

LISTING RULES SOURCEBOOK AND FEES MANUAL (REDESIGNATION AND MISCELLANEOUS AMENDMENTS) INSTRUMENT 2017**Powers exercised**

- A. The Financial Conduct Authority (the “FCA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (the “Act”):
- (1) section 73A (Part 6 Rules);
 - (2) section 96 (Obligations of issuers of listed securities);
 - (3) section 137A (The FCA’s general rules);
 - (4) section 137T (General supplementary powers);
 - (5) section 139A (Power of the FCA to give guidance); and
 - (6) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 1 January 2018.

Amendments to the Handbook

- D. The Glossary of definitions is amended in accordance with Annex A to this instrument.
- E. The Fees manual (FEES) is amended in accordance with the table set out in Annex B to this instrument.
- F. (1) The Listing Rules sourcebook (LR) is amended as follows:
- (a) except for the items in (c), each provision of LR listed in column (1) of the table in Annex C is redesignated to form new sections in Chapter 6 of LR in accordance with the corresponding entry in column (2) of the table in Annex C;
 - (b) the text in LR 6.1.2AR (Definition of controlling shareholder) has been moved to form an expanded existing definition in the Glossary and in LR Appendix 1 (Relevant definitions);
 - (c) the items listed as ‘Deleted’ in column (2) of the table in Annex C are deleted from LR so that LR 6 reads as set out in Part 1 of Annex D to this instrument;

- (d) the provisions in (a) designated as “Restated text” in column (3) of the table in paragraph F(2) are restated with amended cross-references so that they read as set out in Part 1 of Annex D to this instrument;
- (e) the provisions in (a) designated as “Amended text” in column (3) of the table in paragraph F(2) are amended in accordance with Part 1 of Annex D to this instrument;
- (f) the FCA makes the rules and gives the guidance designated as “New text” in column (3) of the table in paragraph F(2) in accordance with Part 1 of Annex D to this instrument;
- (g) all the above provisions are combined so that they appear in the appropriate numerical order; and
- (h) LR is additionally amended in accordance with Parts 2 and 3 of Annex D to this instrument.

(2) The table referred to in paragraph F(1)(d) to (f) is as follows:

Table of Origin		
(1) LR	(2) Current location in LR (where applicable)	(3) How dealt with in this instrument
LR 6.1.1R	LR 6.1.1R and 6.1.1AR	Amended text
LR 6.1.2G	LR 6.1.2G	Amended text
LR 6.2.1R	LR 6.1.3R(1)(a) to (c) and LR 6.1.3BR(1)	Amended text
LR 6.2.2G	LR 6.1.3CG	Amended text
LR 6.2.3R	LR 6.1.3DR(1), (2) and (4)	Amended text
LR 6.2.4R	LR 6.1.3R(1)(d) and (e)	Amended text
LR 6.2.5G	LR 6.1.3AG	Restated text
LR 6.2.6R	LR 6.1.3R(2)	Restated text
LR 6.3.1R(1)	N/A	New text
LR 6.3.1R(2)	LR 6.1.3BR(2)	Amended text
LR 6.3.2G	LR 6.1.3EG	Amended text
LR 6.4.1R	LR 6.1.4R	Amended text
LR 6.4.2G	LR 6.1.4AG	Amended text
LR 6.4.3G	LR 6.1.4AG(1) to (3)	Amended text
LR 6.5.1R	N/A	New text
LR 6.5.2G	LR 6.1.4AG	Amended text
LR 6.5.3G(1)	LR 6.1.4AG(4)	Amended text
LR 6.5.3G(2)	LR 6.1.4AG(6)	Amended text
LR 6.5.3G(3)	N/A	New text
LR 6.5.4R	LR 6.1.4BR(1) and LR 6.1.4DR	Amended text
LR 6.5.5R	LR 6.1.4CR	Amended text
LR 6.6.1R	N/A	New text
LR 6.6.2G	LR 6.1.4AG	Amended text
LR 6.6.3G(1)	N/A	New text

Table of Origin		
(1) LR	(2) Current location in LR (where applicable)	(3) How dealt with in this instrument
LR 6.6.3G(2) and (3)	LR 6.1.4AG(5)(a) and (b)	Amended text
LR 6.7.1R	LR 6.1.16R	Restated text
LR 6.8.1R	LR 6.1.22R(1)	Restated text
LR 6.8.2R	LR 6.1.22R(2)	Restated text
LR 6.9.1R(1)	LR 6.1.28R	Amended text
LR 6.9.1R(2)	LR 6.1.4BR(2)	Amended text
LR 6.9.2R	LR 6.1.25	Restated text
LR 6.10.1R	LR 6.1.8R	Amended text
LR 6.10.2R	LR 6.1.9R	Amended text
LR 6.10.3R	LR 6.1.10R	Amended text
LR 6.11.1R	LR 6.1.11R	Restated text
LR 6.11.2R	LR 6.1.12R	Amended text
LR 6.12.1R	N/A	New text
LR 6.12.2R	N/A	New text
LR 6.13.1R	LR 6.1.26R	Amended text
LR 6.13.2G	LR 6.1.27G	Amended text
LR 6.14.1R	LR 6.1.19R(1)	Amended text
LR 6.14.2R	LR 6.1.19R(2) and (3)	Amended text
LR 6.14.3R	LR 6.1.19(4)	Restated text
LR 6.14.4G	LR 6.1.20BG	Restated text
LR 6.14.5G	LR 6.1.20AG	Restated text
LR 6.15.1R	LR 6.1.21R	Amended text

Notes

- G. In Annex D to this instrument, the “notes” (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- H. This instrument may be cited as the Listing Rules Sourcebook and Fees Manual (Redesignation and Miscellaneous Amendments) Instrument 2017.

By order of the Board
19 October 2017

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

shell company as defined in LR 5.6.5AR.

Amend the following definitions as shown.

controlling shareholder ~~as defined in LR 6.1.2AR~~ means any person who exercises or controls on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the company. 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 below 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 person 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.

group ...

(4) (in LR):

- (a) (except in ~~LR 6.1.4AG, LR 6.1.19R, LR 6.1.20BG~~ LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R(10), LR 14.2.2R, LR 14.2.3AG, LR 18.2.8R and LR 18.2.9AG) an issuer and its subsidiary undertakings (if any); and
- (b) (in ~~LR 6.1.4AG, LR 6.1.19R, LR 6.1.20BG~~, LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R(10), LR 14.2.2R, LR 14.2.3AG, LR 18.2.8R and LR 18.2.9AG), as defined in section 421 of the Act.

...

independent director a director whom ~~a new~~ an applicant or listed company has determined to be independent under the UK Corporate Governance Code.

Delete the following definition. The text is not shown struck through.

new applicant (in LR) an applicant that does not have any class of its securities already listed.

Annex B

Amendments to the Fees manual (FEES)

- (1) The table referred to in paragraph E of this instrument is as follows.
- (2) The reference in column (2) of this Annex B is replaced with the reference in column (3) in the provision listed in column (1).
- (3) Where a reference in column (2) appears in the provision listed in column (1) more than once, all references set out in column (2) are replaced with the reference in column (3) in the provision listed in column (1).

Cross reference updates		
(1) FEES section where cross-reference appears	(2) Cross-reference to be amended	(3) New cross-reference
FEES 3 Annex 12R	LR 6.1.1AR	LR 6.1.1R(1) or (2)
FEES 3 Annex 12R	LR 6.1.1AR	LR 6.1

Annex C

Re-numbering of the Listing Rules sourcebook (LR)

- (1) The table referred to in paragraph F(1)(a) and (b) of this instrument is as follows.
- (2) Where a reference in the table in this Annex C is to a sub-section only, the whole of the sub-section listed in column (1) is re-numbered as set out in column (2). The module, chapter and section of each provision is re-numbered as set out in column (2); otherwise the numbering of the paragraphs in the re-numbered section remains the same.

Table of Destination	
(1) LR current location	(2) LR and Glossary destination (if applicable)
LR 6.1.1R	LR 6.1.1R
LR 6.1.1AR	LR 6.1.1R
Applicant must satisfy requirements in this chapter	
LR 6.1.2G	LR 6.1.2G
Definition of controlling shareholder	
LR 6.1.2AR	Glossary, LR Appendix 1
Historical financial information	
LR 6.1.3R(1)(a) to (c)	LR 6.2.1R(1) to (3)
LR 6.1.3R(1)(d) to (e)	LR 6.2.4R
LR 6.1.3R(2)	LR 6.2.6R
LR 6.1.3AG	LR 6.2.5G
LR 6.1.3BR(1)	LR 6.2.1R(2)
LR 6.1.3BR(2)	LR 6.3.1R(2)
LR 6.1.3CG	LR 6.2.2G
LR 6.1.3DR(1), (2) and (4)	LR 6.2.3R
LR 6.1.3DR(3)	LR 6.2.4R(2)
LR 6.1.3EG	LR 6.3.2G
Independent business	
LR 6.1.4R	LR 6.4.1R
LR 6.1.4AG(1) to (3)	LR 6.4.2G and LR 6.4.3G
LR 6.1.4AG(4) and (6)	LR 6.5.3G(1) and (2)
LR 6.1.4AG(5)	LR 6.6.3G(2) and (3)
LR 6.1.4BR(1)	LR 6.5.4R
LR 6.1.4BR(2)	LR 6.9.1R(2)
LR 6.1.4CR	LR 6.5.5R
LR 6.1.4DR	LR 6.5.4R
Mineral companies	
LR 6.1.8R	LR 6.10.1R
LR 6.1.9R	LR 6.10.2R
LR 6.1.10R	LR 6.10.3R
Scientific research based companies	
LR 6.1.11R	LR 6.11.1R

Table of Destination	
(1) LR current location	(2) LR and Glossary destination (if applicable)
LR 6.1.12R	LR 6.11.2R
Other cases where the FCA may modify accounts and track record requirements	
LR 6.1.13G	Deleted
LR 6.1.14G	Deleted
LR 6.1.15G	Deleted
Working capital	
LR 6.1.16R	LR 6.7.1R
LR 6.1.17G	Deleted
LR 6.1.18G	Deleted
Shares in public hands	
LR 6.1.19R(1)	LR 6.14.1R
LR 6.1.19R(2) and (3)	LR 6.14.2R
LR 6.1.19R(4)	LR 6.14.3R
LR 6.1.19R(5)	LR 6.14.2R(3)
LR 6.1.20AG	LR 6.14.5G
LR 6.1.20BG	LR 6.14.4G
Shares of a non-EEA company	
LR 6.1.21R	LR 6.15.1R
Warrants or options to subscribe	
LR 6.1.22R(1)	LR 6.8.1R
LR 6.1.22R(2)	LR 6.8.2R
Pre-emption rights	
LR 6.1.25R	LR 6.9.2R
Externally managed companies	
LR 6.1.26R	LR 6.13.1R
LR 6.1.27G	LR 6.13.2G
Voting on matters relevant to premium listing	
LR 6.1.28R	LR 6.9.1R(1)

Annex D

Amendments to the Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Part 1: Restructuring of LR 6 with amendments

The following text is designated as set out in the table in paragraph F(2) of this instrument and is not underlined.

6 Additional requirements for premium listing (commercial company)

6.1 Application

- 6.1.1 R This chapter applies to an *applicant* for the *admission* of *equity shares* to *premium listing (commercial company)* except where:
- (1) the *applicant* meets the following conditions:
 - (a) it has an existing *premium listing (commercial company)* of *equity shares*;
 - (b) it is applying for the *admission* of *equity shares* of the same *class* as the *shares* that have been admitted to *premium listing*; and
 - (c) it is not entering into a transaction classified as a *reverse takeover*; or
 - (2) the following conditions are met:
 - (a) a *company* has an existing *premium listing (commercial company)* of *equity shares*;
 - (b) the *applicant* is a new holding company of the *company* in (a); and
 - (c) the *company* in (a) is not entering into a transaction classified as a *reverse takeover*.

Applicant must satisfy requirements in this chapter

- 6.1.2 G An *applicant* to whom this chapter applies must satisfy the requirements in this chapter (in addition to those in *LR 2*).

6.2 Historical financial information requirements

Content of historical financial information

- 6.2.1 R An *applicant* must have published or filed historical financial information that:
- (1) covers at least three years;

[**Note:** article 44 of the *CARD*]
 - (2) represents at least 75% of the *applicant's* business for the period in (1);
 - (3) unless *LR 5.6.21R* applies, has a latest balance sheet date that is not more than:
 - (a) six months before the date of the *prospectus* or *listing particulars* for the relevant *shares*; and
 - (b) nine months before the date the *shares* are *admitted to listing*; and
 - (4) includes the consolidated accounts for the *applicant* and all its *subsidiary undertakings*.
- 6.2.2 G
- (1) In determining what amounts to 75% of the *applicant's* business for the purpose of *LR 6.2.1R(2)*, the *FCA* will consider the size, in aggregate, of all of the acquisitions that the *applicant* has entered into during the period required by *LR 6.2.1R(1)* and up to the date of the *prospectus* or *listing particulars*, relative to the size of the *applicant* as enlarged by the acquisitions.
 - (2) In ascertaining the size of the acquisitions relative to the *applicant* for the purposes of *LR 6.2.1R(2)*, the *FCA* will take into account factors such as the assets, profitability and market capitalisation of the businesses.
 - (3) The figures used should be the latest available for the acquired entity and the *applicant* as enlarged by the acquisition or acquisitions.
- 6.2.3 R Where an *applicant* has made an acquisition or series of acquisitions such that its own consolidated financial information is insufficient to meet the 75% requirement in *LR 6.2.1R(2)*, there must be historical financial information relating to the acquired entity or entities which has been published or filed and that:
- (1) covers the period from at least three years prior to the date under *LR 6.2.1R(3)* up to the earlier of:
 - (a) the date in *LR 6.2.1R(3)*; or

- (b) the date of acquisition by the *applicant*;
- (2) is prepared and presented in a form that is consistent with the accounting policies adopted in the financial information required by *LR 6.2.1R*; and
- (3) in aggregate with its own historical financial information represents at least 75% of the enlarged *applicant's* business for the period in *LR 6.2.1R(1)*.

Audit requirements for historical financial information

- 6.2.4 R The historical financial information in *LR 6.2.1R* and *LR 6.2.3R* must:
- (1) have been audited or reported on in accordance with the standards acceptable under item 20.1 of Annex I of the *PD Regulation*; and
 - (2) not be subject to a *modified report*, unless the circumstances set out in *LR 6.2.5G* apply.
- 6.2.5 G The *FCA* may accept that *LR 6.2.4R(2)* has been satisfied where a *modified report* is present only as a result of:
- (1) the presence of an emphasis-of-matter paragraph which arises in any of the earlier periods required by *LR 6.2.1R* and the opinion on the final period is unmodified; or
 - (2) the opinion on the historical financial information for the final period under *LR 6.2.1R* includes an emphasis-of-matter paragraph with regard to going concern and *LR 6.7.1R* (Working capital) is complied with.
- 6.2.6 R An *applicant* must:
- (1) take all reasonable steps to ensure that the *person* providing the opinion in *LR 6.2.4R(1)* is independent of it; and
 - (2) obtain written confirmation from the *person* providing the opinion in *LR 6.2.4R(1)* that it complies with guidelines on independence issued or approved by its national accountancy or auditing bodies.

6.3 Revenue earning track record requirement

- 6.3.1 R The historical financial information required under *LR 6.2.1R* and *LR 6.2.3R* must:
- (1) demonstrate that the *applicant* has a revenue earning track record; and

- (2) put prospective investors in a position to make an informed assessment of the business for which *admission* is sought.
- 6.3.2 G (1) The purpose of *LR 6.2.1R(2)*, *LR 6.2.3R*, and *LR 6.3.1R* is to ensure that the *applicant* has representative financial information throughout the period required by *LR 6.2.1R(1)* and *LR 6.2.3R* and to assist prospective investors to make a reasonable assessment of what the future prospects of the *applicant's* business might be. Investors are then able to consider the *applicant's* historical financial information in light of its particular competitive advantages, the outlook for the sector in which it operates and the general macro economic climate.
- (2) The *FCA* may consider that an *applicant* does not have representative historical financial information and that its *equity shares* are not eligible for a *premium listing* if a significant part or all of the *applicant's* business has one or more of the following characteristics:
- (a) a business strategy that places significant emphasis on the development or marketing of products or services which have not formed a significant part of the *applicant's* historical financial information;
 - (b) the value of the business on *admission* will be determined, to a significant degree, by reference to future developments rather than past performance;
 - (c) the relationship between the value of the business and its revenue or profit-earning record is significantly different from those of similar companies in the same sector;
 - (d) there is no record of consistent revenue, cash flow or profit growth throughout the period of the historical financial information;
 - (e) the *applicant's* business has undergone a significant change in its scale of operations during the period of the historical financial information or is due to do so before or after *admission*;
 - (f) it has significant levels of research and development expenditure or significant levels of capital expenditure.

6.4 Independent business

- 6.4.1 R An *applicant* must demonstrate that it carries on an independent business as its main activity.

- 6.4.2 G *LR 6.4.1R* is intended to ensure that the protections afforded to *holders of equity shares* by the *premium listing* requirements are meaningful.
- 6.4.3 G Factors that may indicate that an *applicant* does not satisfy *LR 6.4.1R* include situations where:
- (1) a majority of the revenue generated by the *applicant's* business is attributable to business conducted directly or indirectly with one *person* or *group*; or
 - (2) the *applicant* cannot demonstrate that it has access to financing other than from one *person* or *group*; or
 - (3) the *applicant* does not have:
 - (a) strategic control over the commercialisation of its products; or
 - (b) strategic control over its ability to earn revenue; or
 - (c) freedom to implement its business strategy.

6.5 Controlling shareholders

- 6.5.1 R An *applicant* with a *controlling shareholder* must demonstrate that, despite having a *controlling shareholder*, the *applicant* is able to carry on an independent business as its main activity.
- 6.5.2 G *LR 6.5.1R* is intended to ensure that the protections afforded to *holders of equity shares* by the *premium listing* requirements are meaningful.
- 6.5.3 G Factors that may indicate that an *applicant* does not satisfy the requirement in *LR 6.5.1R* (even where the agreement in *LR 6.5.4R* is in place) include:
- (1) an *applicant* has granted or may be required to grant security over its business in connection with the funding of a *controlling shareholder* or a member of a *controlling shareholder's group*; or
 - (2) a *controlling shareholder* (or any *associate* thereof) appears to be able to influence the operations of the *applicant* outside its normal governance structures or via material shareholdings in one or more significant *subsidiary undertakings*; or
 - (3) a *controlling shareholder* appears to be able to exercise improper influence over the *applicant*; or
 - (4) an *applicant* cannot demonstrate that it has access to financing other than from a *controlling shareholder* (or an *associate* thereof).
- 6.5.4 R An *applicant* with a *controlling shareholder* upon *admission* must have in

place a written and legally binding agreement with its *controlling shareholder* which is intended to ensure that the *controlling shareholder* complies with undertakings that:

- (1) transactions and arrangements with the *controlling shareholder* (and/or any of its *associates*) will be conducted at arm's length and on normal commercial terms;
- (2) neither the *controlling shareholder* nor any of its *associates* will take any action that would have the effect of preventing the *applicant* from complying with its obligations under the *listing rules*; and
- (3) neither the *controlling shareholder* nor any of its *associates* will propose or procure the proposal of a shareholder resolution which is intended or appears to be intended to circumvent the proper application of the *listing rules*.

6.5.5 R An *applicant* with more than one *controlling shareholder* is not required to enter into a separate agreement with each *controlling shareholder* if:

- (1) the *applicant* reasonably considers, in light of its understanding of the relationship between the relevant *controlling shareholders*, that a *controlling shareholder* can procure the compliance of another *controlling shareholder* and that *controlling shareholder's associates* with the undertakings in LR 6.5.4R; and
- (2) the agreement, which contains the undertakings in LR 6.5.4R, entered into with the relevant *controlling shareholder* also contains:
 - (a) a provision in which the *controlling shareholder* agrees to procure the compliance of a non-signing *controlling shareholder* and its *associates* with the undertakings in LR 6.5.4R; and
 - (b) the name of such non-signing *controlling shareholder*.

6.6 Control of the business

6.6.1 R An *applicant* must demonstrate that it exercises operational control over the business it carries on as its main activity.

6.6.2 G LR 6.6.1R is intended to ensure that the protections afforded to holders of *holders of equity shares* by the *premium listing* requirements are meaningful.

6.6.3 G Factors that may indicate that an *applicant* does not satisfy the requirement in LR 6.6.1R include where the *applicant's* business consists principally of holding *shares* in entities that it does not control, including entities where the *applicant*:

- (1) owns a minority holding of *shares*; or
- (2) is only able to exercise negative control; or
- (3) exercises control subject to contractual arrangements which could be altered without the *applicant's* agreement or could result in a temporary or permanent loss of control.

6.7 Working capital

- 6.7.1 R An *applicant* must satisfy the *FCA* that it and its *subsidiary undertakings* (if any) have sufficient working capital available for the *group's* requirements for at least the next 12 months from the date of publication of the *prospectus* or *listing particulars* for the *shares* that are being admitted.

6.8 Warrants or options to subscribe

- 6.8.1 R The total of all issued *warrants* to subscribe for *equity shares* or *options* to subscribe for *equity shares* must not exceed 20% of the issued *equity share capital* (excluding *treasury shares*) of the *applicant* as at the time of issue of the *warrants* or *options*.
- 6.8.2 R For the purpose of the 20% limit in *LR* 6.8.1R, rights under *employees' share schemes* are not included.

6.9 Constitutional arrangements

- 6.9.1 R An *applicant* must have in place a constitution that allows it to comply with the *listing rules*, in particular:
- (1) *LR* 9.2.21R to vote on matters relevant to *premium listing*; and
 - (2) for an *applicant* with a *controlling shareholder*, *LR* 9.2.2ER and *LR* 9.2.2FR concerning the election and re-election of *independent directors*.

Pre-emption rights

- 6.9.2 R If the law of the country of its incorporation does not confer on *shareholders* rights which are at least equivalent to *LR* 9.3.11R, an *overseas company* applying for a *premium listing* must:
- (1) ensure its constitution provides for rights which are at least equivalent to the rights provided in *LR* 9.3.11R (as qualified by *LR* 9.3.12R); and

- (2) be satisfied that conferring such rights would not be incompatible with the law of the country of its incorporation.

6.10 Specialist companies: mineral companies

- 6.10.1 R Where a *mineral company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with the minimum three-year period required in LR 6.2.1R(1) because it has been operating for a shorter period:
- (1) the *mineral company* must have published or filed historical financial information since the inception of its business; and
 - (2) the following apply to the *mineral company* only with regard to the period for which it has published or filed historical financial information pursuant to (1):
 - (a) LR 6.2.1R(2), LR 6.2.1R(3) and LR 6.2.1R(4) (content of historical financial information); and
 - (b) LR 6.2.4R and LR 6.2.6R (audit requirements for historical financial information).
- 6.10.2 R LR 6.3.1R (revenue earning track record) does not apply to a *mineral company* that applies for the *admission* of its *equity shares* to a *premium listing*.
- 6.10.3 R (1) This *rule* applies if the *mineral company* applies for the *admission* of its *equity shares* to *premium listing* and cannot comply with LR 6.6.1R (control of business) because the *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.
- (2) The *mineral company* must demonstrate that it has a reasonable spread of direct interests in mineral resources and has rights to participate actively in their extraction, whether by voting or through other rights which give it influence in decisions over the timing and method of extraction of those resources.

6.11 Specialist companies: scientific research based companies

- 6.11.1 R Where a *scientific research based company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with the minimum three-year period required in LR 6.2.1R(1) because it has been operating for a shorter period:
- (1) the *scientific research based company* must have published or filed historical financial information since the inception of its business;

and

- (2) the following apply to the *scientific research based company* only with regard to the period for which it has published or filed historical financial information under (1):
 - (a) *LR 6.2.1R(2)*, *LR 6.2.1R(3)* and *LR 6.2.1R(4)* (content of historical financial information); and
 - (b) *LR 6.2.4R* and *LR 6.2.6R* (audit requirements for historical financial information).

- 6.11.2 R If the *scientific research based company* does not comply with either *LR 6.2.1R(1)* (minimum period for historical financial information) or *LR 6.3.1R* (revenue earning track record), it must:
- (1) demonstrate its ability to attract funds from sophisticated investors prior to the marketing at the time of *listing*;
 - (2) intend to raise at least £10 million pursuant to a marketing at the time of *listing*;
 - (3) have a capitalisation, before the marketing at the time of *listing*, of at least £20 million (based on the issue price and excluding the value of any *equity shares* which have been issued in the six months before *listing*);
 - (4) have as its primary reason for *listing* the raising of finance to bring identified products to a stage where they can generate significant revenues; and
 - (5) demonstrate that it has a three year record in laboratory research and development including:
 - (a) details of patents granted or details of progress of patent applications; and
 - (b) the successful completion of, or the successful progression of, significant testing of the effectiveness of its products.

6.12 Specialist companies: property companies

- 6.12.1 R Where a *property company* applies for the *admission* of its *equity shares* to a *premium listing* and cannot comply with *LR 6.3.1R* because it does not have a revenue earning track record:
- (1) the *property company* must demonstrate that it has three years of development of its real estate assets represented by increases of the gross asset value of its real estate assets:

- (a) evidenced by the historical financial information required by *LR 6.2.1R*; and
 - (b) supported by a published *property valuation report*; or
 - (2) the *property company* must demonstrate that 75% of the gross asset value of an *applicant's* real estate assets, as supported by a published *property valuation report*, are revenue generating at the point in time when the application for *admission* of the *equity shares* to a *premium listing* is made.
- 6.12.2 G For the purposes of *LR 6.12.1R*, the *property valuation report* should be published in the *applicant's prospectus*.
- 6.12.3 R Where a *property company* is relying on *LR 6.12.1R(2)* and cannot comply with *LR 6.2.1R(1)* because it has been operating for a shorter period:
- (1) the *property company* must have published or filed historical financial information since the inception of its business; and
 - (2) the following apply to the *property company* only with regard to the period for which it has published or filed historical financial information under (1):
 - (a) *LR 6.2.1R(2)*, *LR 6.2.1R(3)* and *LR 6.2.1R(4)* (content of historical financial information); and
 - (b) *LR 6.2.4R* and *LR 6.2.6R* (audit requirements for historical financial information).

6.13 Externally managed companies

- 6.13.1 R An *applicant* must satisfy the *FCA* that:
- (1) the discretion of its board to make strategic decisions on behalf of the *applicant* has not been limited or transferred to a *person* outside the *applicant's group*; and
 - (2) its board has the capability to act on key strategic matters in the absence of a recommendation from a *person* outside the *applicant's group*.
- 6.13.2 G In considering whether an *applicant* has satisfied *LR 6.13.1R*, the *FCA* will consider, among other things, whether the board of the *applicant* consists solely of *non-executive directors* and whether significant elements of the strategic decision-making of or planning for the *applicant* take place outside the *applicant's group*, for example with an *external management company*.

6.14 Shares in public hands

6.14.1 R Where an *applicant* is applying for the *admission* of a *class* of *equity shares* to *premium listing*, a sufficient number of *shares* of that *class* must, no later than the time of *admission*, be distributed to the public in one or more *EEA States*.

[**Note:** article 48 of the *CARD*]

6.14.2 R For the purposes of *LR* 6.14.1R:

- (1) account may also be taken of holders in one or more states that are not *EEA States*, if the *shares* are listed in the state or states;
- (2) a sufficient number of *shares* will be taken to have been distributed to the public when 25% of the *shares* for which application for *admission* has been made are in public hands; and
- (3) *treasury shares* are not to be taken into consideration when calculating the number of *shares* of the *class*.

[**Note:** article 48 of the *CARD*]

6.14.3 R For the purposes of *LR* 6.14.1R and *LR* 6.14.2R, *shares* are not held in public hands if they are:

- (1) held, directly or indirectly by:
 - (a) a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (b) a *person* connected with a *director* of the *applicant* or of any of its *subsidiary undertakings*; or
 - (c) the trustees of any *employees' share scheme* or pension fund established for the benefit of any *directors* and *employees* of the *applicant* and its *subsidiary undertakings*; or
 - (d) any *person* who under any agreement has a right to nominate a *person* to the board of *directors* of the *applicant*; or
 - (e) any *person* or *persons* in the same *group* or *persons* acting in concert who have an interest in 5% or more of the *shares* of the relevant class;
- (2) subject to a lock-up period of more than 180 calendar days.

[**Note:** article 48 of the *CARD*]

6.14.4 G When calculating the number of *shares* for the purposes of *LR* 6.14.3R(1)(e), holdings of *investment managers* in the same *group* where investment decisions are made independently by the individual in control of

the relevant fund and those decisions are unfettered by the *group* to which the *investment manager* belongs will be disregarded.

- 6.14.5 G (1) The *FCA* may modify *LR* 6.14.1R to accept a percentage lower than 25% if it considers that the market will operate properly with a lower percentage in view of the large number of *shares* of the same *class* and the extent of their distribution to the public.

[**Note:** article 48 of the *CARD*]

- (2) In considering whether to grant a modification, the *FCA* may take into account the following specific factors:
- (a) *shares* of the same *class* that are held (even though they are not listed) in states that are not *EEA States*;
 - (b) the number and nature of the public shareholders; and
 - (c) in relation to *premium listing (commercial companies)*, whether the expected market value of the *shares* in public hands at *admission* exceeds £100 million.

6.15 Shares of a non-EEA company

- 6.15.1 R The *FCA* will not admit *shares* of an *applicant* incorporated in a *non-EEA State* that are not listed either in its country of incorporation or in the country in which a majority of its *shares* are held, unless the *FCA* is satisfied that the absence of the listing is not due to the need to protect investors.

[**Note:** article 51 of the *CARD*]

...

Part 2: Additional amendments to the Listing Rules sourcebook (LR)

In this part, underlining indicates new text and striking through indicates deleted text.

5 **Suspending, cancelling and restoring listing and reverse takeovers: All securities**

...

5.6 **Reverse takeovers**

...

~~Definition~~ Definitions

...

- 5.6.5A R A shell company is an issuer whose:
- (1) assets consist solely or predominantly of cash or short-dated securities; or
 - (2) predominant purpose or objective is to undertake an acquisition or merger, or a series of acquisitions or mergers.

Requirement for a suspension

- 5.6.6 R ~~An issuer~~ A shell company, or in the case of ~~an issuer~~ a shell company with a *premium listing*, its *sponsor*, must contact the *FCA* as early as possible:
- (1) before announcing a *reverse takeover* which has been agreed or is in contemplation, to discuss whether a suspension of *listing* is appropriate; or
 - (2) where details of the *reverse takeover* have leaked, to request a suspension.
- 5.6.7 G Examples of where the *FCA* will consider that a *reverse takeover* is in contemplation include situations where:
- (1) the ~~issuer~~ shell company has approached the *target's* board;
 - (2) the ~~issuer~~ shell company has entered into an exclusivity period with a *target*; or
 - (3) the ~~issuer~~ shell company has been given access to begin due diligence work (whether or not on a limited basis).
- 5.6.8 G Generally, when a *reverse takeover* between a shell company and a target is announced or leaked, there will be insufficient publicly available information about the proposed transaction and the ~~issuer~~ shell company will be unable to assess accurately its financial position and inform the market accordingly. In this case, the *FCA* will often consider that suspension will be appropriate, as set out in *LR* 5.1.2G(3) and (4). However, if the *FCA* is satisfied that there is sufficient publicly available information about the proposed transaction it may agree with the ~~issuer~~ shell company that a suspension is not required.
- 5.6.9 G *LR* 5.6.10G to *LR* 5.6.18R set out circumstances in which the *FCA* will generally be satisfied that a suspension is not required.

Reverse takeover by a shell company: Target ~~target~~ admitted to a regulated market

- 5.6.10 G ...

- (2) the ~~issuer~~ shell company makes an announcement stating that the *target* has complied with the disclosure requirements applicable on that *regulated market* and providing details of where information disclosed pursuant to those requirements can be obtained.

...

Reverse takeover by a shell company: ~~Target~~ target subject to the disclosure regime of another market

- 5.6.12 G The *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction if the *target* has *securities* admitted to an investment exchange or trading platform that is not a *regulated market* and the ~~issuer~~ shell company:

...

- 5.6.13 R Where ~~an issuer~~ a shell company has a *premium listing*, a written confirmation provided for the purpose of *LR 5.6.12G(1)* must be given by the ~~issuer's~~ shell company's *sponsor*.

...

Reverse takeover by a shell company: ~~Target~~ target not subject to a public disclosure regime

- 5.6.15 G Where the *target* in a *reverse takeover by a shell company* is not subject to a public disclosure regime, or if the *target* has *securities* admitted on an investment exchange or trading platform that is not a *regulated market* but the ~~issuer~~ shell company is not able to give the confirmation and make the announcement contemplated by *LR 5.6.12G*, the *FCA* will generally be satisfied that there is sufficient publicly available information in the market about the proposed transaction such that a suspension is not required where the ~~issuer~~ shell company makes an announcement containing:

- (1) ...

...

- (d) a description of the key differences between the ~~issuer's~~ shell company's accounting policies and the policies used to present the financial information on the *target*;

...

- (3) a declaration that the *directors* of the ~~issuer~~ shell company consider that the announcement contains sufficient information about the business to be acquired to provide a properly informed basis for assessing its financial position; and

- (4) a declaration confirming that the ~~issuer~~ shell company has made the

necessary arrangements with the *target* vendors to enable it to keep the market informed without delay of any developments concerning the *target* that would be required to be released were the *target* part of the ~~issuer~~ shell company.

...

- 5.6.17 R Where ~~an issuer~~ a shell company has a *premium listing*, a *sponsor* must provide written confirmation to the *FCA* that in its opinion, it is reasonable for the ~~issuer~~ shell company to provide the declarations described in *LR* 5.6.15G(3) and (4).
- 5.6.18 R Where the *FCA* has agreed that a suspension is not necessary as a result of an announcement made for the purpose of *LR* 5.6.15G the ~~issuer~~ shell company must comply with the obligation under article 17(1) of the *Market Abuse Regulation* on the basis that the *target* already forms part of the enlarged *group*.

...

8 Sponsors: Premium listing

...

8.4 Role of a sponsor: transactions

Application for admission: ~~new applicants~~

- 8.4.1 R ...
- 8.4.2 R ...
- (5) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by ~~LR 6.1.16R~~ which demonstrates that *LR* 6.7.1R is satisfied.
- ...
- 8.4.8 R ...
- (3) the *directors* of the *applicant* have a reasonable basis on which to make the working capital statement required by ~~LR 6.1.16R~~ or a qualified working capital statement in accordance with *LR* 6.1.17G (as the case may be) to be included in the *applicant's prospectus* or *listing particulars* and submitted to the *FCA* in accordance with *LR* 3.3.2R(2).

...

9 Continuing obligations

...

9.2 Requirements with continuing application

...

Independent business

- 9.2.2A R (1) *A listed company* must carry on an independent business as its main activity at all times.
- (2) ~~Where a listed company has a controlling shareholder, it must have in place at all times: [deleted]~~
- (a) ~~a written and legally binding agreement which is intended to ensure that the controlling shareholder complies with the independence provisions set out in LR 6.1.4DR; and~~
- (b) ~~a constitution that allows the election and re-election of independent directors to be conducted in accordance with the election provisions set out in LR 9.2.2ER and LR 9.2.2FR.~~
- 9.2.2AA G LR 6.4.3G provides guidance on factors that may indicate that a listed company is not carrying on an independent business.

Controlling shareholders

- 9.2.2AB R A listed company with a controlling shareholder must demonstrate that, despite having a controlling shareholder, the listed company is still able to carry on an independent business as its main activity at all times.
- 9.2.2AC G LR 6.5.3G provides guidance on factors that may indicate that a listed company with a controlling shareholder is not carrying on an independent business.
- 9.2.2AD R Where a listed company has a controlling shareholder, it must have in place at all times:
- (1) a written and legally binding agreement which is intended to ensure that the controlling shareholder complies with the undertakings in LR 6.5.4R; and
- (2) a constitution that allows the election and re-election of independent directors to be conducted in accordance with LR 9.2.2ER and LR 9.2.2FR (election provisions).
- 9.2.2B R In order to comply with ~~LR 9.2.2AR(2)(a)~~ LR 9.2.2ADR(1), where a listed company will have more than one controlling shareholder, the listed company will not be required to enter into a separate agreement with each controlling shareholder if:
- (1) the listed company reasonably considers, in light of its understanding of the relationship between the relevant controlling shareholders, that a controlling shareholder can procure the compliance of another

controlling shareholder and that *controlling shareholder's associates* with the ~~independence provisions contained in the relevant agreement~~ undertakings in LR 6.5.4R; and

- (2) the agreement, which contains the ~~independence provisions set out undertakings in LR 6.1.4DR~~ LR 6.5.4R, entered into with the relevant controlling shareholder also contains:
- (a) a provision in which the *controlling shareholder* agrees to procure the compliance of a non-signing *controlling shareholder* and its *associates* with the ~~independence provisions contained within the agreement~~ undertakings in LR 6.5.4R; and

...

9.2.2C R Where as a result of changes in ownership or control of a *listed company*, a *person* becomes a *controlling shareholder* of the *listed company*, the *listed company* will be allowed:

- (1) a period of not more than 6 months from the event that resulted in that *person* becoming a *controlling shareholder* to comply with ~~LR 9.2.2AR(2)(a)~~ LR 9.2.2ADR(1); and
- (2) in the case of a *listed company* which did not previously have a *controlling shareholder*, until the date of the next annual general meeting of the *listed company*, other than an annual general meeting for which notice:

...

to comply with ~~LR 9.2.2AR(2)(b)~~ LR 9.2.2ADR(2).

9.2.2D G In complying with ~~LR 9.2.2AR(2)(b)~~ LR 9.2.2ADR(2), a *listed company* may allow an existing *independent director* who is being proposed for re-election (including any such *director* who was appointed by the board of the *listed company* until the next annual general meeting) to remain in office until any resolution required by LR 9.2.2FR has been voted on.

9.2.2E R Where ~~LR 9.2.2AR(2)~~ LR 9.2.2ADR applies, the election or re-election of any *independent director* by shareholders must be approved by:

...

...

9.2.2G R A *listed company* must comply with the ~~independence provisions contained in any agreement entered into under LR 6.1.4BR(1)~~ undertakings in LR 6.5.4R or ~~LR 9.2.2AR(2)(a)~~ LR 9.2.2ADR(1) at all times.

9.2.2H G In addition to the annual confirmation required to be included in a *listed company's* annual financial report under LR 9.8.4R(14), the *FCA* may

request information from a *listed company* under *LR 1.3.1R(3)* to confirm or verify that an ~~independence provision contained in any agreement entered into under *LR 6.1.4BR(1)* undertaking in *LR 6.5.4R* or *LR 9.2.2AR(2)(a)* *LR 9.2.2ADR(1)*~~ or a procurement obligation (as set out in ~~*LR 6.1.4CR(2)(a)* *LR 6.5.5R(2)(a)* or *LR 9.2.2BR(2)(a)*~~) contained in an agreement entered into under ~~*LR 6.1.4BR(1)* *LR 6.5.4R* or *LR 9.2.2AR(2)(a)* *LR 9.2.2ADR(1)*~~ is being or has been complied with.

Control of business

- 9.2.2I R A *listed company* must exercise operational control over the business it carries on as its main activity at all times.
- 9.2.2J G *LR 6.6.3G* provides *guidance* on factors that may indicate that a *listed company* is not exercising operational control over the business it carries on as its main activity.
- 9.2.2K R (1) This *rule* applies where a *mineral company* does not hold controlling interests in a majority (by value) of the properties, fields, mines or other assets in which it has invested.
- (2) The *mineral company* is not required to comply with *LR 9.2.2IR* where it can demonstrate the factors set out in *LR 6.10.3R(2)*.

...

Notifications to the FCA: notifications regarding continuing obligations

- 9.2.23 R A *listed company* must notify the *FCA* without delay if it does not comply with any continuing obligation set out in *LR 9.2.2AR*, *LR 9.2.2ABR*, *LR 9.2.2ADR*, *LR 9.2.2ER*, *LR 9.2.2FR*, *LR 9.2.15R* or *LR 9.2.21R*.

Notifications to the FCA: notifications regarding compliance with independence provisions

- 9.2.24 R A *listed company* must notify the *FCA* without delay if:

...

- (2) it becomes aware that an ~~independence provision contained in an agreement entered into under *LR 6.1.4BR(1)* undertaking in *LR 6.5.4R* or *LR 9.2.2AR(2)(a)* *LR 9.2.2ADR(1)*~~ has not been complied with by the *controlling shareholder* or any of its *associates*; or
- (3) it becomes aware that a procurement obligation (as set out in ~~*LR 6.1.4CR(2)(a)* *LR 6.5.5R(2)(a)* or *LR 9.2.2BR(2)(a)*~~) contained in an agreement entered into under ~~*LR 6.1.4BR(1)* *LR 6.5.4R* or *LR 9.2.2AR(2)(a)* *LR 9.2.2ADR(1)*~~ has not been complied with by a *controlling shareholder*.

...

9.8 Annual financial report

...

Information to be included in annual report and accounts

9.8.4 R In addition to the requirements set out in *DTR 4.1* a *listed company* must include in its annual financial report, where applicable, the following:

...

(14) a statement made by the board:

(a) that the *listed company* has entered into any agreement required under ~~LR 9.2.2AR (2)(a)~~ LR 9.2.2ADR(1); or

(b) where the *listed company* has not entered into an agreement required under ~~LR 9.2.2AR (2)(a)~~ LR 9.2.2ADR(1):

...

(c) that:

(i) the *listed company* has complied with the ~~independence provisions included in any agreement entered into under LR 6.1.4BR(1)~~ undertakings in LR 6.5.4R or LR 9.2.2AR(2)(a) LR 9.2.2ADR(1) during the period under review;

(ii) so far as the *listed company* is aware, the ~~independence provisions included in any agreement entered into under LR 6.1.4BR(1)~~ undertakings in LR 6.5.4R or LR 9.2.2AR(2)(a) LR 9.2.2ADR(1) have been complied with during the period under review by the *controlling shareholder* or any of its *associates*; and

(iii) so far as the *listed company* is aware, the procurement obligation (as set out in ~~LR 6.1.4CR(2)(a)~~ LR 6.5.5R(2)(a) or LR 9.2.2BR(2)(a)) included in any agreement entered into under ~~LR 6.1.4BR(1) LR 6.5.4R or LR 9.2.2AR(2)(a) LR 9.2.2ADR(1)~~ has been complied with during the period under review by a *controlling shareholder*; or

(d) where an ~~independence provision included in any agreement entered into under LR 6.1.4BR(1) undertaking in LR 6.5.4R or LR 9.2.2AR(2)(a) LR 9.2.2ADR(1)~~ or a procurement obligation (as set out in ~~LR 6.1.4CR(2)(a) LR 6.5.5R(2)(a) or LR 9.2.2BR(2)(a)~~ included in any agreement entered into under ~~LR 6.1.4BR(1) LR 6.5.4R or LR 9.2.2AR(2)(a) LR 9.2.2ADR(1)~~ has not been complied with during the period

under review:

...

- (ii) a brief description of the background to and reasons for failing to comply with the relevant ~~independence provision~~ undertaking or procurement obligation that enables shareholders to evaluate the impact of non-compliance on the *listed company*.

...

9.8.4B G Where a *listed company's* annual financial report contains a statement of the type referred to in LR 9.8.4R(14)(b) or (d), the *FCA* may still take any action it considers necessary in relation to the underlying breach by the *listed company* of ~~LR 9.2.2AR(2)(a)~~ LR 9.2.2ADR(1) or LR 9.2.2GR.

...

10 Significant transactions: Premium listing

...

10 The Class Tests

Annex

1G

...			
Figures used to classify assets and profits			
8R	...		
	(3)	(a)	The figures of the <i>listed company</i> must be adjusted to take account of <u>transactions completed during the period to which the figures referred to in (1) or (2) relate</u> , and subsequent completed transactions, which have been notified to a <i>RIS</i> under LR 10.4 or LR 10.5.
		(b)	The figures of the target company or business must be adjusted to take account of <u>transactions completed during the period to which the figures referred to in (1) or (2) relate</u> , and subsequent completed transactions, which would have been a <i>class 2 transaction</i> or greater when classified against the target as a whole.
	...		
...			
11G	Where a <i>listed company</i> wishes to make adjustments to the figures used in calculating the class tests pursuant to 10G they should discuss this with the <i>FCA</i> before the class tests crystallise.		

<u>The Profits Test: Anomalous Results</u>	
<u>12R</u>	<u>Paragraph 13R applies to a <i>company</i> that has a <i>premium listing</i> of <i>equity shares</i> where:</u>
	(1) <u>the calculation under the profits test produces a <i>percentage ratio</i> of 25% or more and this result is anomalous; and</u>
	(2) <u>the transaction is not a <i>related party transaction</i>.</u>
<u>13R</u>	<u>A <i>company</i> that has a <i>premium listing</i> of <i>equity shares</i> may:</u>
	(1) <u>where each of the other applicable <i>percentage ratios</i> are less than 5%, disregard the profits test for the purposes of classifying the transaction; or</u>
	(2) <u>make the following adjustments to the calculation under the profits test:</u>
	(a) <u>where any of the following costs are genuinely one-off costs, the figures used to classify profits of the <i>listed company</i>, or the target company or business, may be adjusted for:</u>
	(i) <u>costs incurred by the <i>listed company</i>, or target company or business, in connection with the <i>listed company</i>, or target company or business' initial public offering; or</u>
	(ii) <u>closure costs incurred by the <i>listed company</i>, or target company or business, that are not part of an on-going restructuring that will occur over more than one financial period;</u>
	(b) <u>where a <i>listed company</i>, or target company or business, has completed an initial public offering, the figures used to classify profits of the <i>listed company</i>, or target company or business, may be adjusted for interest charges incurred under private ownership prior to completion of the initial public offering provided that these interest charges:</u>
	(i) <u>have been incurred under facilities that were repaid as part of the initial public offering capital restructuring; and</u>
	(ii) <u>are substituted in the calculation of the profits test with the interest charges that would have been incurred under the new facilities for the relevant period.</u>
<u>14G</u>	<u>Any adjustments made in accordance with paragraph 13R(2) should be applied equally to both the <i>listed company</i>, and target company or business, where applicable, to ensure a like-for-like comparison is being undertaken.</u>
<u>15G</u>	<u>A <i>company</i> that has a <i>premium listing</i> of <i>equity shares</i> does not have to consult the <i>FCA</i> in accordance with paragraph 10G or 11G before relying on paragraph 13R.</u>

...

11 Related party transactions: Premium listing

11.1 Related party transactions

Application

...

11.1.1A R Where a *company* has a *premium listing* and:

...

- (2) it becomes aware that a *controlling shareholder* or any of its *associates* is not in compliance with an ~~independence provision contained in an agreement entered into under LR 6.1.4BR(1) undertaking in LR 6.5.4R or LR 9.2.2AR(2)(a);~~

...

...

Appendix 1 Relevant definitions

App 1.1 Relevant definitions

1.1.1 ...

...

<i>controlling shareholder</i>	as defined in <i>LR 6.1.2AR</i> means any <i>person</i> who exercises or controls on their own or together with any <i>person</i> with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings of the <i>company</i> . For the purposes of calculating voting rights, the following voting rights are to be disregarded:		
	(1)	<u>any voting rights which such a <i>person</i> 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 <i>associate</i> of that <i>person</i> 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 <i>person</i> confers or collaborates with such an <i>associate</i> which also acts in its capacity as investment manager, collective investment undertaking or long-term insurer); or</u>	
	(2)	<u>any voting rights which a <i>person</i> may hold (or control the exercise of) solely in relation to the direct performance, by way of business, of:</u>	
		(a)	<u>underwriting the issue or sale of <i>securities</i>; or</u>

		(b)	<u>placing securities, where the person provides a firm commitment to acquire any securities which it does not place; or</u>
		(c)	<u>acquiring securities from existing shareholders or the issuer pursuant to an agreement to procure third-party purchases of securities;</u>
			<u>and where the conditions below are satisfied:</u>
		(i)	<u>the activities set out in (2)(a) to (c) are performed in the ordinary course of business;</u>
		(ii)	<u>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;</u>
		(iii)	<u>the voting rights are not exercised within the period the securities are held; and</u>
		(iv)	<u>no attempt is made directly or indirectly by the person 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.</u>
...			
<i>group</i>	(1)		(except in LR 6.1.4AG, LR 6.1.19R, LR 6.1.20BG <u>LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R(10), LR 14.2.2R, LR 14.2.3AG, LR 18.2.8R and LR 18.2.9AG</u>) an issuer and its subsidiary undertakings (if any); and
	(2)		(in LR 6.1.4AG, LR 6.1.19R, LR 6.1.20BG <u>LR 6.4.3G, LR 6.5.3G, LR 6.14.3R, LR 6.14.4G, LR 8.7.8R(10), LR 14.2.2R, LR 14.2.3AG, LR 18.2.8R and LR 18.2.9AG</u>), as defined in section 421 of the Act.
...			
<i>independent director</i>			a director whom a new <u>an applicant or listed company</u> has determined to be independent under the UK Corporate Governance Code.
...			
<i>new applicant</i>			an applicant that does not have any class of its securities already listed.
...			
<i>share</i>			...
<i>shell company</i>			as defined in <u>LR 5.6.5AR</u> .

...	
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Part 3: Cross-reference amendments to the Listing Rules sourcebook (LR)

- (1) The table referred to in paragraph F of this instrument is as follows.
- (2) The reference in column (2) of this Annex E is replaced with the reference in column (3) in the provision listed in column (1);
- (3) Where a reference in column (2) appears in the provision listed in column (1) more than once, all references set out in column (2) are replaced with the reference in column (3) in the provision listed in column (1).

Cross reference updates		
(1) LR section where cross-reference appears	(2) Cross-reference to be amended	(3) New cross-reference
5.4A.13G	LR 6.1.16R	LR 6.7.1R
5.6.21R	LR 6.1.3R(1)(b) and LR 6.1.3R(1)(e)	LR 6.2.1R(3) and LR 6.2.4R(2)
5.6.22G	LR 6.1.3R(1)(b) LR 6.1.3R(1)(e)	LR 6.2.1R(3) LR 6.2.4R(2)
8.4.1R	LR 6.1.1AR	LR 6.1.1R(1) or LR 6.1.1R(2)
8.4.7R	LR 6.1.1AR	LR 6.1.1R(1) or LR 6.1.1R(2)
9.2.15R	LR 6.1.19R	LR 6.14.1R to LR 6.14.3R
9.2.15AG	LR 6.1.19R	LR 6.14.1R
11.1.1AR(3)	LR 6.1.4CR(2)(a) LR 6.1.4BR(1)	LR 6.5.5R(2)(a) LR 6.5.4R
13.5.27CR	LR 6.1.3AG	LR 6.2.5G
15.2.1R(2)(a)	LR 6.1.3R(1)(d) LR 6.1.3R(1)(e)	LR 6.2.4R (1) LR 6.2.4R (2)
15.2.1R(2)(b)	LR 6.1.3R(2)	LR 6.2.6R
15.2.1R(2)(c)	LR 6.1.16R to LR 6.1.25R and LR 6.1.28R	LR 6.7.1R, LR 6.9.1R(1), LR 6.9.2R, LR 6.14.1R to LR 6.14.5G, and LR 6.15.1R.
16.2.1R	LR 6.1.22R	LR 6.8.1R to LR 6.8.2R