

## Chapter 9

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

## 9.7 Purchase of own securities other than equity shares

- 9.7.1 **R** Except where the purchases will consist of individual transactions made in accordance with the terms of issue of the relevant *securities*, where a *listed company* intends to purchase any of its *securities* convertible into its *equity shares* and where the *equity shares* are *listed* in the *equity shares (commercial companies)* category, it must:
- (1) ensure that no dealings in the relevant *securities* are carried out by or on behalf of the *company* or any member of its *group* until the proposal has either been notified to a *RIS* or abandoned; and
  - (2) notify a *RIS* of its decision to purchase.

### Notification of purchases, early redemptions and cancellations

- 9.7.2 **R** Any purchases, early redemptions or cancellations of a *company's* own *securities* convertible into *equity shares* where the *equity shares* are *listed* in the *equity shares (commercial companies)* category, by or on behalf of the *company* or any other member of its *group*, must be notified to a *RIS* when an aggregate of 10% of the initial amount of the relevant *class* of *securities* has been purchased, redeemed or cancelled, and for each 5% in aggregate of the initial amount of that *class* acquired thereafter.

- 9.7.3 **R** The notification required by **█ UKLR 9.7.2R** must be made as soon as possible and, in any event, no later than 7.30am on the *business day* following the calendar day on which the relevant threshold is reached or exceeded. The notification must state:
- (1) the amount of *securities* acquired, redeemed or cancelled since the last notification; and
  - (2) whether or not the *securities* are to be cancelled and the number of that *class* of *securities* that remain outstanding.

### Period between purchase and notification

- 9.7.4 **R** In circumstances where the purchase is not being made pursuant to a *tender offer* and the purchase causes a relevant threshold in **█ UKLR 9.7.2R** to be reached or exceeded, no further purchases may be undertaken until after a notification has been made in accordance with **█ UKLR 9.7.2R** to **█ UKLR 9.7.3R**.

**Warrants and options – circular requirements**

9.7.5

**R**

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

- (1) a statement of the *directors'* intentions regarding future purchases of the *company's warrants* and *options*;
- (2) the number and terms of the *warrants* or *options* acquired and to be acquired and the method of acquisition;
- (3) where *warrants* or *options* have been, or are to be, acquired from specific parties, a statement of the names of those parties and all material terms of the acquisition; and
- (4) details of the prices to be paid.