

Chapter 9

Equity shares (commercial companies): further issuances, dealing in own securities and treasury shares

9.2 Pre-emption rights

- 9.2.1** **R** A *listed company* proposing to issue *equity securities* for cash or to sell *treasury shares* that are *equity shares* for cash must first offer those *equity securities* in proportion to their existing holdings to:
- (1) existing holders of that *class of equity shares* (other than the *listed company* itself by virtue of it holding *treasury shares*); and
 - (2) holders of other *equity shares* of the *listed company* who are entitled to be offered them.
- 9.2.2** **R** ■ UKLR 9.2.1R does not apply to:
- (1) a *listed company* incorporated in the *United Kingdom* if a disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section 570 (Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority;
 - (2) a *listed company* undertaking a *rights issue* or *open offer*, provided that the disapplication of pre-emption rights is with respect to:
 - (a) *equity securities* representing fractional entitlements; or
 - (b) *equity securities* which the *company* considers necessary or expedient to exclude from the *offer* on account of the laws or regulatory requirements of a territory other than its country of incorporation, unless that territory is the *United Kingdom*;
 - (3) a *listed company* selling *treasury shares* for cash to an *employees' share scheme*; or
 - (4) an *overseas company* with a *listing of equity shares* in the *equity shares (commercial companies)* category if a disapplication of pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation, provided that the issue of *equity securities* or sale of *treasury shares* that are *equity shares* by the *listed company* is within the terms of the authority.