consideration of documents with no oral hearing.

5.27. Where there is to be a hearing, in accordance with rule 5.26, the Executive Panel will conduct it in private.

5.28. The parties may attend the hearing but any hearing may proceed in the absence of one or both of the parties.

5.29. The Executive Panel will give not less than five **business days’** notice of the time and place of any hearing to the parties. This notice period may be shortened with the agreement of the parties.

**Deliberations and decisions**

5.30. The Executive Panel may deliberate at any time and make any decision in the absence of the parties. The Executive Panel is entitled to reach decisions on
a majority basis. Where a majority decision is reached, this will not be disclosed.

5.31. When considering appeals, the Executive Panel will only quash or vary a decision of the Exchange if it is satisfied, on the balance of probabilities, that the decision is a misinterpretation or an erroneous application of any of the Standards or is not justified by the evidence on which it is based.

5.32. Following its determination, the Executive Panel will notify the parties in writing of:

5.32.1. its decision;

5.32.2. the reason(s) for its decision;

5.32.3. in disciplinary cases, whether any penalty is to be imposed under rule 5.7. Any fine must be paid by the issuer within 30 days of receipt of such notification unless appealed in accordance with the Standards; and

5.32.4. a time limit for lodging any appeal against the decision or any part thereof, which will be not less than 10 days from the date of service of the decision on the parties.

5.33. If the Executive Panel decides to refer a case to the Disciplinary Committee as set out under rule 5.7.3, no public announcement will be made until the Disciplinary Committee has reached a decision.

**Appeal**

5.34. Appeals against final decisions of the Executive Panel (as notified to the parties under rule 5.32) are heard by the Appeals Committee, in accordance with its procedures. Appeals must be commenced by service of a notice in writing on the Chairman of the Executive Panel within 10 business days of the service of the Executive Panel’s decision (or such other time period as prescribed under rule 5.32.4), setting out the name of the appellant, the decision appealed against, the grounds of appeal, all material facts and attaching copies of all documents relevant to the appeal.

5.35. On receipt of a notice under rule 5.34, the Chairman of the Executive Panel will arrange for the appointment of a Secretary of the Appeals Committee, who will arrange a hearing as soon as reasonably practicable (and no later than one month).

5.36. The Chairman of the Executive Panel or the Appeals Committee may extend the time for appeal.

5.37. Notwithstanding rule 5.34, appeals against decisions of the Executive Panel on grounds of new evidence (including those where there are other grounds of appeal), shall be heard by way of rehearing by the Executive Panel before the right of appeal to the Appeals Committee arises. Where the appellant wishes to rely on evidence which was not before the Executive Panel, this shall be stated in the appeal notice and copies or details of such evidence
shall be attached to the notice.

Changes to the procedures

5.38. The Executive Panel may vary any of its procedures to adapt to the circumstances of any particular case.

DISCIPLINARY COMMITTEE

Role

5.39. The Disciplinary Committee shall, as a tribunal of first instance, hear and determine charges against an issuer in respect of a breach of the Standards.

Disciplinary powers

5.40. If the Disciplinary Committee finds an allegation proven on the balance of probabilities, it may impose one or more of the following sanctions:

5.40.1. a written warning (censure) which may be public or private;

5.40.2. an unlimited fine for each breach; and

5.40.3. cancellation of the right of the issuer to have its securities, or any class of its securities, traded on the Exchange's markets.

5.41. The Disciplinary Committee may grant a consent order in respect of any settlement that may be negotiated between the Exchange and an issuer in relation to any disciplinary action taken.

Membership

5.42. The Disciplinary Committee appointed pursuant to a referral shall have a quorum of three (including the Chairman). The maximum number of members of the Disciplinary Committee shall be seven. Any person whom the Disciplinary Committee co-opts will count as a member of the Disciplinary Committee.

5.43. Members of the Disciplinary Committee are drawn from a panel ("the panel") appointed by the Exchange.

5.44. The Disciplinary Committee may co-opt any person whom it considers appropriate.

5.45. No-one who is a member of the Exchange's staff may be appointed or co-opted.

5.46. The Chairman may appoint a legally qualified adviser who shall be independent of any party. Such legal adviser will not be counted as a member of the Disciplinary Committee, but shall advise the Disciplinary Committee on legal matters. The Chairman may replace the legal adviser.
5.47. Members of the Disciplinary Committee will notify the Secretary or the Chairman of any possible conflict of interest at the earliest possible opportunity and, in any event, prior to any hearing to be held under rule 5.60 or 5.61 below. The Chairman will take appropriate action and will then notify the parties to the disciplinary proceedings of the names of the members of the Disciplinary Committee and any proposed legal adviser. If any party to the disciplinary proceedings believes that a potential conflict of interest exists, it shall notify the Chairman in writing, at the earliest possible opportunity. The Chairman will take appropriate action.

5.48. Where the Disciplinary Committee wishes to co-opt a person or to appoint a person to replace a member unable to act whether because of illness, conflict of interest or otherwise and/or the Chairman wishes to replace the legal adviser and the hearing has commenced:

5.48.1. the appointment shall only take effect with the consent of the parties and the person co-opted or appointed will be subject to the provisions of rule 5.66; and

5.48.2. if, in the absence of such consent, the Disciplinary Committee does not wish or is not able to continue with the hearing, it will cease to deal with the referral and an entirely new Disciplinary Committee will be appointed from the panel, and a new legal adviser will be appointed by the new Chairman in both cases in accordance with these procedures, and the hearing, but not any pre-hearing procedures, will start afresh in front of the new Disciplinary Committee.

Secretary

5.49. A Secretary (“the Secretary”) to the Disciplinary Committee shall be appointed by the Exchange. The parties will be notified of the name of the Secretary as soon as reasonably practicable. For the avoidance of doubt, the Secretary may be a member of the Exchange's staff.

5.50. The Secretary will carry out any administrative functions. Any notices, notifications and other documents required to be submitted to the Disciplinary Committee must be served upon the Secretary who will ensure that copies are provided to the other parties, the members of the Disciplinary Committee and any legal adviser as appropriate. Where the Disciplinary Committee wishes to notify the parties of any matter it shall do so through the Secretary.

5.51. Any notices or other documents required to be served shall be served by delivering by hand or posting by first class post to the addresses set out below, save that the Secretary may agree with any of those referred to at 5.51.1 to 5.51.2 a different place for service upon them:

5.51.1. in the case of an issuer, to its head office;

5.51.2. in the case of the Exchange, to the Secretary with a copy to the Company Secretary, at the Exchange's registered office; and

5.51.3. in the case of any other party, to a place agreed with the Secretary.
5.52. Service shall be deemed effective on the date of delivery by hand or, where first class post is used, on the second day after posting.

Confidentiality

5.53. All communications relating to the proceedings (save those which would be privileged from production in a court of law) between the parties and with the Disciplinary Committee shall be channelled through the Secretary.

5.54. If any Disciplinary Committee member or the legal adviser is approached by any person to discuss any matter connected with the proceedings such member shall, without delay, notify the Chairman who will take appropriate action.

5.55. Other than as set out in the Standards, and other than as between the parties and their advisers, all parties shall keep confidential any matters relating to any proceedings save where disclosure is permitted or required by law.

Mode of referral

5.56. The Exchange shall refer cases to the Disciplinary Committee by service of a written statement of case on the Secretary, who will as soon as reasonably practicable serve a copy of the statement of case on the issuer. The statement of case shall set out the charges and a summary of the main facts to be relied on.

5.57. In the case of referral by the Executive Panel (under rule 5.7.3), the Exchange shall serve a copy of the statement of case together with the statement of response made by the issuer.

Procedure

5.58 Following service of a statement of case pursuant to rule 5.56 or 5.57:

5.58.1 the issuer may submit to the Disciplinary Committee a statement of response (or in the event of referral under rule 5.7.3 – a further statement of response) and shall submit to the Disciplinary Committee a statement of all material facts and attach to it copies of all documents relied upon; and

5.58.2 each party will then notify the Disciplinary Committee of any directions to be sought at a pre-hearing review or their assessment that there is no need for a pre-hearing review.

5.59. The Secretary may, by agreement with the parties, set a timetable for the completion of the steps under rule 5.58. If no agreement is reached, the Chairman of the Disciplinary Committee may specify, by notice in writing to the parties, the time limits within which the steps at rule 5.58 are to be carried out.
Directions

5.60. Following the completion of the procedures set out in rule 5.58, the Chairman or any member of the Disciplinary Committee whom he nominates may give any directions and take any other steps he considers appropriate for the clarification of the facts and issues and generally for their just, efficient and expeditious presentation and the determination of the matters in issue. The Chairman or any member of the Disciplinary Committee whom he nominates may hold one or more pre-hearing reviews for those purposes and the determination of the matters in issue. By way of example, these directions may include:

5.60.1. fixing a time and place for any pre-hearing review and hearing;

5.60.2. by written consent of all parties, directing that the hearing or any part of the hearing shall proceed by written representations;

5.60.3. recording any admissions made by any party and any request to any party to make admissions;

5.60.4. directing any party to indicate whether it admits any particular fact(s) or document(s);

5.60.5. directing any party to disclose and serve copies of any documents;

5.60.6. setting time limits for any purpose of the proceedings;

5.60.7. extending or abridging time limits;

5.60.8. adjourning the pre-hearing review, with such orders as it thinks fit;

5.60.9. granting leave to amend (including adding documents to) any statement submitted pursuant to rule 5.58;

5.60.10. varying any previous directions; and

5.60.11. making any order for the payment of costs of or in connection with pre-hearing preparation or any pre-hearing review.

The hearing

5.61. The Disciplinary Committee will usually conduct hearings in private, although an issuer which is subject to proceedings has the right to ask for such hearing to be conducted in public. An issuer requiring such hearing to be conducted in public shall notify the Chairman, in writing, at least five business days prior to commencement of the hearing.

5.62. A party may be legally represented at any pre-hearing review or hearing.

5.63. A party may submit evidence to the Disciplinary Committee at any time until two business days before the hearing.
5.64. The parties will be given not less than three business day's notice of the time and place of a pre-hearing review and seven business day's notice of the time and place of the hearing by the Secretary. Any shorter notice period may apply if the parties agree.

5.65. If any party fails to attend or be represented at a pre-hearing review or a hearing, the Disciplinary Committee may proceed in its absence.

5.66. At the hearing:

5.66.1. the members of the Disciplinary Committee and the legal adviser will be introduced to the parties by the Chairman who will state that each of the members and the legal adviser believes himself to have no conflict of interest in hearing the case;

5.66.2. the parties will be asked to confirm that there is no reasonable objection to any of the Disciplinary Committee members hearing the case or the legal adviser on the grounds of conflict of interest; and 

5.66.3. if the Disciplinary Committee, which for these purposes shall exclude any member objected to and shall have a quorum of two, upholds an objection, it may appoint another person from the panel to replace any relevant member and where the objection relates to the legal adviser, the Chairman may appoint another person to replace the legal adviser; in all cases the appointment shall be made in accordance with these procedures.

5.67. Unless otherwise ordered by the Disciplinary Committee, the order of proceedings at the hearing shall be as follows:

5.67.1. the allegation(s) made by the Exchange will be read and the issuer will state whether the allegation(s) is/are admitted;

5.67.2. each party (the Exchange followed by the other party(ies)) may present its evidence and/or call witnesses, who may be cross- examined and re-examined by the other parties and questioned by the Disciplinary Committee, and may make submissions to the Disciplinary Committee; and

5.67.3. where the Disciplinary Committee is satisfied that any allegation has been proved it shall take into account any representations made by the parties on whether any, and if so what, sanction(s) should be imposed before deciding whether, and if so what, sanction(s) should be imposed.

5.68. At a hearing the Disciplinary Committee may:

5.68.1. admit any evidence whether oral or written, whether direct or hearsay, without any requirement that it be on oath and whether or not the same would be admissible in a court of law;

5.68.2. make any directions which may be given at a pre-hearing review, and vary any direction which has been made; and
5.68.3. make all such directions with regard to the conduct of and procedure at the hearing as the Disciplinary Committee considers appropriate for securing a proper opportunity for the parties to present their cases and otherwise as may be just.

5.69. A record of the pre-hearing review may be made at the request of any party or if the Chairman so decides. A transcription or copy of the record will be made available to a party on payment of the cost of making such transcription or copy or a proportion thereof as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

5.70. A record of the hearing will be made. A transcription or copy of the record will be made available to a party on payment of the cost of making such transcription or copy, or a proportion thereof, as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

**Deliberations and decisions**

5.71. The Disciplinary Committee may deliberate at any time and make any decision in the absence of the parties. The Disciplinary Committee may adjourn any hearing at any time as it thinks fit. The Disciplinary Committee is entitled to reach decisions on a majority basis. Where a majority decision is reached, this fact will not be disclosed. In the case of an equality of votes, the Chairman shall have a second or casting vote.

5.72. Following the conclusion of the proceedings, the Disciplinary Committee will notify the parties in writing of:

5.72.1. its decision(s), including any penalty under rule 5.40 and any statement intended for publication;

5.72.2. the reason(s) for its decision(s);

5.72.3. any order for costs to be imposed; and

5.72.4. a time limit for the lodging of any appeal against the written decision or any part thereof which will be not less than 10 business days from the date of service on the parties of the written decision, save in exceptional circumstances where the Disciplinary Committee may order a shorter period.

5.73. The matters at rules 5.72.1 to 5.72.3 will not take effect until the expiry of the period for the lodging of any appeal or any extension thereof. If an appeal is lodged in relation to any or all of rules 5.72.1 to 5.72.3, the relevant matters at rules 5.72.1 to 5.72.3 will not take effect until the appeal is withdrawn or the Disciplinary Appeals Committee orders that they or any of them shall take effect.

5.74. The Disciplinary Committee may order any party to pay such reasonable
costs as it thinks fit, regardless of any finding or the outcome of the case. Such costs may include the remuneration and expenses of members of the Disciplinary Committee, the legal adviser, the Secretary and any costs incurred by the other party in the preparation and presentation of its case. Costs may be awarded against the Exchange only if, in the opinion of the Disciplinary Committee, the Exchange has acted in bad faith in bringing or conducting the proceedings. Such order will be made only after the parties to the proceedings have been given the opportunity to make submissions on costs to the Disciplinary Committee.

5.75. Any fine shall be paid within 30 days of receipt of the written decision of the Disciplinary Committee or the conclusion of any appeal against that determination and any costs ordered to be paid shall be paid within 30 days of receipt of the notification in writing of the amount payable.

5.76. The Disciplinary Committee may publish part or all of its written decision or a summary of it, and the reasons for the decision. Where the sanction imposed is a private censure, the Disciplinary Committee may publish its decision in part or a summary of it and the reasons for the decision without revealing the identity of the issuer sanctioned.

**Appeal**

5.77. Appeals must be made by service of a notice in writing, within 10 business days of the service of the Disciplinary Committee’s decision, setting out the name of the appellant, the decision appealed against, the grounds of appeal, the principal matters relied upon and attaching copies of any documents relied upon on to the Secretary to the Disciplinary Committee, who will as soon as reasonably practicable serve a copy on the other party. Where the appellant wishes to rely on evidence or documentation which was not before the Disciplinary Committee, this shall be stated in the notice together with details of such evidence and copies of such documentation shall be attached to the notice.

5.78. On receipt of a notice under rule 5.77, the Secretary to the Disciplinary Committee will arrange for the Exchange to appoint the Chairman and Members of the Appeals Committee and the Chairman will arrange a hearing as soon as reasonably practicable.

5.79. The Disciplinary Committee or the Appeals Committee may extend the time for appeal.

**Changes to the procedures**

5.80. The Disciplinary Committee may vary any of these procedures to adapt to the circumstances of any particular case.
APEALS COMMITTEE

Role

5.81. The Appeals Committee shall hear and determine appeals against decisions of the Disciplinary Committee made pursuant to referrals made under rule 5.77 and appeals against decisions of the Executive Panel made pursuant to rule 5.34.

Sanctions

5.82. The Appeals Committee may uphold, quash or vary any decision by the Disciplinary Committee or the Executive Panel. In the case of an appeal from the Executive Panel in a disciplinary case, the Appeals Committee may vary any penalty imposed by the Executive Panel subject to imposing a maximum fine of £100,000 for each breach.

Membership

5.83. The Appeals Committee appointed following service of a notice pursuant to rule 5.34 or rule 5.77 (as applicable) shall have a quorum of three (including the Chairman). The maximum number of members of the Appeals Committee shall be seven. Any person whom the Appeals Committee co-opts will count as a member of the Appeals Committee.

5.84. Members of the Appeals Committee are drawn from the panel referred to in rule 5.43.

5.85. The Appeals Committee may co-opt any person whom it considers appropriate.

5.86. The Chairman may appoint a legally qualified adviser who shall be independent of any party. Such legal adviser will not be counted as a member of the Appeals Committee but shall advise the Appeals Committee on legal matters. The Chairman may replace the legal adviser.

5.87. No-one who served on the Disciplinary Committee, whose decision is the subject of the appeal, nor its legal adviser nor anyone who is at the relevant time a member of the Exchange’s staff, may be appointed or co-opted to the Appeals Committee.

5.88. Members of the Appeals Committee will notify the Secretary or the Chairman of any possible conflict of interest at the earliest possible opportunity and in any event prior to any hearing to be held under rule 5.99 or 5.100 below. The Chairman will take appropriate action and will then notify the parties to the disciplinary proceedings of the names of the members of the Appeals Committee and any proposed legal adviser. If any party to the disciplinary proceedings believes that a potential conflict of interest exists, it shall notify the Chairman at the earliest possible opportunity. The Chairman will take appropriate action.

5.89. Where the Appeals Committee wishes to co-opt a person or to appoint a
person to replace a member unable to act whether because of illness, conflict of interest or otherwise and the hearing has commenced:

5.89.1. the appointment shall only take effect with the consent of the parties and the person co-opted or appointed will be subject to the provisions of rule 5.103; or

5.89.2. if, in the absence of consent in accordance with 5.89.1, the Appeals Committee does not wish or is not able to continue with the hearing, it will cease to deal with the appeal and an entirely new Appeals Committee will be appointed in accordance with these procedures and the hearing, but not any pre-hearing procedures, will start afresh in front of the new Appeals Committee.

Secretary

5.90. The Secretary will carry out any administrative functions and act as secretary to the Appeals Committee. The parties will be notified of the name of such person as soon as reasonably practicable. For the avoidance of doubt, the Secretary may be a member of the Exchange's staff and notwithstanding rule 5.87 may be the same Secretary who was Secretary of the Disciplinary Committee.

5.91. Any notices, notifications and other documents required to be submitted to the Appeals Committee must be served upon the Secretary who will ensure that copies are provided to the other parties, the members of the Appeals Committee and any legal adviser as appropriate. Where the Appeals Committee wishes to notify the parties of any matter it shall do so through the Secretary.

5.92. Any notices or other documents required to be served shall be served by delivering by hand or posting by first class post to the addresses set out below, save that the Secretary may agree with any of those referred to at 5.92.1 to 5.92.2 a different place for service upon them:

5.92.1. in the case of an appellant, to its head office;

5.92.2. in the case of the Exchange, to the Secretary with a copy to the Company Secretary, at the Exchange's registered office; and

5.92.3. in the case of any other party, to a place agreed with the Secretary.

5.93. Service shall be deemed effective on the date of delivery by hand or, where first class post is used, on the second day after posting.

Confidentiality

5.94. All communications relating to the proceedings (save those which would be privileged from production in a court of law) between the parties and with the Appeals Committee shall be channelled through the Secretary.

5.95. If any Appeals Committee member or the legal adviser is approached by any
person to discuss any matter connected with the hearing, the member or legal adviser, as appropriate, shall notify the Chairman without delay, who will take appropriate action.

5.96. Other than as set out in the Standards, and other than as between the parties and their advisers, all parties shall keep confidential any matters related to the appeal save where disclosure is permitted or required by law.

Procedure

5.97. Following service of a notice pursuant to rule 5.34 or 5.77 and the appointment of the Appeals Committee:

5.97.1. the appellant may submit to the Appeals Committee a statement amending or expanding upon the notice; and

5.97.2. any other party may submit to the Appeals Committee a statement in support of its case and any such party wishing to rely on evidence or documents not already before the Appeals Committee must submit a statement containing details thereof and attach to it copies of any such documents.

5.98. If both parties consent in writing to the Secretary, the appeal may be by written submissions only.

Directions

5.99. The Appeals Committee shall make any directions including any that may be made by the Disciplinary Committee and take any other steps it considers appropriate including holding pre-hearing reviews for the clarification of the facts and issues and generally for their just, efficient and expeditious presentation and the proper determination of the appeal.

The hearing

5.100. The Appeals Committee will usually conduct hearings in private, although an appellant which is subject to proceedings has the right to ask for such hearing to be conducted in public. An appellant requiring such hearing to be conducted in public shall notify the Chairman at least five business days prior to commencement of the hearing.

5.101. Any party may be legally represented at any hearing.

5.102. The parties will be given not less than 10 business days notice of the time and place of the hearing by the Secretary. The notice period may be shortened with the consent of the parties.

5.103. If a party fails to attend or be represented at any hearing or pre-hearing review, the Appeals Committee may proceed in its absence.

5.104. At the hearing:
5.104.1. the members of the Appeals Committee and the legal adviser will be introduced to the parties by the Chairman who will state that each of the members and the legal adviser believes himself to have no conflict of interest in hearing the appeal;

5.104.2. the parties will be asked to confirm that there is no reasonable objection to any of the Appeals Committee members hearing the appeal or to the legal adviser on the grounds of conflict of interest or otherwise; and

5.104.3. if the Appeals Committee, which for these purposes shall exclude any member objected to and shall have a quorum of two, upholds an objection, the Chairman may appoint a replacement in accordance with these procedures.

5.105. The order of proceedings shall be at the discretion of the Appeals Committee.

5.106. No party may rely on any statement or document not served on the Appeals Committee more than two business days before the hearing save with the leave of the Appeals Committee.

5.107. Save in exceptional circumstances and with the leave of the Appeals Committee, no party may present evidence (including calling new witnesses) that was not available to the Disciplinary Committee or the Executive Panel, although additional submissions may be made. Whether such new evidence should be permitted and, where it is permitted, the procedure for its presentation shall be decided on a case-by-case basis by the Appeals Committee.

5.108. A record of any hearing will be made. A transcription or copy of the record will be available to any party, on payment of the cost of making such transcription or copy or a proportion thereof as the Secretary in his discretion shall determine. For the avoidance of doubt, it shall be sufficient for such record to be in the form of minutes taken by the Secretary.

Deliberations and decisions

5.109. The Appeals Committee may deliberate at any time and make any decision in the absence of the parties. The Appeals Committee may adjourn any hearing at any time as it thinks fit. The Appeals Committee is entitled to reach decisions on a majority basis. Where a majority decision is reached, this will not be disclosed. In the case of an equality of votes, the Chairman shall have a second or casting vote.

5.110. The Appeals Committee will only quash or vary a decision of the Disciplinary Committee or the Executive Panel if it is satisfied, on the balance of probabilities, that the decision is a misinterpretation of or an erroneous application of any of the Standards or is not justified by the evidence on which it is based.

5.111. Following the conclusion of the proceedings, the Appeals Committee will notify the parties in writing of:
5.111.1. its decision(s), including any statement intended for publication;

5.111.2. the reason(s) for its decision; and

5.111.3. any order for costs to be imposed.

5.112. The Appeals Committee may order any party to the proceedings to pay such reasonable costs as it thinks fit regardless of any finding or the outcome of the case. Such costs may include the remuneration and expenses of members of the Appeals Committee, the Secretary and the legal adviser and any costs incurred by any other party in the preparation and presentation of its case. Costs may be awarded against the Exchange only if, in the opinion of the Appeals Committee, the Exchange has acted in bad faith in bringing or conducting the proceedings. Such order will be made only after the parties to the proceedings have been given the opportunity to make submissions on costs to the Appeals Committee.

5.113. Any fine shall be paid within 30 days of receipt of the written decision of the Appeals Committee and any costs ordered to be paid shall be paid within 30 days of receipt of the notification in writing of the amount payable.

5.114. The Appeals Committee may publish part or all of its written decision or a summary of it, and the reasons for the decision. The decisions of the Appeals Committee are binding.

**Changes to the procedures**

5.115. The Appeals Committee may vary any of these procedures to adapt to the circumstances of any particular case.

**CONSENT ORDERS**

5.116. At any time after the Exchange has decided to refer a case to the Executive Panel or the Disciplinary Committee, the Exchange and the issuer may, without prejudice, negotiate a proposed settlement (“consent order”) and jointly submit it in writing to the Executive Panel or Disciplinary Committee for approval. A disciplinary action may at the discretion of the Exchange be delayed, and if already commenced – halted, by the commencement of the negotiation of a consent order.

5.117. At the request of the issuer, the consent order submitted to the Disciplinary Committee for approval may be anonymous, provided that this will have no impact on the decision taken by the Disciplinary Committee. The Disciplinary Committee retains the right to insist that the name of the issuer is disclosed to them.

5.118. If the Executive Panel or Disciplinary Committee approve the proposed consent order, or any variation agreed by the Exchange and the issuer, it shall immediately make the order.

5.119. The consequences of a consent order made by the Executive Panel or Disciplinary Committee shall be the same as those of a decision made by the
Executive Panel or Disciplinary Committee sitting as a tribunal of first instance, except that there can be no appeal and the consent order and penalties on any charges to which it relates shall have immediate effect.

5.120. The Executive Panel or Disciplinary Committee shall, in considering the consent order, take into account and give due weight to the fact that the parties are jointly applying for the consent order to be made.

5.121. If the Executive Panel or Disciplinary Committee does not approve the proposed consent order, there shall be no reference in any hearing before the Executive Panel or Disciplinary Committee to the negotiations, the proposed consent order or the submissions made to the Executive Panel or Disciplinary Committee, all of which shall be confidential.

5.122. Where rule 5.121 applies, the Executive Panel or Disciplinary Committee constituted to hear the disciplinary charges shall contain no person who was part of the Executive Panel or Disciplinary Committee that considered the consent order.
SCHEDULE 1 – ADMISSION PROCEDURES

PART A – PROVISIONAL APPLICATION

To ensure the Exchange can properly consider any application for admission to trading the issuer must:

1.1 For new issuers, submit the Form 1 and a draft copy of the prospectus, listing particulars, passport.—circular, announcement or other document relating to the issue, to the Exchange (marked for the attention of “Admissions” to admissions@lseg.com) by no later than 12:00 at least ten business days prior to the consideration of the application for admission to trading.

1.2 The submission of Form 1 shall be provisional. Formal application will only be deemed to be made when a prospectus relating to the securities to be admitted to trading has been approved.

1.3 The formal application and supporting documentation must be submitted in accordance with Rule 3.3 and Part B of Schedule 1.

Guidance:

New applicants of equity and depositary receipts securities should refer to the early notification requirements in Part 3 of Section 2.

Admission of securities becomes effective only when the decision of the Exchange to admit the securities to trading has been announced by the Exchange via a Regulatory Information Service announcement. (Should the Regulatory Information Service suffer an outage, a notice will be made available at the Exchange’s ground floor reception).

Except where otherwise agreed by the Exchange, applications for admission to trading are considered on business days between the hours of 09:00 and 17:30.

An invoice for the admission fee will be raised on admission. The admission fee is calculated in accordance with the Exchange’s scale of fees (see Rule 4.11). Payment of the admission fee must be received no later than 30 days after the date of this invoice.

PART B – FORMAL APPLICATION

2.1 The following documents must be submitted to the Exchange by no later than 12:00 at least two business days prior to the consideration of the application for admission to trading:

2.2 Issuers not covered by Part C below:

- an application for admission to trading on the finalised Form 1 issued by the Exchange signed by a duly authorised officer of the issuer;
- an electronic copy of any prospectus, listing particulars, passport,

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circular, announcement or other document relating to the issue, together with copies of any notice of meeting referred to in such documents; and

- written confirmation of the number of securities to be allotted or issued pursuant to the board resolution should be provided and must be received by the Exchange no later than 16:00 on the day before admission is expected to become effective. By prior arrangement in writing this may be extended to 07:00 on the day of admission. The applicant should keep a copy of the resolution on its records for six years.

Guidance to Part B:

For issuers for whom the EEA competent authority is the FCA:

If the FCA has considered an application for listing and the securities the subject of the application are not all allotted and admitted following the initial allotment of the securities (for example, under an offer for subscription), further allotments of securities may be admitted if, before 4pm on the day before admission is sought, the Exchange has been informed and the FCA has been provided with the information required under Listing Rule 3.3.4 A R.

The Exchange may require proof of allotment for any securities which are being issued on admission. A copy of the applicant’s board minutes allocating such securities or confirmation from the issuer will suffice in most cases.

The documents required under Part B of Schedule 1 should at least include:

- number of securities to be admitted;
- par value of securities;
- expected admission date; and
- nature of admission.

PART C – APPLICATIONS FOR CERTAIN SECURITIES

3.1 Issuers seeking admission to trading to the Order book for Retail Bonds should ensure that they submit a Form 1 and an ORB static data form.

Issuance programmes

3.2 Where debt securities or depositary receipts are issued under an issuance programme, an applicant must submit a subsequent application for admission to trading in the case of an increase in the maximum number of securities which may be in issue and listed at any one time under an issuance programme.

If the Exchange approves the application, it will admit to trading all securities which may be issued under the programme within 12 months after the publication of the prospectus or listing particulars, subject to the Exchange receiving:
(a) advice of the final terms of each issue;
(b) electronic copies of any supplementary prospectus or listing particulars; and
(c) confirmation that the securities in question have been issued.

3.3 The final terms of each issue which is intended to be admitted to trading must be submitted in writing to the Exchange as soon as possible after they have been agreed and in any event no later than 14:00 on the day before admission is required to become effective. The final terms may be submitted by the issuer or its designated representative.

Guidance for green bonds

In addition to the requirements of the Standards, issuers of debt securities seeking to be traded on a dedicated green bond segment must:

- provide written confirmation to the Exchange that the entity that has been appointed to conduct the green bond certification meets the criteria contained at http://www.londonstockexchange.com/specialist-issuers/green-bonds/20151008-green-bond-certification.pdf set out on our website.
- (in the case of an issuer which is a supra-national entity) provide written confirmation that the issuer's impact reporting meets the criteria contained at http://www.londonstockexchange.com/specialist-issuers/green-bonds/20151008-green-bond-certification.pdf set out on our website.

ETFs, EEA ETFs and ETPs

3.4 Prior to any potential admission to trading of an ETF, EEA ETF or ETP, issuers must liaise with the FCA.

3.5 All ETFs, EEA ETFs and ETPs must be either FCA authorised (UKLA listed) or have FCA recognition status (listed with another EEA competent authority).

For ETFs and other ETPs admitting on the basis of a UKLA-FCA listing, the below documents must be submitted to the Exchange (marked for the attention of “Admissions”) 11 business days (by 12.00pm) before the target admission date, unless a sub-fund, whereby these can be submitted 5 business days before the target admission date:

- Form 1
- Trading form
- Prospectus/pricing supplement
- Stamped listing particulars
- For ETFs - Certificate of UCITS compliance or other FCA recognised
non-UCITS scheme

- For other ETPs – Final terms

3.6 For ETFs admitting on the basis of an EEA listing, the below documents must be submitted to the Exchange (marked for the attention of “Admissions”) 11 business days (by 12.00pm) before the target admission date unless a sub-fund, whereby these can be submitted 5 business days before the target admission date:

- Form 1
- Trading form
- Evidence of FCA recognition status
- Prospectus/pricing supplement
- Stamped listing particulars from an EEA competent authority (English version)
- Certificate of UCITS compliance from the home competent authority or other FCA recognised non-UCITS scheme (English version)

**Guidance to paragraphs 3.4 to 3.6**

For each ETF/ETP admitted to trading on the Exchange, we require at least one registered market maker to provide two-way prices on our order book from the first day of trading. If no market makers are registered by 15:30 on the business day before the admission date the security will not be admitted.


**Covered warrants and listed structured products**

3.7 Issuers of covered warrants and listed structured products must provide a finalised Form 1, a pricing supplement, indicative price and a completed trading form (depending on the number of products being launched simultaneously) and any additional forms, as appropriate. If products are to be launched under a new prospectus then it must also be provided.
SCHEDULE 2 – WHEN ISSUED DEALING

1. A provisional “when issued dealing application form” (which is available on our website, can be found at www.londonstockexchange.com/mainmarket/usefuldocuments) must be received by the Exchange together with a draft Form 1 and draft prospectus, at least 10 business days prior to the day on which the issuer is requesting that the Exchange consider the application for when issued dealing.

2. The final “when issued dealing application form” must be submitted (with a draft stabilisation notice if appropriate) at least two business days prior to the day on which the issuer is requesting that the Exchange consider the application for when issued dealing.

3. On the business day prior to the start of when issued dealing the Exchange must receive:
   - A copy of the listing particulars, admission document or prospectus or confirmation of the expectation that the Listing Particulars, admission document or prospectus will be approved by the relevant competent authority during the first day of when issued dealing;
   - Confirmation of when allocation is due to take place and an indication of the expected trading price; and
   - The draft stabilisation notice, if applicable.

Guidance to Schedule 2

Subject to Rule 3.9, when issued dealing will only commence once:

- the offer price (where applicable) and allocation details have been publicly announced;
- the issuer, or its advisers, have confirmed that they are not aware of any reason why the listing particulars, admission document or prospectus will not be approved by the relevant competent authority during the first day of when issued dealing; and
- the Exchange is satisfied that all relevant regulatory and operational approvals have been obtained by the issuer. This includes acceptance of the security by the venue in which it is due to settle and, if applicable, the relevant central counterparty.


Issuers seeking admission to the Order book for Retail Bonds should contact the Exchange in respect of any application for when issued dealing.

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dealing.
SCHEDULE 3 – CORPORATE ACTIONS

Timetable for corporate actions

1. An issuer must contact the Exchange in advance of any announcement of the timetable for any proposed action affecting the rights of existing holders of its securities traded on our markets. Except in the case of a dividend timetable notification (which are subject to paragraph 6), the reference to ‘in advance’ means that the Exchange should receive the proposed timetable by no later than 09:00 on the day before the proposed announcement.

2. Paragraphs 1 and 3 to 5 do not apply to issuers of depositary receipts or specialist securities. Issuers of depositary receipts must observe their obligations under paragraph 8.

3. The Exchange may require amendments to the timetable, as and when considered necessary. The Exchange will liaise with the issuer and its advisers as appropriate.

4. A timetable which has not been cleared in advance with the Exchange but which has been announced to the market, may be subject to change if required by the Exchange. If this situation occurs a further correcting announcement must be made to the market.

5. Any proposed amendments to a timetable, including amendment to the publication details of any announcement, must be immediately notified to the Exchange.

Guidance:

Paragraphs 1-5 relate to proposed timetables for all corporate actions for securities admitted to trading on the Exchange’s markets, for example:

- Corporate actions where an ex date is required (dividends, scrip dividends, DRIPs, DRISs, dividend currency elections, open offers, rights issues, bonus issues, capitalisation issues, return of capital/cash, demergers, enfranchisements).

- Other events for which clearance of timetables is required are:
  - tender/repurchase offers,
  - consolidations, subdivision,
  - capital reorganisations,
  - schemes of arrangement/ schemes of reconstruction,
  - some types of conversions/redemptions, or
  - any other corporate event which could affect the rights of existing holders of securities admitted to trading on our markets.

6. Where applicable, dividend payments must follow the procedures set out in the guidance below:
Guidance

A dividend timetable which follows the guidelines set by the Dividend Procedure Timetable, as published on the Exchange’s website at http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-regulations.htm, need not be notified to the Exchange in advance, provided the announcement of the dividend includes:

- the amount of the dividend (should state whether the dividend is net or gross); and
- the record and payment dates; and
- the availability of any scrip dividend, DRIP or dividend currency option, together with the election date.

Dividends outside of the guidelines detailed in the Dividend Procedure Timetable must be agreed by the Exchange in advance of the announcement of the dividend. The Scrip Dividend and DRIP documentation must also be lodged with the Exchange.

The term ‘dividend’ includes all interest payments for debt securities (excluding specialist securities). An announcement is not required for interest payments, but the Exchange must receive notification of any payment no later than seven business days prior to the record date. This notification must include:

- the appropriate net or gross amount; and
- the record and payment dates; and
- any conversion period details.

Where fixed payment details are available, the issuer or its agent may use one timetable to inform the Exchange of all future payments, providing any subsequent amendments are notified to the Exchange immediately.

When an issuer publishes details of future interest payments, they must notify the Exchange.

Timetable for open offer

7. The timetable for an open offer must ensure that valid claims through the market can be promptly satisfied and must comply with the following:

- the open offer must remain 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. The business days must also exclude the ‘ex’ date;

- where possible, the open offer record date should be the business day before the expected ‘ex’ date. A record date preceding the ‘ex’ date by more than three business days will only be approved in exceptional circumstances; and

- the announcement by an issuer of an open offer should take place by no
later than 07:15 on the proposed ‘ex’ date.

As per paragraphs 1 and 2, an **issuer** or its adviser must contact the **Exchange** in advance of any announcement of the timetable for any *open offer*. The reference to ‘in advance’ means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the day before the proposed announcement. The **Exchange** may require amendments to the timetable, as and when considered necessary. The **Exchange** will liaise with the **issuer** and its advisers as appropriate.

A timetable which has not been cleared in advance with the **Exchange** but which has been announced to the market, may be subject to change if required by the **Exchange**. If this situation occurs a further correcting announcement must be made to the market.

**Continuing obligations for depository receipt issuers**

8. An **issuer** or its **depository bank** should contact the **Exchange** in advance of any announcement of a timetable for any proposed action affecting the rights of existing holders of its **securities** traded on our markets. The reference to "in advance" means that the **Exchange** should receive the proposed announcement by no later than 9:00 on the day before the proposed announcement.

The **Exchange** may require amendments to the timetable, as and when considered necessary. The **Exchange** will liaise with the **issuer** or **depository bank** as appropriate.

Any proposed amendments to an agreed timetable, including amendment to the published details of any announcement, should immediately be notified to the **Exchange**.

Paragraph 8 and related guidance must be adhered to by an **issuer** or its **depository bank** unless otherwise specifically agreed with, and confirmed by, the **Exchange**.

**Guidance**

Paragraph 8 relates to proposed timetables for all corporate actions for **depository receipts admitted to trading** on the **Exchange**'s markets, for example: **corporate actions** where an ‘ex date’ is required (*bonus issues*, **stock distributions**, **rights issues**, **demergers** /spin offs).

**Issuers** will have regard to their domestic regulatory requirements and should discuss possible conflicts between those and the **Standards** with **Exchange** in advance, as **issuers** deem necessary.

Wherever possible the **record date** should be announced in advance and the ‘ex’ **date** for any of the above corporate actions will be determined by the **Exchange**, dependent on the information received and the type of the corporate action proposed.
Other events for which clearance of timetables is required are:

- stock splits,
- tender/repurchase offers,
- capital reorganisations,
- or any other corporate action which could affect the rights of existing holders of securities admitted to trading on our markets.

Dividends

Dividends for depositary receipts should be notified to the Exchange by 09:00 at least three business days prior to the dividend record date, to allow the depositary receipt to be marked Ex Dividend in the normal way, one business day prior to the record date.

In most circumstances the dividend record date for the depositary receipt will be in line with that of the underlying security. In the event of late notification of the record date for the underlying security, or where notice is not received three days prior to the record date, the depositary bank will be required to set a separate record date for the depositary receipt to allow the security to be marked Ex Dividend in line with the above timetable.

Dividend notifications for depositary receipts should include the following details, where available:

- name of issuer declaring dividend
- ISIN or CUSIP number
- whether dividend is an approximate or final rate
- amount of the dividend (should state whether the dividend is net or gross and include both rates (if available)
- record date
- payment dates
- any relevant fees or tax charges
- name of depositary bank announcing dividend (including contact details).
SCHEDULE 4 – SPECIALIST FUND SEGMENT

In order to be eligible for admission, and in addition to the requirements of these Standards, the following criteria must be satisfied, at admission, unless the Exchange otherwise agrees:

1. the issuer must be a closed-ended investment company;

2. the issuer must have published prior to admission a prospectus that complies with Annex XV in PR App 3.1 of the Prospectus Directive Rules in relation to the securities to be admitted that must have been approved by the FCA or another EEA competent authority as applicable. To the extent permitted by the relevant competent authority, that prospectus (as well any notification to a Regulatory Information Service at admission) should include:
   a. the following statement:
   “The Specialist Fund Segment securities are not admitted to the Official List of the Financial Conduct Authority. Therefore the company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Financial Conduct Authority’s Listing Rules. The London Stock Exchange has not examined or approved the contents of this document.”; and
   b. appropriate language to reflect the fact that the Specialist Fund Segment is intended for institutional, professional, professionally advised and knowledgeable investors who understand, or who have been advised of, the potential risk from investing in companies admitted to the Specialist Fund Segment.

3. the issuer must disclose post-issue free float as part of their submission on the Form 1;

4. there must be a sufficient number of registered holders of the securities to be admitted to provide an orderly market in the securities following admission; and

5. the issuer must be duly incorporated or otherwise validly established and must operate in conformity with its constitution.

Guidance to Schedule 4

As the Specialist Fund Segment is part of the Exchange’s regulated market, issuers admitted to trading on the Specialist Fund Segment must meet the requirements of relevant EU directives and regulation.
### SCHEDULE 5 – HIGH GROWTH SEGMENT RULEBOOK

**These rules** apply to **issuers** (and their **Key Advisers**) applying to **admit securities**, or with **securities** admitted, to trading on the **High Growth Segment** of the **Main Market**, part of the **regulated market** operated by the **Exchange**.

The following terms have the following meanings when used in this **Schedule 5** the context otherwise requires. For any defined terms not listed here, please refer to the **Glossary to these Standards**.

<table>
<thead>
<tr>
<th>TERM</th>
<th>MEANING</th>
</tr>
</thead>
<tbody>
<tr>
<td>admission, admitted</td>
<td>admission of <strong>securities</strong> to trading on the <strong>High Growth Segment</strong> of the <strong>Main Market</strong></td>
</tr>
</tbody>
</table>
| CAGR                      | Compound Annual Growth Rate calculated in accordance with the following formula where Revenue means audited consolidated revenue prepared in a form consistent with that which will be adopted in the **issuer's** next published financial statements; financial year 3 is the **issuer's** most recent completed financial year, and; financial year 0 is the **issuer's** financial year ended three years prior to financial year 3:  
  \[
  \left( \frac{\text{Revenue for financial year } 3}{\text{Revenue for financial year } 0} \right)^{\frac{1}{3}} - 1
  \]
  For example, to evaluate the three year Revenue CAGR at the end of 2012, Revenue for financial year 0 would be revenue earned in 2009. |
| class test(s)             | the tests set out in Annex 1 which are used to determine how a transaction is to be classified for the purposes of **these rules** |
| director(s)               | a **person** occupying the position of a director (by whatever name called) of a company or other body corporate with corresponding powers and duties |
| EEA                       | as such term is defined in the **FCA Handbook**                                                                 |
| EEA State                 | as such term is defined in the **FCA Handbook**                                                                 |
| eligibility letter        | as defined in section 14.1 of Annex 3 and in such form as is found on the **Exchange's website** at:  
  www.londonstockexchange.com/hgs                              |
<p>| equity share capital      | in relation to a company or similar body corporate, issued share capital excluding any part of that capital which, neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution |</p>
<table>
<thead>
<tr>
<th>EU</th>
<th>as such term is defined in the <strong>FCA Handbook</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>FCA Handbook</td>
<td>the Handbook published by the <strong>FCA</strong>, as amended from time to time</td>
</tr>
<tr>
<td>group</td>
<td>a <strong>person’s</strong> group of companies being its <strong>subsidiary undertakings</strong>, its <strong>parent undertakings</strong> and any other <strong>subsidiary undertakings</strong> of its <strong>parent undertakings</strong></td>
</tr>
<tr>
<td>in public hands</td>
<td>distributed to the public in <strong>the UK</strong> or one or more <strong>EEA States</strong>. <strong>Securities</strong> are not considered to be in public hands if they are held, directly or indirectly, by:</td>
</tr>
<tr>
<td></td>
<td>(a) a <strong>director</strong> of the <strong>issuer</strong> or of any of its <strong>subsidiary undertakings</strong>; or</td>
</tr>
<tr>
<td></td>
<td>(b) a <strong>person</strong> connected with a <strong>director</strong> of the <strong>issuer</strong> or of any of its <strong>subsidiary undertakings</strong>; or</td>
</tr>
<tr>
<td></td>
<td>(c) the trustees of any employees' share scheme or pension fund established for the benefit of any <strong>directors</strong> and employees of the <strong>issuer</strong> and its <strong>subsidiary undertakings</strong>; or</td>
</tr>
<tr>
<td></td>
<td>(d) any <strong>person</strong> who under any agreement has a right to nominate a <strong>person</strong> to the board of <strong>directors</strong> of the <strong>issuer</strong>; or</td>
</tr>
<tr>
<td></td>
<td>(e) any <strong>person</strong> or <strong>persons</strong> in the same <strong>group</strong> or <strong>persons</strong> acting in concert who have an interest in <strong>5%</strong> or more of the shares of the relevant <strong>class</strong>.</td>
</tr>
<tr>
<td><strong>Treasury shares</strong></td>
<td>are not to be taken into consideration when calculating the number of shares of the <strong>class</strong>.</td>
</tr>
<tr>
<td>issuer Declaration</td>
<td>as such form is found on the <strong>Exchange’s website</strong>—at: <a href="http://www.londonstockexchange.com/hgs">www.londonstockexchange.com/hgs</a></td>
</tr>
<tr>
<td>Key Adviser Application</td>
<td>as such form is found on the <strong>Exchange’s website</strong>—at: <a href="http://www.londonstockexchange.com/hgs">www.londonstockexchange.com/hgs</a></td>
</tr>
<tr>
<td>Key Adviser Declaration</td>
<td>as such form is found on the <strong>Exchange’s website</strong>—at: <a href="http://www.londonstockexchange.com/hgs">www.londonstockexchange.com/hgs</a></td>
</tr>
<tr>
<td>Key Adviser service(s)</td>
<td>a service relating to a matter referred to in Rule 4 of <strong>these rules</strong> that a <strong>Key Adviser</strong> provides or is requested or appointed to provide, including preparatory work that a <strong>Key Adviser</strong> may undertake before a decision is taken as to whether or not it will act as <strong>Key Adviser</strong> for an <strong>issuer</strong>, and including all the <strong>Key Adviser</strong> communications with the <strong>Exchange</strong> in connection with the service. But nothing in this definition is to be taken as requiring a <strong>Key Adviser</strong> when requested to agree to act as a <strong>Key Adviser</strong> for an <strong>issuer</strong></td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Key Adviser(s)</td>
<td>a Key Adviser whose name appears on the list maintained by the Exchange pursuant to section 15 of Annex 3</td>
</tr>
<tr>
<td>notifiable transaction</td>
<td>as set out in section B3</td>
</tr>
<tr>
<td>parent undertaking(s)</td>
<td>as such term is defined in section 1162 of the Companies Act 2006</td>
</tr>
<tr>
<td>percentage ratio(s)</td>
<td>(in relation to a transaction) the figure, expressed as a percentage, that results from applying a calculation under a class test to the transaction</td>
</tr>
<tr>
<td>person(s)</td>
<td>(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a partnership)</td>
</tr>
<tr>
<td>Prospectus Rules</td>
<td>the Prospectus Rules issued by the FCA as part of the FCA Handbook, as amended from time to time</td>
</tr>
<tr>
<td>related party</td>
<td>(1) a person who is (or was within the 12 months before the date of the transaction or arrangement) a substantial shareholder; or (2) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director or shadow director of the company or of any other company which is (and, if he has ceased to be such, was while he was a director or shadow director of such other company) its subsidiary undertaking or parent undertaking or a fellow subsidiary undertaking of its parent undertaking; or (3) a person exercising significant influence; or (4) an associate (as such term is defined in the Listing Rules) of a related party referred to in the above paragraphs.</td>
</tr>
<tr>
<td>related party transaction</td>
<td>as set out in section B4</td>
</tr>
<tr>
<td>reverse takeover</td>
<td>a reverse takeover is a transaction, whether effected by way of a direct acquisition by the issuer or a subsidiary undertaking, an acquisition by a new holding company of the issuer or otherwise, of a business, a company or assets: • where any percentage ratio is 100% or more; or • which in substance results in a fundamental change in the business or in a change in board or voting control of the issuer and its subsidiary undertakings.</td>
</tr>
</tbody>
</table>
When calculating the **percentage ratio**, the **issuer** should apply the **class tests**.

The following factors are usually indicators of a fundamental change:

1. the extent to which the transaction will change the strategic direction or nature of its business; or
2. whether its business will be part of a different industry sector following the completion of the transaction; or
3. whether its business will deal with fundamentally different suppliers and end users.

**RIS**

See definition of Regulatory Information Service in the Standards

**scientific research issuer**

An **issuer** that:

a) has as its primary reason for admitting to the **High Growth Segment** the raising of finance to bring identified products to a stage where they can generate significant revenues; and

b) demonstrates that it has a three year record of operations in laboratory research and development including:

i. details of patents granted or details of progress of patent applications; and

ii. the successful completion of, or the successful progression of, significant testing of the effectiveness of its products; and

c) demonstrates its ability to attract funds from sophisticated investors prior to the marketing at the time of **admission**.

**shareholders**

A holder of any legal or beneficial interest, whether direct or indirect, in a **security admitted** to the **High Growth Segment**

**subsidiary undertaking(s)**

As such term is defined in section 1162 of the Companies Act 2006

**substantial shareholder**

Means any **person** who is entitled to exercise, or to control the exercise of, 10% or more of the votes able to be cast on all or substantially all matters at general meetings of the company (or of any company which is its **subsidiary undertaking** or **parent undertaking** or of a fellow **subsidiary undertaking** of its **parent undertaking**). For the purposes of calculating voting rights, the following voting rights are to be disregarded:
1 any voting rights which such a person exercises (or controls the exercise of) independently in its capacity as bare trustee, investment manager, collective investment undertaking or a long-term insurer in respect of its linked long-term business if no associate of that person interferes by giving direct or indirect instructions, or in any other way, in the exercise of such voting rights (except to the extent any such person confers or collaborates with such an associate which also acts in its capacity as investment manager, collective investment undertaking or long-term insurer); or

2 any voting rights which a person may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:

(a) underwriting the issue or sale of securities; or

(b) placing securities, where the person provides a firm commitment to acquire any securities which it does not place; or

(c) acquiring securities from existing shareholders or the issuer pursuant to an agreement to procure third-party purchases of securities;

and where the conditions in (i) to (iv) are satisfied:

(i) the activities set out in (2)(a) to (c) are performed in the ordinary course of business;

(ii) the securities to which the voting rights attach are held for a consecutive period of 5 trading days or less, beginning with the first trading day on which the securities are held;

(iii) the voting rights are not exercised within the period the securities are held; and

(iv) no attempt is made directly or indirectly by the firm to intervene in (or attempt to intervene in) or exert (or attempt to exert) influence on the management of the issuer within the period the securities are held.

target the subject of a notifiable transaction or reverse takeover

treasury shares as such term is defined in the FCA Handbook

these rules these rules relating to admission to the High Growth Segment

1 October 2018
INTRODUCTION

A. The High Growth Segment opened on 27 March 2013. It offers admission to trading to the Main Market principally for high growth, trading businesses that intend in due course to seek admission to the Official List but that may not yet meet the applicable eligibility criteria, in particular due to having a lower proportion of securities in public hands.

B. As a segment of an EU–the Exchange’s regulated market, issuers with securities admitted to, or applying for admission to, the High Growth Segment must comply with UK MAR, and certain EU–directive standards, such as applicable parts of the FCA DTR and the Prospectus Rules.

C. Other rules that will apply to issuers include the Standards issued by the Exchange, which should be read in conjunction with these rules. An issuer will also need to comply with the national law and regulation of its country of incorporation.

D. Securities admitted to the High Growth Segment are not admitted to the Official List maintained by the FCA and therefore the Listing Rules do not apply.

E. Admission to the High Growth Segment is determined by the Exchange on the basis of information and submissions relating to eligibility given by the issuer and its Key Adviser and on the basis that a prospectus has been approved by the FCA or other EEA State competent authority.

F. Prospective issuers considering applying for admission to the High Growth Segment should consult with the Exchange (via the Primary Market Regulation Team) at the earliest possible opportunity in order to discuss their eligibility.

G. Questions or concerns in relation to the interpretation of these rules should be addressed at the earliest possible opportunity to the Primary Market Regulation Team. The Exchange may modify or dispense with these rules in individual cases as it considers appropriate.

H. Terms in bold are defined in the Glossary at the end of these rules.

I. The prospectus required under Rule 3 of these rules, any documents sent to shareholders and any information required by these rules (including the website at section B7) must be in English.

J. The rules relating to the trading of securities are set out in the Rules of the London Stock Exchange.

SECTION A – ADMISSION

1. This section applies to issuers that do not already have securities admitted, unless (i) admission is sought for a new class of securities, or (ii) admission is the result of a reverse takeover involving an issuer that previously had securities admitted, in which case this section shall apply unless the Exchange otherwise determines.
A1: Eligibility for Admission

2. In order to be eligible for admission\(^2\), and in addition to the requirements of the Standards, the following criteria must be satisfied, at admission, unless the Exchange otherwise agrees:

2.1. the **issuer** together with its **subsidiary undertakings** must be a trading business\(^3\)

2.2. the **issuer** must control the majority of its assets

2.3. the **issuer** must be able to demonstrate growth in audited consolidated revenue, prepared in a form consistent with that which will be adopted in the **issuer's** next published financial statements, of at least 20% on a CAGR basis over the prior three financial years

2.4. at least 10% of the number of **securities** to be admitted must be in **public hands**

2.5. the value of the **securities** in **public hands** must be at least £30 million. The majority of the £30 million must be raised at admission by the issue of new **securities** or sale of existing **securities** from the same **class** as that to be admitted

2.6. there will be a sufficient number of registered holders of the **securities** to be admitted to provide an orderly market in the **securities** following admission

2.7. the **securities** to be admitted must form part of the **issuer's equity share capital**, must conform with the laws and regulations of the **issuer's** place of incorporation and be duly authorised according to the requirements of the **issuer's** constitution as well as having any other necessary consents, and

2.8. the **issuer** must:

2.8.1. be duly incorporated or otherwise validly established in a **UK** or an **EEA State** and must operate in conformity with its constitution, and

2.8.2. be a public limited company or similar **EEA** corporate structure.

2.9. the **Exchange** may at its sole discretion modify or dispense with Rules 2.1 and 2.3 of these rules in the case of a **scientific research issuer**\(^4\),

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\(^2\) GUIDANCE – **Issuers** should note that certain of the eligibility requirements set out here are continuing obligations pursuant to section B1

\(^3\) GUIDANCE - an **issuer** should not, for example, be a mineral resource company at exploration stage, or an investment entity

\(^4\) GUIDANCE – the criteria for determining whether an **issuer** will qualify as a **scientific research issuer** is contained in the glossary definition of **scientific research issuer**.
provided that the scientific research issuer:

2.9.1. complies with Rules 2.2 and 2.4 to 2.8 of these rules; and

2.9.2. has published or filed historical financial information since the inception of its business.

3. In addition, to be eligible for admission, the issuer must have published prior to admission a prospectus in relation to the securities to be admitted that must have been approved by the FCA or another EEA State competent authority as applicable. To the extent permitted by the relevant competent authority, that prospectus (as well any notification to a RIS at admission) should include the following:

3.1. a statement, ideally on the front page, prominently and boldly, stating the following:

"Admission to the High Growth Segment of the Main Market of the London Stock Exchange is primarily intended for high growth companies, which are likely to have a lower proportion of securities in public hands at admission than companies admitted to the Official List. High Growth Segment securities are not admitted to the Official List of the Financial Conduct Authority. Therefore the company has not been required to satisfy the eligibility criteria for admission to listing on the Official List and is not required to comply with the Financial Conduct Authority’s Listing Rules. The London Stock Exchange has not examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser."

3.2. a non-binding indication in the section of the prospectus dealing with information on the issuer (and in any notification to a RIS at admission) setting out that the issuer intends to apply for admission to the Official List in the future and how it intends to satisfy the eligibility criteria for admission to the Official List.

4. In addition, to be eligible for admission, an issuer must have appointed a Key Adviser in relation to an admission. The Key Adviser must comply with the requirements of Annex 3 of these rules.

5. Even if an application for admission by an issuer satisfies all of the criteria set out in this section A1, the Exchange may refuse admission or may impose any conditions to admission in accordance with Rule 2.5 of the Standards.

A2: PROCEDURE FOR ADMISSION

6. In addition to the requirements for admission set out in the Standards, to apply for admission:

6.1. a Key Adviser must submit to the Exchange a draft copy of the
eligibility letter by email to the Primary Market Regulation Team no later than the date on which a draft prospectus is first submitted for review to the FCA or other EEA State competent authority.

6.2. an issuer (or Key Adviser on its behalf) must submit to the Exchange at least two business days before the Exchange is to consider the application for admission, the following by email to the Primary Market Regulation Team:

6.2.1. a completed issuer Declaration; and

6.2.2. where the prospectus is approved by an EEA State competent authority other than the FCA, a certificate of approval, and

6.2.3. any other documentation required by the Exchange in connection with assessing the issuer’s eligibility, and

6.3. a Key Adviser must submit to the Exchange at least two business days before the Exchange is to consider the application for admission by email to the Primary Market Regulation Team:

6.3.1. a completed Key Adviser Declaration

6.3.2. the final form eligibility letter, and

6.3.3. any other documentation required by the Exchange in connection with assessing the issuer’s eligibility.

7. An issuer in the case of Rule 6.2 of these rules and information required by the Standards or Key Adviser in the case of the whole of Rule 6 of these rules, in each case must inform the Exchange (via the Primary Market Regulation Team) without delay of any change in the information provided under those provisions that occurs prior to admission. Where, in the opinion of the Exchange, such change(s) result in the information being significantly different to that initially provided or otherwise being material in the context of the admission, the Exchange may delay admission.

8. The Exchange may publish the information contained in the documents it receives pursuant to Rule 6.1 of these rules or the Standards, in particular by noting details of the proposed admission on its website.

9. Admission becomes effective at the time set out in the Standards.
SECTION B – CONTINUING OBLIGATIONS

10. This section applies to issuers that have securities admitted.

B1: CONTINUING ELIGIBILITY REQUIREMENTS

11. While it has securities admitted, the issuer must comply with the criteria set out in Rule 2 of these rules (other than those at Rules 2.3, 2.5 and 2.6) as if they applied on a continuing basis.

12. In addition to the requirements in the Standards, an issuer must:

12.1. deal with the Exchange in an open and co-operative way and deal with all enquiries raised by the Exchange promptly

12.2. promptly notify the Exchange if it becomes aware that it is likely to fail or has failed to comply with its obligations under these rules or the Standards, and

12.3. provide to the Exchange any information or explanation the Exchange might reasonably require for the purpose of verifying whether these rules are being or have been complied with.

13. In relation to any further issue of securities of the same class, the provisions of the Standards apply and a Form 1 must be submitted to the Exchange for admission of such securities.

B2: ADVICE OF KEY ADVISERS

14. An issuer must obtain the guidance of a Key Adviser to assist it5 with the application of these rules and the Standards where it (or any of its subsidiary undertakings) is proposing to enter into or undertake any significant transaction or a significant event occurs, including any of the following:

14.1. a transaction which due to its size or nature could amount to a notifiable transaction, related party transaction or reverse takeover

14.2. cancellation of its admission

14.3. a further issue of securities or a purchase of own securities of the same class to that which is admitted, or

14.4. severe financial difficulty, including in relation to any associated restructuring, reconstruction or disposal.

B3: NOTIFIABLE TRANSACTIONS

15. In this section B3, (except where specifically provided to the contrary) a

5 GUIDANCE - For the avoidance of doubt, the role of the Key Adviser after admission is to advise the issuer only and the Key Adviser will not owe duties to the Exchange in relation to such advice.
reference to a transaction by an **issuer**:

15.1. subject to Rules 15.3, 15.4 and 15.5 of these rules, includes all agreements (including amendments to agreements) entered into by the **issuer** (or its **subsidiary undertakings**)

15.2. includes the grant or acquisition of an option as if the option had been exercised except that, if exercise is solely at the **issuer**’s (or its **subsidiary undertaking**’s) discretion, the transaction will be classified on exercise and only the consideration (if any) for the option will be classified on the grant or acquisition

15.3. excludes a transaction in the ordinary course of business

15.4. excludes an issue of **securities**, or a transaction to raise finance, which does not involve the acquisition or disposal of any fixed asset of the **issuer** (or of its **subsidiary undertakings**), and

15.5. excludes any transaction between the **issuer** and its wholly-owned **subsidiary undertaking** or between its wholly-owned **subsidiary undertakings**.

16. In assessing whether a transaction is in the ordinary course of an **issuer**’s business, regard should be had to the size and incidence of similar transactions which the **issuer** (or its **subsidiary undertakings**) has entered into.⁶

17. A transaction is classified by assessing its size relative to that of the company proposing to make it. The comparison of size is made by using the **percentage ratios** that result from applying the **class test** calculations to a transaction. The **class tests** are set out in Annex 1.

18. A “**notifiable transaction**” is a transaction where any **percentage ratio** is 25% or more.

19. Transactions completed during the 12 months before the date of the latest transaction must be aggregated with that transaction for the purposes of classification if:

   19.1. they are entered into by the **issuer** (or its **subsidiary undertaking**) with the same **person** or with **persons** connected with one another

   19.2. they involve the acquisition or disposal of **securities** or an interest in one particular company, or

   19.3. together they lead to substantial involvement in a business activity which did not previously form a significant part of the **issuer**’s **group**’s

⁶ GUIDANCE - Where relevant when considering whether a transaction is a **notifiable transaction**, the following **Listing Rules** should be regarded as guidance: **Listing Rules** 10.2.4 to 10.2.9 R inclusive in relation to indemnities and similar arrangements, break fee arrangements and Issues by major subsidiary undertakings. The **Exchange** may require an **issuer** to provide its calculations of the **percentage ratios** in connection with a transaction and the **issuer**’s reasons for concluding whether or not a transaction is a **notifiable transaction**.
principal activities.

20. An **issuer** must notify a **RIS** as soon as possible after the terms of a **notifiable transaction** are agreed in the terms set out in Annex 2, noting also the requirements for a supplementary notification set out in that Annex.

**B4: RELATED PARTY TRANSACTIONS**

21. A "**related party transaction**" is a transaction where any **percentage ratio** is 5% or more, and it is:

21.1. a transaction (other than a transaction in the ordinary course of business) between an **issuer** and a **related party**

21.2. an arrangement (other than an arrangement in the ordinary course of business) pursuant to which an **issuer** and a **related party** each invests in, or provides finance to, another undertaking or asset, or

21.3. any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between an **issuer** and any other **person** the purpose and effect of which is to benefit a **related party**.

22. In this section B4, a reference to a transaction or arrangement:

22.1. by an **issuer** includes a transaction or arrangement by its **subsidiary undertaking**, and

22.2. is, unless the contrary intention appears, a reference to the entering into of the agreement for the transaction or the entering into of the arrangement.

23. In assessing whether a transaction is in the ordinary course of business, regard should be had to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual. **Rule 25** of **these rules** will apply to the variation or novation of an existing agreement between an **issuer** and a **related party** whether or not, at the time the original agreement was entered into, that party was a **related party**.

24. If an **issuer** enters into transactions or arrangements with the same **related party** in any 12 month period, the transactions or arrangements must be aggregated. If any **percentage ratio** is 5% or more for the aggregated transactions or arrangements, the **issuer** must comply with **Rule 25** of **these rules** in respect of the latest transaction or arrangement.\(^7\)

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7 GUIDANCE - or with any ‘associate’ of a **related party** as such term is defined in the **Listing Rules**

8 GUIDANCE - The Exchange may require an **issuer** to provide its calculations of the **percentage ratios** in connection with the transaction and the **issuer’s** reasons for concluding whether or not a transaction is a **related party transaction**. The following should be taken into consideration as guidance when considering whether a transaction or arrangement is a **related party transaction**: 

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1. October 2018
25. If an **issuer** enters into a **related party transaction**, the **issuer** must make a notification in accordance with Rule 20 of **these rules** as if it were a **notifiable transaction**, including also the following:

25.1. the name of the **related party**, and

25.2. details of the nature and extent of the **related party’s** interest in the transaction or arrangement.

**B5: REVERSE TAKEOVERS**

26. Where an **issuer** wishes to undertake a **reverse takeover**\(^9\), it must:

26.1. comply with the requirements of section B3 as if it were a **notifiable transaction**

26.2. send an explanatory circular to its **shareholders** and obtain their prior approval in a general meeting for the transaction which constitutes the **reverse takeover**, and

26.3. ensure that any agreement that effects such transaction is conditional on that **shareholder** approval being obtained.

27. **Matters relating to the circular and material change:**

27.1. The circular required by Rule 26.2 of **these rules** should include all relevant information to enable **shareholders** to make an informed decision about the proposed **reverse takeover**\(^10\).

27.2. If after publication of the circular but before the general meeting a material change or new matter occurs which the **issuer** should have included in the circular if it had been in existence at the time of its publication, the **issuer** should send a supplementary circular to its **shareholders** providing an explanation of such change or matter.

27.3. If, after obtaining **shareholder** approval but before the completion of the **reverse takeover**, there is a material change to the terms of the transaction, the **issuer** must comply again with Rule 26 of **these rules**.

28. Where **shareholder** approval is given for the **reverse takeover**, admission of

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9 GUIDANCE - The **Exchange** may require an **issuer** to provide its calculations of the **percentage ratios** in connection with a transaction, the **issuer’s** reasons for concluding whether or not a transaction is a **reverse takeover** and a confirmation from the **issuer** in relation to the publicly available information about the **target**.

10 GUIDANCE - **Listing Rules** 13.3 – 5 inclusive should be used as guidance in relation to the contents of the circular. For the avoidance of doubt, the Exchange does not approve the contents of the circular to be sent to **shareholders**. If a **prospectus** for the **issuer** as enlarged by the **reverse takeover** is published and sent to shareholders with the notice of the meeting required by Rule 26.2 of **these rules**, the **issuer** will be deemed to have satisfied the requirements of that rule in relation to the publication of a circular.
the securities will be cancelled. The issuer, as enlarged by the reverse takeover, must re-apply for admission of its securities should it wish to be admitted and it must satisfy the relevant requirements set out in section A of these rules and the Standards in relation to the admission, together with any other applicable rules such as the Prospectus Rules.

29. Suspension in relation to a reverse takeover:

29.1. An issuer must contact the Exchange via the Primary Market Regulation Team as early as possible:

29.1.1. before announcing a reverse takeover which has been agreed or is in contemplation, to discuss whether a suspension of trading of the securities under the Standards is appropriate, or

29.1.2. where details of the reverse takeover have leaked, to request such a suspension of trading.

29.2. Examples of where a reverse takeover will be considered as in contemplation include situations where:

29.2.1. the issuer (or its subsidiary undertaking) has approached the target company's board

29.2.2. the issuer (or its subsidiary undertaking) has entered into an exclusivity period with a target company, or

29.2.3. the issuer (or its subsidiary undertaking) has been given access to begin due diligence work (whether or not on a limited basis).

29.3. Generally, when a reverse takeover is announced or leaked, there will be insufficient publicly available information about the proposed transaction and the issuer will be unable to assess accurately its financial position and inform the market accordingly. In this case, the Exchange will often consider that suspension of trading will be appropriate. However, if the Exchange is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the issuer that a suspension of trading is not required.11

B6: Requirement for notifications to a RIS

30. An issuer must notify an RIS without delay of:

30.1. the resignation, dismissal or appointment of any director giving the date of such occurrence and, in relation to an appointment, including usual biographical information about such director as might be found in a

11 GUIDANCE - In considering whether suspension of trading is required, the Exchange may, if it considers relevant, refer for guidance to Listing Rules 5.6.10 G to 5.6.18 R inclusive, as well as considering its duties as a Recognised Investment Exchange.
prospectus including details of any holding of securities in the issuer

30.2. any change in its accounting reference date, registered office address or legal name

30.3. any decision to make any payment in respect of the securities specifying the net amount payable per security, the payment date and the record date

30.4. the admission or cancellation of any of the issuer's securities, including the reason(s), and details of any securities taken in and out of treasury shares

30.5. any proposed or actual change in the issuer's capital structure and the results of any new issue of securities, and

30.6. details of all resolutions passed at a general meeting of the issuer other than resolutions concerning ordinary business passed at an annual general meeting.

B7: CONTINUING WEBSITE DISCLOSURES

31. An issuer must from admission maintain a website on which the following information in relation to it should be easily available, free of charge:

31.1. a description of its or its group's business

31.2. the names of the issuer's directors and brief biographical details of each, as would normally be included in a prospectus

31.3. a description of the responsibilities of the members of the board of directors and details of any committees of the board of directors and their responsibilities

31.4. the issuer's country of incorporation and main country of operation

31.5. its current constitutional documents (e.g. its articles of association)

31.6. details of any other exchanges or trading platforms on which the issuer has applied or agreed to have any of its securities admitted or traded

31.7. the number of securities in issue (noting any held as treasury shares)

31.8. details of any restrictions on the transfer of its securities

31.9. its most recent annual financial report and any subsequent half-yearly, quarterly or similar reports

31.10. the information in relation to corporate governance required to be included in an issuer's annual financial report in accordance with section B8
31.11. all notifications to a RIS the issuer has made in the past 12 months

31.12. taking into account any restrictions in relation to applicable securities laws, its most recent prospectus together with any circulars or documents sent to shareholders within the past 12 months, and

31.13. details of its key professional advisers (as might normally be found in a prospectus).

B8: CORPORATE GOVERNANCE

32. An issuer must ensure that the following additional items are included in its annual financial report on an ongoing basis:

32.1. details of the corporate governance code to which the issuer is subject and/or details of the corporate governance code or practices which the issuer may have voluntarily decided to apply, and where such code or practices are publicly available

32.2. a statement as to how the issuer has applied the main principles set out in such code or practices, in a manner that would enable shareholders to evaluate how the principles have been applied, and

32.3. a statement as to:

32.3.1. which relevant provisions set out in code or practices the issuer has complied with throughout the accounting period, or

32.3.2. where it has not complied with the relevant provisions, set out those provisions and explain the reasons for non-compliance, and

32.3.3. 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.

B9: CANCELLATION OF ADMISSION

33. Except as set out in Rule 34 of these rules, an issuer that wishes to cancel its admission of securities must:

33.1. Shareholder consent:

33.1.1. obtain, at a general meeting, the prior approval of a resolution for the cancellation from a majority of not less than 75% of shareholders as (being entitled to do so) vote in person or, where proxies are allowed, by proxy. The relevant meeting should be convened by way of the requisite notice required under the issuer's constitution or applicable law, and should set out:

33.1.1.1. the reasons for the intended cancellation
33.1.1.2. the anticipated date of cancellation (which must not be less than 20 business days following the passing of the resolution required by this rule), and

33.1.1.3. all relevant information to enable the shareholders to make an informed decision.\(^\text{12}\)

33.2. notify a RIS, at the same time as the notice convening the meeting required by Rule 33.1 of these rules above is despatched, of the intended cancellation and of the notice period and meeting, and

33.3. also subsequently notify a RIS of the outcome of the above meeting.

34. Rule 33 of these rules does not apply:

34.1. where there is a concurrent application for admission of the securities to the Premium listing segment of the Official List.\(^\text{13}\) Notwithstanding this, the issuer must notify a RIS stating its intention to transfer to the Official List at least 5 days before the proposed transfer; or

34.2. in the case of a takeover\(^\text{14}\) where:

34.2.1. the offeror has by virtue of its shareholdings and acceptances of the offer, acquired or agreed to acquire issued share capital carrying 75% of the voting rights of the issuer, and

34.2.2. the offeror has stated in the offer document or any subsequent circular sent to the shareholders that a notice period of not less than 20 business days prior to cancellation will commence either on the offeror attaining the required 75% described above or on the first date of issue of compulsory acquisition notices under section 979 of the Companies Act 2006 (Right of offeror to buy out minority shareholders), or equivalent provisions in the relevant legislation or regulation of the issuer's country of incorporation.

34.2.3. In the circumstances of 34.2.1 and 34.2.2, the issuer must notify shareholders that the required 75% has been attained and that the notice period has commenced and of the anticipated date of cancellation or the explanatory letter or other material accompanying the section 979 notice (or equivalent) must state that the notice period has commenced and the anticipated date of cancellation.

\(^{12}\) GUIDANCE - Listing Rule 13.3.1 R should be used as guidance in relation to the contents of the circular. For the avoidance of doubt, the Exchange does not approve the contents of the circular to be sent to shareholders

\(^{13}\) Shareholder consent as set out in Rule 33 of these rules is required for a transfer to the Standard listing segment of the Official List. Rule 27.2 in relation to a material change or new matter occurring shall be deemed to apply to the circular required by this section B9 also.

\(^{14}\) GUIDANCE - as such term is defined in the FCA Handbook
34.3. in the case of a cancellation of admission as a result of a scheme of arrangement or equivalent court approved or insolvency event, where the Exchange has in advance confirmed that Rule 33 of these rules will not apply\textsuperscript{15}.

35. The provisions of this section B9 supersede where relevant the requirements of the Standards in relation to cancellation of admission.

B10: DISCIPLINE OF ISSUERS

36. Where the Exchange considers that an issuer is in breach of its responsibilities and obligations under these rules, the Exchange may take disciplinary action against such issuer and the Compliance Procedures set out in the Standards shall apply to breaches of these rules as well as to breaches of the Standards.

\textsuperscript{15} GUIDANCE - Listing Rule 5.2.12 R should be used as guidance
SECTION C - KEY ADVISERS

37. Rule 4 and Rule 14 of these rules require, respectively, the appointment of a Key Adviser for admission and that the guidance of a Key Adviser is sought for certain events occurring after admission.

38. Annex 3 applies to persons intending to act or acting as Key Advisers in relation to these rules.

39. An issuer must ensure that prior to engaging a person to act as Key Adviser, that person is on the list of Key Advisers, which is available from the Exchange on request to the Primary Market Regulation Team.

40. An issuer must ensure that the Exchange is informed promptly of the name and contact details of any Key Adviser appointed in accordance with these rules.

41. An issuer must notify the Exchange in writing at the earliest possible opportunity of the resignation or dismissal of any Key Adviser that it had appointed. In the case of a dismissal, the reasons for the dismissal must be included in the notification. The notification must be copied to the Key Adviser.

42. An issuer must cooperate with its Key Adviser in relation to its performance of the Key Adviser role by providing the Key Adviser with all information reasonably requested by the Key Adviser for the purpose of performing the Key Adviser role.
ANNEX 1 - CLASS TESTS

<table>
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<tr>
<th>Class tests</th>
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<td>1</td>
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<tr>
<td>(1)</td>
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<td>(2)</td>
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<tr>
<td>(3)</td>
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<tr>
<td>(4)</td>
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</tbody>
</table>

The gross assets test

<p>| 2 | (1) The assets test is calculated by dividing the gross assets the subject of the transaction by the gross assets of the issuer. |
| (2) | The gross assets of the issuer means the total non-current assets, plus the total current assets, of the issuer. |
| (3) | For: |
| (a) | an acquisition of an interest in an undertaking which will result in consolidation of the assets of that undertaking in the accounts of the issuer; or |
| (b) | a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the issuer; |
| | the gross assets the subject of the transaction means the value of 100% of that undertaking’s assets irrespective of what interest is acquired or disposed of. |
| (4) | For an acquisition or disposal of an interest in an undertaking which does not fall within paragraph (3), the gross assets the subject of the transaction means: |</p>
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<tbody>
<tr>
<td>(a)</td>
<td>for an acquisition, the consideration together with liabilities assumed (if any); and</td>
</tr>
<tr>
<td>(b)</td>
<td>for a disposal, the assets attributed to that interest in the <em>issuer's</em> accounts.</td>
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</table>

(5) If there is an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the consideration or, if greater, the book value of those assets as they will be included in the *issuer's* balance sheet.

(6) If there is a disposal of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets in the *issuer's* balance sheet.

3 The **Exchange** may modify paragraph 2 to require, when calculating the assets the subject of the transaction, the inclusion of further amounts if contingent assets or arrangements are involved.

**The profits test**

4 (1) The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the *issuer*.

(2) For the purposes of paragraph (1), profits means:

(a) profits after deducting all charges except taxation; and

(b) for an acquisition or disposal of an interest in an undertaking referred to in paragraph 2 (3)(a) or (b) of this Annex, 100% of the profits of the undertaking (irrespective of what interest is acquired or disposed of).

(3) If the acquisition or disposal of the interest will not result in consolidation or deconsolidation of the **target** then the profits test is not applicable.

4A The amount of loss is relevant in calculating the impact of a proposed transaction under the profits test. An *issuer* should include the amount of the losses of the *issuer* or **target** i.e. disregard the negative when calculating the test.
### The consideration test

<table>
<thead>
<tr>
<th>5</th>
<th>(1) The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate market value of all the ordinary shares (excluding treasury shares) of the <strong>issuer</strong>.</th>
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<tr>
<td>(2) For the purposes of paragraph (1):</td>
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<td></td>
<td>(a) the consideration is the amount paid to the contracting party;</td>
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<td></td>
<td>(b) if all or part of the consideration is in the form of securities to be traded on a market, the consideration attributable to those securities is the aggregate market value of those securities; and</td>
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<tr>
<td></td>
<td>(c) if deferred consideration is or may be payable or receivable by the <strong>issuer</strong> in the future, the consideration is the maximum total consideration payable or receivable under the agreement.</td>
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<tr>
<td>(3) If the total consideration is not subject to any maximum, the transaction is to be treated as a <strong>notifiable transaction</strong>.</td>
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<tr>
<td>(4) For the purposes of sub-paragraph (2)(b), the figures used to determine consideration consisting of:</td>
<td></td>
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<td></td>
<td>(a) securities of a class already admitted, must be the aggregate market value of all those securities on the last <em>business day</em> before the announcement; and</td>
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<tr>
<td></td>
<td>(b) a new class of securities for which an application for admission to trading will be made, must be the expected aggregate market value of all those securities.</td>
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<tr>
<td>(5) For the purposes of paragraph (1), the figure used to determine market capitalisation is the aggregate market value of all the ordinary shares (excluding treasury shares) of the <strong>issuer</strong> at the close of business on the last <em>business day</em> before the announcement.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>The <strong>Exchange</strong> may modify paragraph 5 to require the inclusion of further amounts in the calculation of the consideration. For example, if</td>
</tr>
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</table>

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16 GUIDANCE – the rules relating to **reverse takeovers** should also be considered
the purchaser agrees to discharge any liabilities, including the repayment of inter-company or third party debt, whether actual or contingent, as part of the terms of the transaction.

**The gross capital test**

7. (1) The gross capital test is calculated by dividing the gross capital of the company or business being acquired by the gross capital of the issuer.

(2) The test in paragraph (1) is only to be applied for an acquisition of a company or business.

(3) For the purposes of paragraph (1), the gross capital of the company or business being acquired means the aggregate of:

   (a) the consideration (as calculated under paragraph 5 of this Annex);

   (b) if a company, any of its shares and debt securities which are not being acquired;

   (c) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and

   (d) any excess of current liabilities over current assets.

(4) For the purposes of paragraph (1), the gross capital of the issuer means the aggregate of:

   (a) the market value of its shares (excluding treasury shares) and the issue amount of the debt security;

   (b) all other liabilities (other than current liabilities) including for this purpose minority interests and deferred taxation; and

   (c) any excess of current liabilities over current assets.

(5) For the purposes of paragraph (1):

   (a) figures used must be, for shares and debt security aggregated for the purposes of the gross capital percentage ratio, the aggregate market value of all those shares (or if not available
before the announcement, their nominal value) and the issue amount of the debt security; and

(b) for shares and debt security aggregated for the purposes of paragraph (3)(b), any treasury shares held by the company are not to be taken into account.

Figures used to classify assets and profits

8  (1) For the purposes of calculating the tests in this Annex, except as otherwise stated in paragraphs (2) to (6), figures used to classify assets and profits, must be the figures shown in the latest published audited consolidated accounts or, if an issuer has, or will have, published a preliminary statement of later annual results at the time the terms of a transaction are agreed, the figures shown in that preliminary statement.

(2) If a balance sheet has been published in a subsequently published interim statement then gross assets and gross capital should be taken from the balance sheet published in the interim statement.

(3) (a) The figures of the issuer must be adjusted to take account of subsequent completed transactions which have been notified to a RIS pursuant to Rule 20 of these rules.

(b) The figures of the target company or business must be adjusted to take account of subsequent completed transactions which would have been a notifiable transaction or greater when classified against the target as a whole.

(4) Figures on which the auditors are unable to report without modification must be disregarded.

(5) When applying the percentage ratios to an acquisition by a company whose assets consist wholly or predominantly of cash or short-dated securities, the cash and short-dated securities must be excluded in calculating its assets and market capitalisation.

(6) The principles in this paragraph also apply (to the extent relevant) to calculating the assets and profits of the target company or business.

9 The Exchange may modify paragraph 8(4) in appropriate cases to permit figures to be taken into account.
<table>
<thead>
<tr>
<th>Anomalous results</th>
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<tr>
<td><strong>10</strong> If a calculation under any of the <strong>class tests</strong> produces an anomalous result or if a calculation is inappropriate to the activities of the <strong>issuer</strong>, the <strong>Exchange</strong> may modify the relevant rule to substitute other relevant indicators of size, including industry specific tests.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustments to figures</th>
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<tr>
<td><strong>11</strong> Where an <strong>issuer</strong> wishes to make adjustments to the figures used in calculating the <strong>class tests</strong> they should discuss this with the <strong>Exchange</strong> before the <strong>class tests</strong> crystallise.</td>
</tr>
</tbody>
</table>
ANNEX 2 - NOTIFIABLE TRANSACTIONS

1. The notification required by section B3 must include:

   1.1. details of the transaction, including the name of the other party to the transaction

   1.2. a description of the business carried on by, or using, the net assets the subject of the transaction

   1.3. the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration)

   1.4. the value of the gross assets the subject of the transaction

   1.5. the profits attributable to the assets the subject of the transaction

   1.6. the effect of the transaction on the issuer including any benefits which are expected to accrue to the issuer as a result of the transaction

   1.7. details of any service contracts of proposed directors of the issuer;

   1.8. for a disposal, the application of the sale proceeds

   1.9. for a disposal, if securities are to form part of the consideration received, a statement whether the securities are to be sold or retained,

   1.10. details of key individuals important to the business or company the subject of the transaction, and

   1.11. where the transaction is a reverse takeover:

       1.11.1. details of the general meeting to be held by the issuer in connection with the reverse takeover, and

       1.11.2. where and when an explanatory circular as required by Rule 26.2 of these rules will be available.

2. Supplementary notification:

   2.1. An issuer must notify a RIS as soon as possible if, after the notification under 1 above it becomes aware that prior to completion of the transaction:

       2.1.1. there has been a significant change affecting any matter contained in that earlier notification, or

       2.1.2. a significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen

17 GUIDANCE – Issuers should also consider their obligations in relation to a reverse takeover under Rule 27 of these rules.
at the time of the preparation of that notification.

2.2. The supplementary notification must give details of the change or new matter and also contain a statement that, except as disclosed, there has been no significant change affecting any matter contained in the earlier notification and no other significant new matter has arisen which would have been required to be mentioned in that earlier notification if it had arisen at the time of the preparation of that notification.

2.3. In paragraphs 2.1 and 2.2, significant means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and the rights attaching to any securities forming part of the consideration.
ANNEX 3 - KEY ADVISERS

Responsibilities of a Key Adviser

1. A Key Adviser must in relation to a Key Adviser service:
   1.1. provide assurance to the Exchange when required that the responsibilities of the issuer have been met
   1.2. provide to the Exchange any explanation or confirmation in such form and within such time limit as the Exchange reasonably requires in relation to an admission for the purposes of ensuring that these rules and the Standards are being complied with by an issuer, and
   1.3. guide the issuer in understanding and meeting its responsibilities in relation to an admission under these rules and the Standards.

2. A Key Adviser must, for so long as it provides a Key Adviser service:
   2.1. take such reasonable steps as are sufficient to ensure that any communication or information it provides to the Exchange in carrying out the Key Adviser service is, to the best of its knowledge and belief, accurate and complete in all material respects, and
   2.2. as soon as possible provide to the Exchange any information of which it becomes aware that materially affects the accuracy or completeness of information it has previously provided.

3. Where a Key Adviser provides information to the Exchange which is or is based on information it has received from a third party, in assessing whether a Key Adviser has complied with its obligations, the Exchange will have regard, amongst other things, to whether a Key Adviser has appropriately used its own knowledge, judgment and expertise to review and challenge the information provided by the third party.

4. The Key Adviser will be the main point of contact with the Exchange in relation to a Key Adviser service and for any subsequent matter that the issuer requests be dealt with on its behalf by the Key Adviser.

Principles for Key Advisers

5. A Key Adviser must in relation to a Key Adviser service act with due care and skill.

6. Where, in relation to a Key Adviser service, a Key Adviser gives any guidance or advice to an issuer on the application or interpretation of these rules or the Standards, the Key Adviser must take reasonable steps to satisfy itself that the directors of the issuer understand their responsibilities and obligations under those rules.

7. A Key Adviser must at all times (whether in relation to a Key Adviser service or otherwise):
7.1. deal with the Exchange in an open and co-operative way, and
7.2. deal with all enquiries raised by the Exchange promptly.

8. If, in connection with the provision of a Key Adviser service, a Key Adviser becomes aware that it, or an issuer is failing or has failed to comply with its obligations under these rules or the Standards, the Key Adviser must promptly notify the Exchange.

9. A Key Adviser must, in relation to a Key Adviser service, act with honesty and integrity.

10. A Key Adviser must take all reasonable steps to identify conflicts of interest that could adversely affect its ability to perform its functions properly under these rules.

11. In identifying conflicts of interest, Key Advisers should also take into account circumstances that could:

   11.1. create a perception in the market that a Key Adviser may not be able to perform its functions properly, or
   11.2. compromise the ability of a Key Adviser to fulfil its obligations to the Exchange in relation to the provision of a Key Adviser service.

12. Only one Key Adviser may be appointed by an issuer in relation to these rules at any one time. A Key Adviser must not delegate any of its functions or permit another person to perform those functions. Where a Key Adviser wishes another member of its group to carry out any part of its Key Adviser role, it should seek the prior written permission of the Exchange via the Primary Market Regulation Team.

Role of a Key Adviser

13. In relation to an admission, a Key Adviser must not submit to the Exchange a Key Adviser Declaration on behalf of an issuer, in accordance with Rule 6.3 of these rules, unless it has come to a reasonable opinion, after having made due and careful enquiry, that:

   13.1. the issuer has satisfied all requirements of these rules and the Standards
   13.2. the directors have established procedures which enable the issuer to comply with these rules, the Standards and applicable DTR on an ongoing basis
   13.3. the directors have established procedures which provide a reasonable basis for them to make proper judgments on an ongoing basis as to the financial position and prospects of the issuer and its subsidiary undertakings, and
   13.4. the directors have a reasonable basis on which to make the working
capital statement in the **prospectus**.

14. A **Key Adviser** must:

14.1. submit a letter to the **Exchange** in the form prescribed on the **Exchange’s** website setting out how the **issuer** satisfies the criteria in section A of **these rules** (i) in draft in accordance with Rule 6.1 and (ii) in final form in accordance with Rule 6.3 of **these rules** ("**eligibility letter**");

14.2. submit a completed **Key Adviser’s Declaration** on an **application** for admission to the **Exchange** in accordance with Rule 6.3 of **these rules**, and

14.3. ensure that all matters known to it which, in its reasonable opinion, should be taken into account by the **Exchange** in considering:

14.3.1. the **application** for admission

14.3.2. whether the admission would be detrimental to investors’ interests have been disclosed with sufficient prominence in the **prospectus** or otherwise in writing to the **Exchange**.

**Criteria for Approval as a Key Adviser**

**List of Key Advisers**

15. A list of **Key Advisers** is available from the **Exchange** on request to the **Primary Market Regulation Team**.

**Application for approval as a Key Adviser**

16. A **person** wanting to act as a **Key Adviser** must apply to the **Exchange** for approval as a **Key Adviser** by submitting the following to the **Primary Market Regulation Team**:

16.1. a completed **Key Adviser Application**

16.2. any applicable fee due to the **Exchange** on application for approval as a **Key Adviser**

16.3. all additional documents, explanations and information as required by the **Exchange**, and

16.4. verification of any information in such a manner as the **Exchange** may specify.

17. When considering an application for approval as a **Key Adviser** the **Exchange** may:

17.1. carry out any enquiries and request any further information which it considers appropriate, including consulting other regulators.
17.2. request that the applicant or its specified representative answer questions and explain any matter the Exchange considers relevant to the application, and

17.3. take into account any information which it considers appropriate in relation to the application.

Criteria for approval as a Key Adviser

18. The Exchange will approve a person as a Key Adviser only if it is satisfied that the person:

18.1. is an authorised person (as such term is defined in the FCA Handbook) that is included on the list of sponsors that is maintained by the FCA pursuant to Listing Rule 8 when acting as competent authority under Part VI of the Financial Services & Markets Act 2000,

18.2. is competent to perform Key Adviser services and the further advisory role set out in Rule 14 of these rules, and

18.3. has appropriate systems and controls in place to ensure that it can carry out its role as a Key Adviser in accordance with this Annex 3.

19. A Key Adviser must comply, at all times, with the criteria set out in section 18 of this Annex 3. If a Key Adviser fails to continue to comply with such criteria, the Exchange may cancel the Key Adviser’s approval.

Competence of a Key Adviser

20. A person will be considered competent to act as a Key Adviser if it has a broad range of relevant experience and expertise in providing relevant advice to companies admitted to public markets and on the applicable market rules, in particular in relation to companies admitted to the Official List.

21. In assessing whether a person is competent to act as a Key Adviser, the Exchange will generally have regard amongst other things to the person’s:

21.1. prior relevant experience, and

21.2. skills, knowledge and expertise.

Record management

22. A Key Adviser must have in place effective arrangements to create and retain for six years accessible records which are sufficient to be capable of demonstrating that it has provided Key Adviser services and otherwise complied with its obligations under this Annex 3, including the basis of any declaration, opinion, confirmation, guidance required by these rules.

18 GUIDANCE – the Exchange will consider Listing Rule 8.6.12 G – 8.6.13B G when assessing this criterion
23. Records should:

23.1. be capable of timely retrieval, and

23.2. include material communications which relate to the provision of Key Adviser services, including any advice or guidance given to an issuer in relation to their responsibilities whilst providing a Key Adviser service under these rules.

Contact persons

24. For each transaction for which it provides Key Adviser services, a Key Adviser must:

24.1. notify the Exchange as soon as practicable of the name and contact details of the main contact person or persons in the Key Adviser for that transaction, and

24.2. ensure that the contact person or persons:

24.2.1. have sufficient knowledge about the issuer and the proposed transaction to be able to answer queries from the Exchange about it, and

24.2.2. are available to answer queries from the Exchange on any business day between 7am and 6pm.

Supervision of Key Advisers

25. The Exchange expects to have an open, co-operative and constructive relationship with a Key Adviser to enable it to have a broad picture of the Key Adviser's activities and its ability to satisfy the criteria for approval as a Key Adviser as set out in section 18 of this Annex 3.

26. Requirement to provide information:

26.1. The Exchange may by notice in writing given to a Key Adviser, or a person applying for approval as a Key Adviser, require it to provide specified documents or specified information to the Exchange.

26.2. The Key Adviser, or the person applying for approval as a Key Adviser, must as soon as practicable provide to the Exchange any documents or information that it has been required to provide under Rule 26.1 above.

26.3. This rule applies only to documents or information reasonably required by the Exchange in connection with the performance of its functions in relation to a Key Adviser, a person applying for approval as a Key Adviser or an issuer that has appointed a Key Adviser.

27. The Exchange uses a variety of tools to monitor whether a Key Adviser:
27.1. continues to satisfy the criteria for approval as a **Key Adviser** as set out in section 18 of this Annex 3, and

27.2. remains in compliance with all applicable parts of **these rules**.

28. **Exchange** staff, after notifying the **Key Adviser**, may make supervisory visits to a **Key Adviser** on a periodic and an ad hoc basis.

29. The **Exchange** will give reasonable notice to a **Key Adviser** of requests for meetings or requests for access to a **Key Adviser**’s documents and records.

30. The **Exchange**, on behalf of other regulators, may request information from a **Key Adviser** or pass information on to other regulators to enable such regulators to discharge their functions.

31. A **Key Adviser** must pay any annual fee due to the **Exchange** in order to remain a **Key Adviser**.

**General notifications**

32. A **Key Adviser** must notify the **Exchange** (unless prohibited by law or regulation) by telephone and in writing to the **Primary Market Regulation Team** as soon as possible if:

32.1. the **Key Adviser** ceases to satisfy the criteria for approval as a **Key Adviser** set out in section 18 of this Annex 3 or it becomes aware of any matter which, in its reasonable opinion, would be relevant to the **Exchange** in considering whether the **Key Adviser** continues to comply with section 18 (including but not limited to any communications with the **FCA** that indicate that its **FCA** sponsor status may be affected in any way or that it may or has become the subject of disciplinary action), or

32.2. the **Key Adviser** becomes aware of any fact or circumstance relating to the **Key Adviser** or any of its employees performing the **Key Adviser** role which, in its reasonable opinion, would be likely to adversely affect market confidence in the **Key Adviser** regime, or

32.3. the **Key Adviser**, or any of its employees or staff engaged in performing the **Key Adviser** role, are:

32.3.1. convicted of any offence involving fraud, theft or other dishonesty, or

32.3.2. the subject of a bankruptcy proceeding, a receiving order or an administration order, or

32.4. any of its employees or staff performing the **Key Adviser** role are disqualified by a court from acting as a **director** (or similar) of a company or from acting in a management capacity or conducting the affairs of any company, or

32.5. the **Key Adviser**, or any of its employees or staff performing the **Key
Adviser role, are subject to any public criticism, regulatory intervention or disciplinary action:

32.5.1. by the Exchange, or

32.5.2. any regulatory body, or

32.5.3. under any comparable legislation in any jurisdiction outside the United Kingdom, or

32.6. the Key Adviser resigns or is dismissed by an issuer, giving details of any relevant facts or circumstances, or

32.7. the Key Adviser changes its name, or

32.8. an issuer denies the Key Adviser access to documents or information that have been the subject of a reasonable request by the Key Adviser, or

32.9. it identifies or otherwise becomes aware of any material deficiency in the Key Adviser’s systems and controls, or

32.10. there is intended to be a change of control of the Key Adviser, any restructuring of the Key Adviser’s group, or a re-organisation of or a substantial change to its directors, partners or employees or staff performing the Key Adviser role, or

32.11. there is expected to be a change in the financial position of the Key Adviser or any of its group companies that would be likely to adversely affect the Key Adviser’s ability to perform the Key Adviser role or otherwise comply with these rules.

Cancellation of Key Adviser Status

33. Cancellation of a Key Adviser’s approval at the Key Adviser’s request:

33.1. A Key Adviser that intends to request the Exchange to cancel its approval as a Key Adviser should comply with paragraph 33.3 below.

33.2. Examples of when a Key Adviser should submit a cancellation request include, but are not limited to:

33.2.1. situations where the Key Adviser ceases to satisfy the ongoing criteria for approval as a Key Adviser in accordance with section 18 of this Annex 3, or

33.2.2. where there is a change of control of the Key Adviser or any restructuring of the Key Adviser’s group that will result in the Key Adviser role being provided by a different person, in which case the person that is intended to provide the Key Adviser role should apply for approval as a Key Adviser before it performs any of the Key Adviser role.

33.3. A request by a Key Adviser for its approval as a Key Adviser to be
cancelled must be in writing and must include:

33.3.1. the **Key Adviser's** name

33.3.2. a clear explanation of the background and reasons for the request

33.3.3. the date on which the **Key Adviser** requests the cancellation to take effect

33.3.4. a signed confirmation that the **Key Adviser** will not perform the **Key Adviser** role as of the date the request is submitted to the **Exchange**, and

33.3.5. the name and contact details of the **person** at the **Key Adviser** with whom the **Exchange** should liaise in relation to the request.

33.4. A **Key Adviser** may withdraw its request at any time before the cancellation takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.

**Publication of the cancellation of Key Adviser status**

34. Where the **Exchange** cancels a **Key Adviser's** approval, the **Exchange** will notify such cancellation of approval by way of a notice published on **RNS** and/or mark the list of **Key Advisers** accordingly.

**Discipline of Key Advisers**

35. If the **Exchange** considers that a **Key Adviser** is in breach of its responsibilities under **these rules** or that the integrity and reputation of **High Growth Segment** or the **Exchange** has been or may be impaired as a result of its conduct or judgment or that market confidence in the **Key Adviser** regime has been or may be adversely affected as a result of its conduct or judgment, the **Exchange** may take disciplinary action against such **Key Adviser**.

**Disciplinary process**

36. Where the **Exchange** proposes to take action under paragraph 35 above, it shall do so in accordance with the Compliance Procedures set out in the **Standards**, the provisions of which shall apply to **Key Advisers** subject to paragraph 37 below.

**Sanctions**

37. Any sanctions applicable to **issuers** under the Compliance Procedures set out in the **Standards** shall apply in relation to **Key Advisers**, save that the sanctions available to the Disciplinary Committee (under section 5.40 (Disciplinary powers)) shall be replaced with the following:

37.1. a written warning (censure) which may be public or private
37.2. an unlimited fine for each breach, and/or

37.3. cancellation of the Key Adviser's approval.

**Moratorium on acting for further issuers**

38. Where, in the opinion of the Exchange, a Key Adviser (i) no longer meets the requirements of section 18 of Annex 3; (ii) is not meeting its responsibilities under these rules; or (iii) is the subject of disciplinary action, or action to remove its Key Adviser approval by the Exchange or in either case by the FCA in relation to its sponsor status, the Exchange may prevent that Key Adviser from acting as a Key Adviser to any additional issuers until that situation is resolved to the Exchange's satisfaction.

39. The Exchange may make the imposition of any moratorium public by way of a notice published on RNS and/or marking the list of Key Advisers accordingly.

**Appeals by Key Advisers**

40. Where the Exchange takes any steps against a Key Adviser pursuant to these rules, the Key Adviser may appeal against the Exchange's decision in accordance with the Compliance Procedures set out in the Standards.
SCHEDULE 6 – ADMISSION TO TRADING ONLY

An issuer that seeks to admit its securities to ATT Only must discuss its eligibility with the Exchange in the context of whether it is more appropriate for admission to other Exchange markets. The Exchange retains sole discretion to refuse an application for admission to trading to ATT Only if it considers that the securities are better suited to another of the Exchange’s markets or segments.

In addition to the requirements of the Standards, this Schedule applies to issuers applying to admit securities, or with securities admitted, to trading on ATT Only.

AT ADMISSION

All securities

1. The issuer must be admitted to a suitable exchange, and the issuer must be in continuing compliance with such exchange’s standards.

2. The issuer’s securities must not have been and must not be offered to the public in the EEA within the meaning of the Prospectus Directive Rules.

3. There must be a sufficient number of registered holders of the securities to be admitted to provide an orderly market in the securities following admission.

4. The issuer’s securities must not have been admitted to any of the Exchange’s other primary markets in the 24 months prior to the date of an application for ATT Only being made.

5. The issuer must be duly incorporated or otherwise validly established and must operate in conformity with its constitution.

Additional obligations for issuers of unlisted DRs

An issuer can apply to admit depositary receipts where the underlying securities which the unlisted DRs represent are listed on a suitable exchange. For the avoidance of doubt, the term “issuer” as used in the Standards and in this Schedule shall mean the issuer of the underlying securities which the unlisted DRs admitted to trading represent.

6. Unlisted DRs must be issued by a depositary bank that the Exchange considers acceptable and must be sponsored by the issuer.

Guidance to this rule

In this regard an issuer of unlisted DRs must ensure the depositary bank has adequate arrangements to safeguard holders’ rights to the underlying securities to which the unlisted DRs relate, and to all rights relating to the underlying securities and all money and benefits that it may receive in respect of them, subject only to payment of remuneration and proper expenses of the issuer of unlisted DRs.
7. **Unlisted DRs** must represent underlying **securities** which are **admitted** to a **suitable exchange**, and the **issuer** must be in continuing compliance with such exchange's standards.

8. The **issuer** of **unlisted DRs** must be part of a **depositary receipt** programme with:
   a) a maximum available issue value (headroom) of at least £40 million; and
   b) at least 25% of the **unlisted DRs** or of the **issuer's securities** that such **depositary receipts** represent at the time of admission are in public hands\(^{19}\).

9. The **securities** which the **unlisted DRs** represent must:
   a) conform with the law of the **issuer's** place of incorporation;
   b) be duly authorised according to the requirements of the **issuer's** constitution;
   c) have any necessary statutory or other consents;
   d) be freely transferable; and
   e) be fully paid and free from all liens and from any restriction on the right of transfer.

10. The **issuer** must take all reasonable steps to ensure that (if admission is approved) the **unlisted DRs** are able to continue to, comply or procure compliance with paragraph 9 (validity and transferability) and any temporary or definitive document of title includes appropriate identifier information\(^{20}\) (documents of title) so far as relevant to **unlisted DRs**.

11. There must be in place at admission and at all times whilst admission continues, a **deposit agreement** in place between the **depositary bank** and the **issuer** which should set out all key terms relating to the issue of the **unlisted DRs**.

12. The **deposit agreement** should include provisions relating to: fees and expenses applicable to holders and the **issuer**; rights and obligations of holders; rights and obligations of the depositary bank and the **issuer**; matters relating to the deposit of the underlying shares; dividend and distribution procedures; voting procedures, including as to voting instructions and record dates; provisions relating to changes in issued underlying shares and the ratio of **unlisted DRs** to underlying shares; foreign currency exchange

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\(^{19}\) An **issuer** should refer to the definition of ‘in public hands’ in Schedule 5. The requirement that the **securities** be distributed to the public in one or more EEA States does not apply to **issuers** of **unlisted DRs**.

\(^{20}\) In this regard an **issuer** of **unlisted DRs** should refer to Listing Rule 9.5.15 and 9.5.16 where relevant to **depositary receipts**.
considerations; execution, delivery, transfer, surrender and exchange provisions; information rights; any agreed indemnities and other protections; taxation; termination of the deposit agreement, resignation or removal of the depositary bank or similar.

13. The deposit agreement should not restrict an issuer’s ability to comply with the Standards. Therefore, an issuer must give consideration as to whether the deposit agreement restricts its’ ability to comply with its obligations to the Exchange under these Standards in relation to the unlisted DRs, including without limitation the issuer’s obligations in relation to disclosures required by it under this Schedule, compliance with paragraph 9 and 10 above and the proper processing of ongoing corporate actions in respect of the unlisted DRs.

CONTINUING OBLIGATIONS

All securities

14. When complying with Rule 4.2 of the Standards, in particular the issuer must inform the Exchange immediately if there is any change in the status of its listing on a suitable exchange (including suspension or cancellation of the listing on a suitable exchange, non-compliance by the issuer with the applicable listing standards or any disciplinary in relation to its listing on a suitable exchange, or, in each case, any other listing it maintains).

15. Website

   a. the issuer must maintain from admission to trading of the securities a website (or section of its corporate website) that is available free of charge at an internet address that is advised to the Exchange.

   b. the information required on the website should be accurate, not misleading and be kept up-to-date and the last date on which it was updated should be included. The information required below should be easily accessible from one part of the website.

   c. the information required by this Schedule, should be in English.

   d. the website should include the following information:

      i. the name and address of the issuer, its directors, the nature of its business and its country of incorporation;

      ii. the suitable exchange to which the issuer is admitted and details of where information about that listing, including all publicly available documents such as listing documents and accounts and ongoing issuer disclosures, can be easily obtained (which should be internet-based);

      iii. unless not reasonably possible due to applicable securities laws, a copy of the most recent offering or admission document published by the issuer;
iv. the type, class and currency of securities in issue; and

v. a brief description of the key rights attaching to the securities including in relation to dividends and voting.

Additional obligations for issuers of unlisted DRs

16. Changes to deposit agreement

a. If it is proposed that there is to be a material change to the key terms of the deposit agreement or that the depositary bank is to be changed, the Exchange must be notified at least ten business days in advance. The Exchange may suspend or cancel the admission if it is concerned that these Standards will no longer be complied with. If the Exchange confirms that admission will continue, the underlying issuer must notify via its Regulatory Information Service the change in depositary bank or deposit agreement forthwith; and

b. When complying with Rule 4.2 of the Standards, in particular the issuer must inform the Exchange forthwith if the deposit agreement no longer complies with paragraphs 11-13 above.

17. Website

a. The website referred to at paragraph 15 should also include:

i. the name and address of the depositary bank;

ii. a description of the key terms of the depositary receipt programme or a full copy of the deposit agreement currently in force and the legislation under which the depositary receipts or unlisted DRs have been created; and

iii. the information required under paragraph 15(iv) above, plus details of the maximum amount of unlisted DRs which may be in issue and the proportion of the underlying issued share capital of the issuer that this represents.

18. Retention of and announcement to an Regulatory Information Service

a. the issuer must retain a Regulatory Information Service at all times;

b. the issuer must notify promptly (which would usually mean concurrently, taking into account also the opening hours of the Regulatory Information Service) via its Regulatory Information Service and in English, all announcements and notifications that it makes pursuant to its listing on a suitable exchange which would be

21 In considering the content of this disclosure the issuer should refer to the information required by Annex X (paragraphs 28) of the Prospectus Rules.
likely to have a significant effect on the price of the underlying securities that are the subject of the listing on a suitable exchange;

   a. the issuer must promptly notify via its Regulatory Information Service:

      i. any material changes to the deposit agreement;

      ii. any material change in relation to the unlisted DRs that would be likely to have a significant effect on their price;

      iii. the impact of any proposed corporate actions (in relation to the listing on a suitable exchange or the unlisted DRs) on the unlisted DRs; and

      iv. any change of the internet address of the website required by this Schedule.

Guidance to this Schedule

**UK MAR** provides for separate continuing obligations on issuers admitted to ATT Only. The disclosure obligations in **UK MAR** relate to the disclosure of inside information and disclosure of transactions by persons discharging managerial responsibilities (“PDMR”) and persons closely associated with them. **UK MAR** also provides for restrictions on PDMRs dealing during mandatory closed periods. The disclosure obligations under **UK MAR** will be within the remit of the relevant competent authority. In the UK, the competent authority is the FCA.
SCHEDULE 7 – SHANGHAI-LONDON STOCK CONNECT SEGMENT

In addition to the requirements of the Standards, this Schedule applies to issuers applying to admit depositary receipts, or with depositary receipts admitted, to trading on the Shanghai-London Stock Connect Segment of the Main Market. An issuer will also need to comply with the national law and regulation of its country of incorporation.

Prospective applicants, considering applying for admission to the Shanghai-London Stock Connect Segment, should consult with the Exchange at the earliest possible opportunity to discuss their eligibility.

1. In addition to the provisions contained in Rules 2.1 to 2.9, an issuer applying for admission to trading or that has been admitted to the Shanghai-London Stock Connect Segment must comply with the following, unless the Exchange otherwise agrees:

   (a) an issuer must have published a prospectus that has been approved by FCA;
   (b) the issuer’s application to admit depositary receipts to the Official List must have been approved by FCA;
   (c) the issuer’s securities must be listed on the Main Board Market of the Shanghai Stock Exchange; and
   (d) at admission the market capitalisation of the applicant must be equal to or above RMB 20 billion.

2. An issuer must inform the Exchange immediately if there is any change in the status of its listing on the Main Board Market of the Shanghai Stock Exchange (including suspension or cancellation of the listing, or any disciplinary action in relation to its listing). In the event of its listing being cancelled on the Main Board Market of the Shanghai Stock Exchange, the Exchange will transfer the issuer’s depositary receipts to another segment of the International Order Book for listed depositary receipts, subject to the issuer’s listing on the Official List being maintained.

Guidance to this Schedule

UK MAR provides for separate continuing obligations to these rules. The disclosure obligations in UK MAR relate to the disclosure of inside information and disclosure of transactions by persons discharging managerial responsibilities (“PDMR”) and persons closely associated with them. UK MAR also provides for restrictions on PDMRs dealing during mandatory close periods. The disclosure obligations under UK MAR will be within the remit of the relevant competent authority. In the UK, the competent authority is the FCA.

In relation to an issuer’s continuing obligations, an issuer must also have regard to Section 4 of these rules (continuing obligations). This section includes specific obligations for issuers of depositary receipts.