

The background features a dark, grid-like pattern of lines. Overlaid on this are several glowing, elongated shapes in shades of blue, red, and white, resembling light trails or data points. The shapes are scattered across the frame, with some appearing as thin lines and others as thicker, more prominent streaks. The overall aesthetic is futuristic and high-tech.

PLUS

RULES FOR ISSUERS

RULES FOR ISSUERS

July 2007

CONTENTS

Introduction	4
Part 1	
Applications for Admission	5
Part 2	
Continuing Obligations of Issuers	9
Appendix 1	
Information for an Admission Document	17
Appendix 2	
Application Documents	24
Appendix 3	
Admission Announcement	26
Appendix 4	
Interests in Securities	27
Appendix 5	
Financial Results	28
Appendix 6	
Disclosures in Relation to Transactions	29
Appendix 7	
Withdrawal	30
Appendix 8	
Disciplinary Sanctions	31
Glossary	32
Guidance Notes	38

Introduction

Welcome to **PLUS** – the independent UK equity market dedicated to small and mid cap companies. There are two aspects to the **PLUS market**:

- a primary market regulatory framework dedicated to the needs of smaller companies (known as the “PLUS-quoted” segment); and
- a secondary market trading platform which offers a quote-driven execution venue for both listed and unlisted equity securities (known as the “PLUS-traded” segment).

These Rules for Issuers (“the Rules”) set out the admission and disclosure responsibilities of companies on the PLUS-quoted segment of the market. Consequently, references to the **PLUS market** in the Rules are to the **PLUS** primary market. Designed to be straightforward to administer and comply with, the Rules are dovetailed to the needs of smaller companies seeking to raise equity based finance or a destination for acquisitions. Companies from all sectors and countries are eligible for admission.

The admission requirements for PLUS-traded securities are dealt with separately in the PLUS Trading Rules, which are available for inspection in the Market Regulation section of the **PLUS** website (www.plusmarketsgroup.com).

The **PLUS market** is supported by an expert regulatory team. The team is available to answer any queries from **issuers** or **PLUS Corporate Advisers** on the interpretation of the rules and may be contacted on 020 7553 2035 or at regulation@plusmarketsgroup.com. The **PLUS market** is operated and regulated by PLUS Markets plc, a company authorised and regulated by the Financial Services Authority.

Jamie Whitehorn
Director of Regulation

www.plusmarketsgroup.com

PART 1
Applications for Admission

PART 1 – Applications for Admission

Requirement for PLUS Corporate Adviser

1. An **issuer** must appoint a **PLUS Corporate Adviser** to apply for **admission**. Unless **PLUS** otherwise agrees, an **issuer** must retain a **PLUS Corporate Adviser** at all times.

Responsibilities of the PLUS Corporate Adviser

2. An application for **admission** must be made by a **PLUS Corporate Adviser** on behalf of an **issuer**. A **PLUS Corporate Adviser** which makes an application is responsible for ensuring that:
 - the **issuer** and the **securities** to which the application relates meet the eligibility criteria and are otherwise suitable for **admission** to the **PLUS market**;
 - satisfactory guidance has been provided to the **directors** of the **issuer** to ensure proper understanding of their responsibilities under the **rules**; and
 - due enquiries have been made to ensure that the information provided to **PLUS** on behalf of the **issuer** for the purpose of the application is accurate and complete.
- 2.1 Guidance for **PLUS Corporate Advisers** in relation to their responsibilities is set out in the **Corporate Adviser Handbook**.

Eligibility Criteria

3. To be eligible for **admission** to the **PLUS market**, an **issuer** must:
 - be lawfully incorporated;
 - ensure that its **securities** have been allotted and are freely transferable;
 - make appropriate arrangements for the electronic settlement of transactions in its **securities**; and
 - have a sufficient number of **securities** in public hands on **admission** to ensure an orderly market.

Offers of Securities to the Public

4. An **issuer** which makes an **offer of securities** to the public must comply with any legal obligation arising under the **prospectus rules** to publish a prospectus.

The **issuer** must ensure such document contains the information specified by the **prospectus regulation**, and the additional information prescribed by paragraphs 2 and 3 of **Appendix 1**.

5. An **issuer** which makes an **offer of securities** to the public that does not require the publication of a prospectus must publish an **admission document**, unless:
 - the public offer has a restricted distribution; or
 - the aggregate consideration for the public offer is below £250,000; or

- the **securities** to which the offer relates are being issued in connection with a takeover, or employee saving or incentive scheme.

An **issuer** must ensure that an **admission document** remains publicly available for at least one month following **admission**.

Responsibility for Admission document

6. An **issuer** must take reasonable care to ensure the information contained in an **admission document** is accurate, complete, relevant and fairly presented.

Omission of Information from Admission document

7. **PLUS** may authorise the omission of information from an **admission document** if:
 - the information is of minor importance only, and is not likely to influence an assessment of the **issuer's** financial position or prospects; or
 - the **issuer** or its **PLUS Corporate Adviser** confirms that equivalent information is publicly available by reason of the **issuer's** compliance with the **rules**.

Application Requirements

8. An **issuer** must submit the information required by **Appendix 2** to **PLUS** at least ten **business days** prior to the intended **admission** date.

Additional Information for Certain Types of Issuer

9. A **new enterprise** must in addition submit the following information to **PLUS**:
 - a business plan covering the next three years of operation; or
 - in the case of an **investment vehicle**, a detailed description of its investment strategy.
10. A **new enterprise** must ensure that, unless **PLUS** otherwise agrees, its **directors** (including members of their **family** and **connected persons**) do not dispose of an interest in its **securities** for a period of twelve months following **admission**.
11. A **specialist issuer** may be required to submit an expert or technical report in relation to its specialist activities.

Application Procedure

12. In relation to an application for **admission**, **PLUS** may:
 - require an **issuer's corporate adviser** to clarify or amplify any information contained in the application documents;
 - require the **directors** of an **issuer** and its **PLUS Corporate Adviser** to attend an interview;
 - require an **issuer** to provide a further undertaking, or fulfil a further condition, prior to **admission**;

- delay **admission** pending the completion of further due diligence; or
 - refuse the application if, in its opinion, the **admission** of the **issuer** would be likely to impair the reputation or integrity of the **PLUS market** or the interests of investors.
13. In the case of an **issuer** which does not publish a prospectus or **admission document**, **PLUS** will consult the **PLUS Panel** and take its opinion into account.
14. An **issuer** will be notified in writing of the outcome of its application. If an application is accepted, the **issuer** must submit to **PLUS** prior to the agreed **admission** date:
- a company profile, which contains a brief factual description of the **issuer** and its activities; and
 - an **admission announcement** which must contain the information specified by **Appendix 3**.
15. **Admission** is effected by the issue of a **market notice** by **PLUS**.

PART 2

Continuing Obligations of Issuers

PART 2 – Continuing Obligations of Issuers

Responsibilities of an Issuer

16. The **directors** of an **issuer** have joint and several responsibility for compliance with the **rules**.
17. An **issuer** must seek advice from its **PLUS Corporate Adviser** in relation to its obligations under the **rules** whenever appropriate and give such advice proper weight.
18. An **issuer** must treat holders of a class of **securities** equally.

Responsibilities of a PLUS Corporate Adviser

19. A **PLUS Corporate Adviser** must:
 - be available to advise an **issuer** for which it acts at all times to ensure compliance with the **rules**;
 - liaise with **PLUS** on behalf of an **issuer** in relation to any request for the suspension, restoration or withdrawal of its **securities**; and
 - act with due care, skill and competence in relation to its responsibilities under the **rules**.
- 19.1 Guidance for **PLUS Corporate Advisers** in relation to their responsibilities is set out in the PLUS Corporate Adviser Handbook.

Price Sensitive Information

20. An **issuer** must **announce** as soon as possible any change in its sphere of activity, financial position, the performance of its business, or its expectation of its performance, which, if made public, would be likely to have a significant effect on the price of its **securities**.
21. An **issuer** is not required to **announce** information in relation to a matter or transaction in the course of negotiation, if the normal pattern or outcome of the negotiations would be adversely affected by disclosure. An **issuer** may disclose such information to its advisers, lenders, persons with whom it is negotiating (including underwriters or placees), and employee representatives provided such persons owe a duty of confidentiality and agree not to **deal** in the **issuer's securities** prior to the release of an **announcement**.

Standards of Disclosure

22. An **issuer** must take reasonable care to ensure that any information which is **announced** is accurate, complete, relevant and fairly presented.
23. An **issuer** must ensure that information which is required to be disclosed under the **rules** is **announced** no later than it is published elsewhere.
24. It shall be presumed that information which is **announced** by an **issuer** is required by the **rules**.

Provision of Information

25. An **issuer** must ensure that an electronic copy of any document (including any prospectus, **admission document** and annual accounts) sent to holders of its **securities** is submitted to **PLUS** as soon as possible.

An **issuer** must in addition **announce** details of a physical location or internet address where a copy of any such document will be available for inspection by the public for a period of one month free of charge.

26. **PLUS** may require an **issuer** or its **PLUS Corporate Adviser** to provide it with any information in its possession or control, in such form and within such time limits as it may reasonably require.
27. **PLUS** may disclose information within its possession:
- in order to co-operate with persons responsible for the investigation or prosecution of financial crime or other offenses;
 - in order to carry out its regulatory functions including for the purpose of bringing or defending legal proceedings; and
 - otherwise with the consent of the **issuer** or **PLUS Corporate Adviser**, or insofar as required or permitted by law.

In addition, **PLUS** may publish such information, after giving reasonable notice to an **issuer** which has failed to do so, to ensure that investors receive the information to which they are entitled under the **rules**.

Interests in Securities

28. An **issuer** must announce as soon as possible any **notifiable change** to a **substantial shareholding** in its **securities**, giving the information specified by **Appendix 4**.

In addition, an **issuer** must **announce** as soon as possible any re-purchase of its own **shares**, indicating the number of **shares** acquired expressed as a percentage of the total number of **shares** of that class.

29. An **issuer** must ensure that any **deal** by a **director** of an **issuer**, a member of his or her **family** or **connected person**, in the **securities** of that **issuer**:
- unless **PLUS** otherwise agrees, is conducted as an **on market transaction**; and
 - is **announced** as soon as possible, giving the information specified by **Appendix 4**.

Financial Information

30. An **issuer** must **announce** interim results in respect of the first half of each financial year (beginning with the six month period following the end of the last period for which audited accounts have been published on **admission**), as soon as possible and in any event not later than three months after the end of the relevant period.

The interim results must contain the information specified by **Appendix 5** and be prepared on a basis consistent with the accounting policies which will be applied by the **issuer** in its next annual accounts.

31. An **issuer** must **announce** final results in respect of each financial year as soon as possible and in any event not later than five months after the end of the period to which they relate, which must contain the information specified by **Appendix 5**.
32. An **issuer** must publish annual audited accounts in accordance with UK GAAP, US GAAP or International Accounting Standards, or other appropriate standard agreed with **PLUS**.
33. Where the audit opinion in respect of the annual accounts of an **issuer** is qualified in relation to the preparation of such accounts on a going concern basis, the **issuer** must thereafter prepare a trading statement in respect of the first and third quarters of each financial year, until an unqualified audit opinion is published in respect of a subsequent financial period. The trading statement must be **announced** as soon as possible and no later than one month after the end of the relevant period, and contain the following information:
 - an explanation of the impact of any material events, transactions or developments that have taken place during the relevant period; and
 - a general description of the financial position and performance of the **issuer** during the relevant period.

Transactions

34. An **issuer** must **announce** as soon as possible the agreed terms of an acquisition or disposal (by itself or a subsidiary) which, if made public, would be likely to have a significant effect on the price of its **securities**. An **announcement** must contain the information specified by **Appendix 6**.
35. An **issuer** must **announce** as soon as possible the agreed terms of any material transaction outside the ordinary course of business between it, or a subsidiary undertaking, and a **related party**. An **announcement** must contain the name of the **related party** and the nature of his or her relationship with the **issuer**.
36. An **issuer** must **announce** as soon as possible the agreed terms of a reverse takeover including the information specified by **Appendix 6**.
37. An acquisition will be treated as a reverse takeover if:
 - the acquisition will result in a fundamental change to the business, board or voting control of the **issuer**;
 - unless **PLUS** otherwise agrees, the acquisition is made by an **investment vehicle**; or
 - the acquisition is made by a **cash shell**.
38. An **issuer** which has agreed a reverse takeover must:
 - as soon as possible, send an explanatory circular to its shareholders, which must contain all information reasonably required to carry out an informed assessment of the financial position and prospects of the **issuer** as enlarged by the acquisition, such that there is a reasonable basis for shareholders to exercise voting rights; and
 - obtain the consent of its shareholders at general meeting as a condition of the transaction.

Information Relating to Share Capital and Voting Rights

39. An **issuer** must **announce** as soon as possible the reason for the issue, cancellation or reorganisation of any **securities**. In respect of **securities** which are issued on a regular basis, an **announcement** may instead be made at the end of the calendar month during which the issue occurred in accordance with the paragraph below. In addition, on the last **business day** of each calendar month during which an increase or decrease occurs, an **issuer** must **announce**:
- the total number of each class of its **shares**; and
 - the total amount of its issued share capital.

An **announcement** is not required if there has been no change to the above matters during a particular calendar month.

Offers of Securities to the Public

40. An **issuer** which makes a further **offer of securities to the public** must comply with any legal obligation arising under the **prospectus rules** to publish a prospectus, and ensure such document contains the information specified by the **prospectus regulation**.
41. An **issuer** which makes a further **offer of securities to the public** that does not require the publication of a prospectus must publish an **admission document**, unless:
- an exemption specified by paragraph 5 of the **rules** applies to the public offer; or
 - it has previously published an **admission document** or a prospectus under the **rules**; or
 - its securities have been admitted to trading on the **PLUS market** for at least 18 months, and it has been complying with its continuing obligations under the rules; or
 - the **securities** being offered represent less than 10% of a class of **securities** already admitted to trading on the **PLUS market**.
42. **PLUS** may authorise the omission of information from an **admission document** in the same circumstances as specified by paragraph 7 of the **rules**.
43. An **issuer** must **announce** as soon as possible any decision to pay a dividend or other action affecting the rights of holders of its **securities**, together with a detailed timetable covering such matters as record, posting, acceptance and payment dates.

Administration & Management

44. An **issuer** must establish sufficient procedures to ensure a sound system of internal control and a reasonable basis to make informed decisions about its financial position and prospects.
45. An **issuer** must **announce** as soon as possible the appointment, resignation or dismissal of a **director**, or any change to important functions or executive responsibilities of a **director**. In the case of an appointment, an **issuer** must as soon as possible **announce** the information specified by paragraph 18 of **Appendix 1**.

46. An **issuer** must adopt a code of dealing sufficient to ensure, unless **PLUS** otherwise agrees, that its **directors** (including members of his or her **family** and connected persons) and **relevant employees** do not **deal** in its **securities** during a **close period**, or otherwise on considerations of a short term nature.

The repurchase or early redemption by an **issuer** of its **securities** is also prohibited during a **close period**.

47. An **issuer** must ensure that its **directors** observe all legal and regulatory responsibilities involved in having its **securities** admitted to the **PLUS market**.

Other Responsibilities

48. An **issuer** must announce as soon as possible the appointment, resignation or dismissal of a **PLUS Corporate Adviser**.
49. An **issuer** must **announce** as soon as possible any decision to change its accounting reference date, or the accounting standards to be applied in the preparation of its next annual accounts.
50. An **issuer** must ensure that, if there is any change to the information contained in its profile published on the **PLUS** website, a new profile is submitted for publication as soon as possible.
51. An **issuer** must pay its **annual fees**, as set by **PLUS** from time to time, as they fall due.

Suspension of Trading

52. **PLUS** may at its discretion suspend trading in the **securities**, or a particular class of **securities**, of an **issuer** for the following reasons:
- the **issuer** is unable to accurately assess its financial position and inform the market accordingly;
 - the resignation of a **market maker** in an **issuer's securities** which results in there being no registered **market maker**;
 - an **issuer** has breached the **rules**; or
 - as otherwise may be necessary to ensure an orderly market, the protection of investors or the integrity of the **PLUS market**.

A suspension is effected by the issue of a **market notice** by **PLUS**.

Withdrawal of Securities

53. **PLUS** may withdraw the **securities** of an **issuer** from the **PLUS market** once **dealings** have been suspended for one month. In any event, withdrawal will normally take place:
- if there is no **market maker** registered in the **issuer's securities**, no later than two months after the date that the last **market maker** ceased to act; or
 - otherwise, no later than six months after the date of suspension.

54. **PLUS** may withdraw the **securities** of an issuer from the **PLUS market** forthwith if:
- circumstances exist which seriously impede the ability of **PLUS** member firms to satisfy their regulatory obligations; or
 - there is not, and there is no reasonable prospect of restoring, an orderly market in the issuer's **securities** (whether as a result of a decline in the number of **securities** in public hands or for some other reason).
55. An **issuer** must **announce** an intention to withdraw its **securities** from the **PLUS market**, which must contain the information specified by **Appendix 7**. Following the **announcement**, the **issuer** must follow the withdrawal procedure set out in **Appendix 7** in order to determine whether shareholder approval for the withdrawal is required.

Discipline

56. Where an **issuer** or **PLUS Corporate Adviser** has conducted its affairs in breach of the **rules** (either in respect of **admission** or continuing obligations), or behaved in a manner likely to impair the reputation and integrity of the **PLUS market**, **PLUS** may impose the disciplinary sanctions set out in **Appendix 8**.

APPENDICES TO RULES

APPENDIX 1 – Information for an Admission Document

PART 1: Information about the Issuer

Persons Responsible

1. A declaration by the **directors** of the **issuer** that, having taken all reasonable care to ensure that such is the case, the information contained in the **admission document** is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

PLUS Corporate Adviser

2. The name of the **issuer's PLUS Corporate Adviser**, prominently and in bold on the first page.

Dealing Arrangements

3. A statement, prominently and in bold on the first page, that:
“PLUS is a market operated by PLUS Markets plc incorporating a primary market for the shares of small and medium companies (known as PLUS-quoted securities). PLUS-quoted securities are not listed and the market is not classified as a Regulated Market under EU financial services law. An investment in the shares of smaller companies tends to involve a higher investment risk than more mature companies. If you are in any doubt about the contents of this document you should consult a person authorised by the **FSA** to provide investment advice”.

Risk Factors

4. Prominent disclosure of risk factors that are specific to the **issuer** or its industry in a section headed “Risk Factors”.

History of the Issuer

5. the legal and commercial name of the **issuer**;
6. the place of registration of the **issuer** and its registration number;
7. the date of incorporation and the length of life of the **issuer**, except where indefinite;
8. the domicile and legal form of the **issuer**, the legislation under which the **issuer** operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);

Investments

9. A description of the **issuer's** principal investments that are in progress.

Business Overview

10. A description of the nature of the **issuer's** operations and its principal activities stating the main categories of products sold and services performed.
11. If material to the **issuer's** business or profitability, summary information regarding the extent to which the **issuer** is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.
12. The basis for any statements made by the **issuer** regarding its competitive position.
13. In respect of an **investment vehicle**, details of its investing strategy. Disclosure under this part must include such matters as the sectors, countries and regions in which the **issuer** will consider investments, what expertise the **directors** of the **issuer** have in such sphere of activity, whether it will be an active or passive investor, and how widely it intends to spread its investments.

Organisational Structure

14. If the **issuer** is a member of a group, a brief description of the group and of the **issuer's** position within the group.
15. A list of the **issuer's** significant subsidiaries, including name, country of incorporation or residence, proportion of ownership interest and, if different, proportion of voting power held.

Trend Information

16. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the **issuer's** prospects for at least the current financial year.

Profit Forecasts or Estimates

17. If an **issuer** chooses to include a profit forecast or a profit estimate, the **admission document** must contain:
 - a statement setting out the principal assumptions upon which the **issuer** has based its forecast or estimate. The assumptions must be readily understandable by investors and be specific and precise; and
 - confirmation that, having made due and careful enquiry, the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit forecast or estimate is consistent with the accounting policies of the **issuer**.

Administration and Management

18. The following information in relation to each of the **issuer's directors** and proposed **directors**:
 - name and function;
 - the names of all companies and partnerships of which such person has been a **director** or partner during the previous five years;
 - details of any unspent convictions in relation to fraudulent offenses;
 - details of any administrations, receiverships or insolvent liquidations (including company or partnership voluntary arrangements), of a company or partnership where such person was a **director** or partner at the relevant time, or during the preceding twelve months;
 - details of any bankruptcy or individual voluntary arrangement; and
 - details of any official public incrimination or sanction of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting in the management or conduct of the affairs of a company.
19. Information about the **directors'** service contracts with the **issuer** or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement.
20. The aggregate amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to the **directors** by the **issuer** during the last completed financial year.
21. In relation to each **director** and proposed **director**, their share ownership and any options over such **shares** in the **issuer** as of the most recent practicable date.
22. In respect of a **new enterprise**, a statement that the **directors** of the **issuer** (including members of their **family** and **connected persons**) have agreed not to dispose of any interest in its **securities** for a period of twelve months following **admission**.

Major Shareholders

23. Insofar as within the **issuer's** knowledge, details of any **substantial shareholdings** in an **issuer's shares**, stating whether before or after **admission**.

Related Party Transactions

24. The nature and extent of any material **related party** transactions required to be disclosed under the accounting standards applicable to the **issuer**, to which the **issuer** was a party during the period of twelve months preceding the offer.

Historical Financial Information

25. The **admission document** must contain historical financial information covering the latest 3 complete financial years (or such shorter period that the **issuer** has been in operation), prepared in accordance with UK GAAP, US GAAP, International Financial Reporting Standards or other appropriate accounting standard agreed with **PLUS**.
26. The financial information must include the audit report in respect of each year, or alternatively a report by a person qualified to act as an auditor, as to whether or not, for the purposes of the **admission document**, the financial statements give a true and fair view, in accordance with applicable accounting practices.
27. A statement by the **directors** of the **issuer** that the financial information disclosed under this Part has been prepared in accordance with the law applicable to the **issuer**, and that they accept responsibility for it.

Financial Statements

28. If the **issuer** prepares both individual and consolidated annual financial statements, it must include at least the consolidated annual financial statements in the **admission document**.

Interim and Other Financial Information

29. If the **issuer** has published quarterly or interim financial information since the date of its last audited financial statements, these must be included in the **admission document** together with a statement of whether the quarterly or half yearly financial information has been audited or reviewed.
30. If the **admission document** is dated more than nine months after the end of the last audited financial year, it must contain interim financial information covering at least the first six months of the financial year, together with a statement of whether or not the information has been audited or reviewed.

Legal and Arbitration Proceedings

31. Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the **issuer** is aware), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on the **issuer** and/or group's financial position or profitability, or provide an appropriate negative statement.

Significant Change in the Issuer's Financial or Trading Position

32. A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or provide an appropriate negative statement.

Working Capital Statement

33. A statement that, in the opinion of the **directors** having made due and careful enquiry, the working capital available to the **issuer** and its group will be sufficient for the period of at least twelve months following **admission**.

Share Capital

34. The amount of issued capital, and for each class of share capital:
- the number of **shares** authorised;
 - the number of **shares** issued and fully paid and issued but not fully paid; and
 - the par value per share, or that the **shares** have no par value.
35. If there are shares not representing capital, state the number and main characteristics of such shares.
36. The amount of any convertible **securities**, exchangeable **securities** or **securities** with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.

Memorandum and Articles of Association

37. A description of the **issuer's** objects and purposes and where they can be found in the memorandum and articles of association.

Material Contracts

38. A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the **issuer** or any member of the group is a party, for the two years immediately preceding publication of the **admission document**.

PART 2: Information About the Offer

Interest of Persons Involved in the Offer

39. The names of any persons underwriting or guaranteeing the offer
40. Details of the payment to a person (other than a trade supplier, professional adviser or underwriter disclosed in the **admission document**) of fees in excess of £10,000 (however satisfied), in respect of services provided to the **issuer** during the period of twelve months prior to publication of the **admission document**.

Reasons For the Offer and Use of Proceeds

41. The total proceeds which it is expected will be raised by the offer and the expected net proceeds, after deduction of the expenses, of the offer.
42. The estimated net amount of the proceeds broken into each principal intended use.

Information Concerning the Securities to be Offered

43. A description of the type and the class of the **securities** being offered.
44. A description of the rights attaching to the **securities**, including where applicable:
 - if the **securities** are **shares**, rights as regards
 - (a) voting;
 - (b) dividends;
 - (c) return of capital on the winding up of the **issuer**;
 - (d) redemption;and a summary of the consents necessary for the variation of any of those rights.
 - if the **securities** are debentures, rights as regards
 - (a) interest payable; and
 - (b) repayment of the principal sum;
 - if the **securities** are convertible **securities**
 - (a) the terms and dates on which the holder of the convertible **securities** is entitled to acquire the related underlying **securities**;
 - (b) the procedures for exercising the entitlement to the underlying **securities**; and
 - (c) such information relating to the underlying **securities** as would have been required under this Part if the **securities** being offered had been the underlying **securities**.

45. Confirmation that there are no restrictions on the free transferability of the **securities** being offered.
46. The dates on which entitlement to dividends or interest arises.
47. Particulars of tax on income from the **securities** withheld at source, including tax credits.
48. The procedure for the exercise of any right of pre-emption attaching to the **securities**.

Terms and Conditions of the Offer

49. The number of **securities** being offered (distinguishing the **securities** offered for subscription and those offered for sale).
50. A statement of whether or not the offer is conditional on acceptance of an application by **PLUS**.
51. The period during which the offer of the **securities** is open.
52. The price at which the **securities** are offered or, if appropriate, the procedure, method and timetable for fixing the price.
53. The arrangements for payment for the **securities** being offered and the arrangements and timetable for their delivery.
54. The arrangements, during the period prior to the delivery of the **securities**, relating to the moneys received from applicants including the arrangements and timetable for the return of moneys to applicants where their applications are not accepted in whole or in part.

APPENDIX 2 – Application Documents

Part 1: General Requirements

The following information will be required in relation to all applications for **admission**:

- (a) a signed and completed **admission agreement**;
- (b) confirmation that the **issuer's securities** are freely transferable and eligible for electronic settlement;
- (c) confirmation from at least one **market maker** that it has agreed to register in the **issuer's securities**. The **issuer's PLUS Corporate Adviser** should ensure that arrangements are in place for the **market makers** concerned to effect registration at least three **business days** prior to the expected **admission date**;
- (d) an **announcement** from the **issuer** stating that it has made an application for its **securities** to be admitted to trading on the **PLUS market**;
- (e) confirmation from the **issuer** or its **PLUS Corporate Adviser** that, to the best of its knowledge having made due and careful enquiry, the **PLUS admission** requirements have been complied with; and
- (f) a cheque for the **application fee**, as specified from time to time by **PLUS**.

Part 2: Further Requirements

The following additional documents will be required for an application not accompanied by a prospectus or **admission document**. Blank copies of the documents referred to in paragraphs (a) and (b) are available from **PLUS** and for download on the **PLUS** website:

- (a) a signed and completed "company information questionnaire";
- (b) for each **director** and proposed **director**, a signed and completed "declaration of a **director's** business activities";
- (c) a copy of the consolidated annual report and accounts of the **issuer** for each of the last three financial years (or such shorter period as the **issuer** has been in existence);
- (d) insofar as not consolidated in the accounts submitted under paragraph (c) above, the separate accounts of any subsidiary undertaking which carries on the **issuer's** principal business prepared during the last three years;
- (e) a copy of any prospectus or private placing memorandum produced with respect to any fundraising activities undertaken during the period covered by the annual accounts submitted in accordance with paragraphs (c) and (d) above;

- (f) in the case of a **new enterprise** or an **issuer** raising funds via a private placement of **securities**, a letter containing a working capital statement in the form prescribed by paragraph 33 of **Appendix 1**; and
- (g) in the case of a **new enterprise**, confirmation that its **directors** (including members of their **family and connected persons**) have agreed to the lock-in requirements under paragraph 10.

APPENDIX 3 - Admission Announcement

An **issuer** must ensure that the **admission announcement** issued in accordance with paragraph 14 contains the following information:

- (a) a description of the business activities and strategies of the **issuer** (including in the case of an **investment vehicle**, details of its investing strategy);
- (b) a description of any significant change in the financial condition or business performance of the **issuer** since the end of the last period for which audited accounts have been published (including any significant change to indebtedness);
- (c) the names and functions of the **directors** of the **issuer**, together with details of any current or previous directorships held during the last five years;
- (d) details of any significant risk factors attached to an investment in the **issuer's securities**;
- (e) a description of each class of **securities** being admitted, and where known the identity of any substantial shareholders;
- (f) particulars of any outstanding instruments issued by the **issuer** convertible into, or conferring a right to subscribe for, **securities**;
- (g) details of the reasons for the **admission** of the **issuer**, including the outcome of any fundraising activities and the application of the proceeds; and
- (h) the name of the **issuer's PLUS Corporate Adviser**.

APPENDIX 4 – Interests in Securities

1. Substantial Shareholders

The **announcement** of a **substantial shareholding** should contain the information disclosed to the **issuer** in any relevant shareholder notification (under the **DTR** or applicable overseas regulation) including the following matters:

- (a) the name of the person subject to the notification obligation;
- (b) the nature of the transaction triggering the obligation (such as the acquisition or disposal of **shares**);
- (c) The resultant number of voting rights held by the notifying person, expressed also as a percentage of the total number of voting rights of that class of **shares**. In the case of a person ceasing to have a **substantial shareholding**, confirmation of that fact shall suffice;
- (d) the date on which the **applicable threshold** was reached or crossed;
- (e) the date on which the **issuer** received the notification; and
- (f) for a UK **issuer**, any other required particulars contained in an applicable **DTR** notification.
- (g) confirmation of whether the interest relates to a legal or beneficial holding.

2. Directors

Where the **announcement** relates to a holding of **securities** by a **director**, it must contain the following information:

- (a) the information specified by paragraphs (a) to (e) above;
- (b) the number and class of **securities** acquired or sold in particular transaction;
- (c) where the notification relates to an indirect holding, the name of any relevant **family member or connected person**; and
- (d) the price paid per **security**.

APPENDIX 5 – Financial Results

1. The **announcement** of an **issuer's** interim results must as a minimum contain the following information:
 - (a) a statement by the board;
 - (b) the profit and loss account; and
 - (c) a statement of whether or not the information has been reviewed by the **issuer's** auditor.

2. The **announcement** of an **issuer's** final results must contain the following information:
 - (a) the information prescribed by paragraphs 1(a) and 1(b) above;
 - (b) the balance sheet;
 - (c) a statement of earnings or loss per share;
 - (d) any decision to pay a dividend together with the dividend timetable;
 - (e) in respect of the financial information disclosed under 2(a) to 2(d) above, comparative information for the corresponding period in the previous financial year, together with a summary of any change in accounting policy likely to affect the validity of the comparison;
 - (f) if there is likely to be a qualification or statement of uncertainty contained in the audit opinion, confirmation of that fact; and
 - (g) a statement of whether the information contained in the **announcement** has been extracted from audited information or agreed with the auditor, or an appropriate negative statement.

APPENDIX 6 – Disclosures in Relation to Transactions

An **announcement** in relation to a transaction or reverse takeover must contain the following information where known to the **issuer**:

- (a) particulars of the transaction, including the name of any relevant company or business;
- (b) a description of the assets which are the subject of the transaction;
- (c) if applicable, a description of the turnover and profits attributable to the assets (and in the case of an acquisition, a description of any goodwill being acquired);
- (d) the consideration and how it is being satisfied, including any arrangements for the payment of deferred consideration and any agreement for the repayment or assumption of inter-company or third party debt;
- (e) in the case of a disposal and where possible, the profit or loss realised in relation to book value and the proposed application of the proceeds (or where the consideration is satisfied in **shares**, the **issuer's** intentions regarding the sale or retention of the holding); and
- (f) any other information reasonably required to assess the impact and effects of the transaction on the **issuer**.

APPENDIX 7 – Withdrawal

The **announcement** by an **issuer** of an intention to withdraw its **securities** from the **PLUS** market must contain the following information:

- (a) the reasons for the withdrawal;
- (b) any alternative arrangements for **dealings** in the **issuer's securities**;
- (c) any other information reasonably required to assess the circumstances surrounding the proposal, and:
- (d) unless paragraph (e), (f) or (g) applies, the following statement, prominently and in bold:

“Under the PLUS rules, (name of issuer) is required to give shareholders a period of 10 business days to object to the intended withdrawal of its securities from the PLUS Market. Any shareholder wishing to raise an objection should contact PLUS in confidence by (date)”.

Where, after the period of 10 **business days**, legitimate objections have been raised to a proposed withdrawal, such withdrawal must be made conditional on the consent of 75% of votes cast by its shareholders at a general meeting, unless in the particular circumstances **PLUS** agrees that the objections are not material.

An **issuer** is not required to include the statement under paragraph (d) above if:

- (e) the **issuer** has **announced** that all conditions in relation to a takeover offer for its **securities** have been satisfied, including a condition for acceptances of at least 75%;
- (f) the **issuer** has made application for the **admission** of its **securities** to another **market** of equivalent regulatory standing; or
- (g) **PLUS** has otherwise agreed to the omission of the statement but must ensure that the **announcement** gives 10 **business days** notice of the intended withdrawal date.

APPENDIX 8 – Disciplinary Sanctions

Where an **issuer** has breached its responsibilities under these **rules**, one or more of the following sanctions may be ordered:

In respect of an **issuer**:

- a reprimand;
- a fine of up to £100,000;
- withdrawal of the **issuer's securities** from trading on the **PLUS market**; and
- publication of such sanction and the reasons for it.

In respect of a **PLUS Corporate Adviser**:

- a reprimand;
- a fine of up to £100,000;
- an order to make restitution, compensate any person or otherwise account for profits;
- the suspension, variation or withdrawal of the **PLUS Corporate Adviser's** membership; and
- publication of such sanction and the reasons for it.

GLOSSARY

admission	The admission by PLUS of the securities of an issuer to trading on the PLUS market .
admission agreement	The document setting out the detailed contractual responsibilities of an issuer in respect of the admission of its securities .
admission document	The document required to be published by an issuer under paragraphs 5 and 41 containing the following minimum information: <ul style="list-style-type: none"> • the information specified by Appendix 1; and • any further information which an investor would reasonably require in order to make an informed assessment of the financial position and prospects of the issuer, and the rights attaching to its securities.
announce or announcement	The submission of an announcement via an AIS for release.
annual fee	The annual fee payable by an issuer in respect of the admission of its securities , as set by PLUS from time to time.
application fee	The fee payable by an issuer in respect of an application for the admission of its securities , as set by PLUS from time to time.
applicable threshold	In relation to substantial shareholdings , each percentage point between 3% and 100%, found by rounding a holding down to the nearest whole number.
Approved Information Service or AIS	A service registered by the FSA as a regulatory information service and Newstrack PLUS .
broker dealer	A PLUS member firm which is permitted to enter into transactions on the PLUS market .
business days	A day when the PLUS market is open for business, and excludes weekends and public holidays in the UK.
cash shell	An issuer which does not, through itself or its subsidiaries, carry on a business activity, or intend to commence a business activity in accordance with a business plan submitted to PLUS, excluding an investment vehicle .
close period	The period of two months preceding publication of an issuer's final or interim results (or, if shorter, the period between the end of the relevant financial period and publication), or any other time when the issuer is in possession of inside information in relation to its securities and it has become reasonably probable that an announcement of such information will be required by the rules (whether or not the director who proposes to deal has knowledge of such matter).

Where an **issuer** reports on a quarterly basis, the **close period** shall be one month preceding publication of its results, save that it shall remain two months in relation to its final results (or, if shorter, the period between the end of the relevant financial period and publication).

connected person	<p>A trust of which a director of an issuer is a trustee or beneficiary (other than an employee saving or incentive scheme of which a director is a beneficiary only), or a company in which the directors of an issuer have, or have a right or obligation to acquire (individually or collectively), a direct or indirect interest in:</p> <ul style="list-style-type: none"> • for the purpose of paragraph 35, share capital conferring 30% or more of voting rights; or • for the purpose of paragraphs 10, 29 and 46, share capital conferring 20% or more of voting rights.
controlling shareholder	<p>A person which has, or has a right or obligation to acquire, a direct or indirect interest in the share capital of an issuer (or its subsidiary undertaking) conferring 30% or more of voting rights, or is otherwise entitled to appoint or remove directors holding a majority of voting rights at board meetings of the issuer.</p>
deal	<p>Any agreement, right or obligation to acquire or dispose of a legal or beneficial interest in securities (whether present or future, direct or indirect or subject to further conditions). This includes on market transactions, the grant, exercise or any dealings in share options or warrants, the issue or conversion of any instrument convertible into securities, or the acquisition or disposal of a financial product whose value is determined by movements in the price of securities, such as a contract for differences.</p> <p>For the purpose of paragraph 46 only, deal does not include participation in a rights or entitlement issue, or other pre-emptive offer to shareholders (including the payment of a scrip dividend or bonus issue), the grant of options in accordance with the published terms of an employee share option scheme, or the acceptance of a takeover (including the gathering of irrevocable undertakings).</p>
director	<p>A person who carries out the functions of a director whether or not officially appointed and by whatever name called.</p>
DTR	<p>The provisions of Chapter 5 of the Disclosure and Transparency Rules of the FSA, setting out vote-holder and issuer notification rules in relation to major shareholdings in companies. The DTR is available for inspection on the FSA website at www.fsa.gov.uk.</p>
family	<p>The wife, husband and children (including step-children and adopted children) under the age of 18 or in full time education, of a director of an issuer.</p>
FSA	<p>The Financial Services Authority.</p>

investment vehicle	An issuer whose actual or intended principal activity is to invest in the securities of other businesses (whether publicly traded or not), or to acquire a particular business, in accordance with specific investment criteria.
inside information	Information of a specific and precise nature which is not generally available, but which if made public would be likely to have a significant effect on the price of the securities of the issuer concerned.
issuer	An issuer whose securities have been admitted to trading on the PLUS market , or for which an application for admission has been made. For the purpose of any disciplinary action, issuer shall include an entity which was an issuer at the time that the events the subject of the proceedings occurred.
market maker	A PLUS member firm which has been approved by PLUS to act in the capacity of a market maker in relation to the securities of an issuer .
market notice	A regulatory notice published by PLUS via Newstrack PLUS .
new enterprise	An issuer whose main activity is not supported by a historic revenue record as shown by audited information (such as annual accounts or an auditor's report) covering the period of at least 24 months prior to admission , including where the context requires an investment vehicle .
Newstrack PLUS	The news and information distribution service operated by PLUS relating to securities and an AIS .
notifiable change	<p>The following events of which the issuer has been formally notified:</p> <ul style="list-style-type: none"> • the acquisition of a substantial shareholding; • a change in the applicable threshold of a substantial shareholding; or • an event which results in a person ceasing to have a substantial shareholding. <p>A notifiable change may arise as a result of a transaction in shares or other events affecting the breakdown of voting rights as set out in paragraph 5.1.2 of the DTR.</p>
Offer of Securities to the Public	<p>A communication to any person which presents sufficient information on:</p> <p>(a) the securities to be offered, and</p>

(b) the terms on which they are offered,

to enable an investor to decide to buy or subscribe for the **securities** in question. This definition should be interpreted in a manner consistent with section 102B of the Financial Services and Markets Act 2000 and the **prospectus rules**.

PLUS	PLUS Markets plc, a company authorised and regulated by the Financial Services Authority.
PLUS Corporate Adviser	A PLUS member firm which has been approved by PLUS to act in the capacity of a corporate adviser and has been admitted to the register of such advisers.
PLUS market	The market operated by PLUS for dealings in the securities of Issuers admitted to trading in accordance with the rules .
PLUS Panel	A committee of expert practitioners appointed by PLUS for the purpose of providing advice on an application for the admission of an issuer to the PLUS market
on market transaction	A transaction in securities conducted with or through a broker dealer which is trade reported to PLUS in accordance with the PLUS trading rules .
overseas issuer	An issuer incorporated or constituted under the law of a country outside the United Kingdom.
Prospectus regulation	EU Regulation 2004/809/EC, which sets out the information requirements for a prospectus published under the prospectus rules .
Prospectus rules	The provisions of part 6 of the Financial Services and Markets Act 2000 relating to the requirement to publish a prospectus and the rules made by the FSA under that part.
qualified investor	An investor registered on the register of qualified investors maintained by the FSA .
qualifying financial instrument	A legally binding agreement giving the holder the right, at his or her sole discretion, to acquire shares of an issuer . This definition should be interpreted in a manner consistent with paragraph 5.3.2 of the DTR and does not include rights over an issuer's unissued share capital such as under an employee share option scheme.
Related party	A person who is a director, shadow director (including his or family

and **connected persons**) or a **controlling shareholder** of an **issuer**, its subsidiary or parent undertaking, or subsidiary undertaking of its parent undertaking, or was during the 12 months preceding the transaction.

relevant employee	An employee of an issuer who, by virtue of his office or employment, has regular or occasional access to inside information relating to the issuer .
restricted distribution	<p>The following types of public offer:</p> <ul style="list-style-type: none">• an offer made to or directed at qualified investors only; and• an offer made to or directed at fewer than 100 persons, other than qualified investors. <p>This definition should be interpreted in a manner consistent with section 86 of the Financial Services and Markets Act 2000 and the prospectus rules.</p>
Rules	The PLUS Rules for Issuers, as amended or supplemented from time to time by market notice .
securities	Securities of an issuer within a class of securities admitted to trading on the PLUS market (or for which an application for admission has been made) in accordance with the rules .
shadow director	A person in accordance with whose directions or instructions the directors of an issuer are accustomed to act (not including a person who gives advice in a professional capacity).
specialist issuer	An issuer whose principal activity in the opinion of PLUS relates to a specific area of expertise including mineral exploration and production, property development, scientific research and other specialist activities.
shares	Issued shares of a class carrying voting rights at general meetings of the issuer in all circumstances which are admitted to trading on the PLUS market . This definition should be interpreted in a manner consistent with paragraph 5.1 of the DTR .
substantial shareholding	A direct or indirect holding of the shares or qualifying financial instruments of an issuer required to be notified to the issuer in accordance with the provisions of the DTR (or any applicable overseas law or regulation permitting or requiring equivalent disclosure), or holding above an applicable threshold revealed through enquiries made by the issuer under companies legislation.

GUIDANCE NOTES

Applications for Admission

Paragraph 1: Requirement for PLUS Corporate Adviser

Issuers admitted to trading on the **PLUS market** before December 2003 shall be excused from the requirement to retain a **PLUS Corporate Adviser**, unless **PLUS** considers in a particular case that the protection of investors requires otherwise. **PLUS** may suspend trading in the **securities** of an **issuer** which, following the resignation or dismissal of its **PLUS Corporate Adviser**, does not appoint a replacement within a reasonable period.

Paragraph 3: Eligibility Criteria

PLUS will accept applications in respect of **issuers** which do not have an established trading record, and either have a business plan which envisages the commencement of a trading activity, or whose principal business will be to invest in the **securities** of other companies (whether publicly traded or not), or acquire a particular business, in accordance with a specific investing strategy. The reference to due allotment under this rule includes allotment on a provisional basis such as nil paid rights.

PLUS may in certain circumstances permit restrictions on the transfer of **securities**, such as where the law of a particular country requires it (e.g. securities issued under Regulation S of the US Securities Act 1933).

An **issuer** should ensure that its Articles of Association permit the holding of its **securities** in uncertificated form. A procedure for UK **issuers** exists under the Uncertificated **Securities** Regulations 2001 (SI 3755/2001). **PLUS** may permit the use of any electronic system which will facilitate the efficient and expeditious settlement of **PLUS** transactions. In exceptional circumstances, **PLUS** may permit residual settlement.

Paragraph 4: Offers of Securities to the Public

An **issuer** should seek appropriate advice on the application of the **prospectus rules** to a proposed fundraising.

Under the Financial Services and Markets Act 2000, an **offer of securities to the public** with an aggregate consideration below 2.5 million euros (or an equivalent amount) will be exempt from the requirement to publish a prospectus.

Paragraph 5: Admission Document

An **issuer** may publish an **admission document** via electronic means, such as on a website, or by making a copy available for inspection by the public at an address in the UK.

An **admission document** prepared in accordance with the requirements of the **rules** will be exempt from the financial promotions regime.

Paragraph 7: Omission of Information

PLUS may consider that equivalent information is publicly available, if such information is contained in a regulatory **announcement** or other public document including annual accounts.

For the avoidance of doubt, **PLUS** cannot authorise the omission of information from a prospectus required by the **prospectus rules**. In these cases, the issuer should contact the **FSA**.

Paragraph 8: Application Requirements

The information requirements for an application depend on the nature of the transaction undertaken by an **issuer**.

An **issuer** which produces a prospectus or **admission document** is excused from the further requirements of Part 2 of **Appendix 2**. In such circumstances the **PLUS Corporate Adviser** should take reasonable steps to satisfy itself the **issuer** has taken sufficient advice and conducted adequate due diligence to discharge its legal obligations.

An electronic copy of the prospectus or **admission document** should be submitted to **PLUS** as part of the application documents. At least two **business days** prior to **admission**, the **issuer** will be required to confirm that any applicable minimum subscription has been reached and that, subject to **admission**, the **securities** have been unconditionally allotted.

An **issuer** which does not produce a prospectus or **admission document** must ensure that, insofar as not covered by the application documents specified by Part 2 of **Appendix 2**, it submits to **PLUS** any other information which a reasonable investor would require and expect to receive in order to make an informed assessment of its financial position and prospects, and the rights attaching to its **securities**. Such information will include agreements which are central to the business of the **issuer** and documents which describe the terms on which its **securities** are to be issued.

The period for processing an application may exceed ten **business days** where significant additional information or enquiries are necessary.

Paragraph 9: Additional Information

PLUS may accept a business plan covering a shorter period if the **issuer** has published audited accounts in respect of previous financial years, or waive the requirement if a prospectus or **admission document** is produced. Where the business plan includes an illustrative financial projection, estimate or forecast, it must also contain the information required by paragraph 17 of **Appendix 1**.

Paragraph 10: Lock-In Arrangements

Circumstances in which **PLUS** may otherwise agree include where such disposals are necessary to satisfy market demand for **securities**, in the event of acceptance of a takeover, dealings by

the estate of a deceased person, required by court order or to meet a pressing financial commitment where other funds are not reasonably available.

Paragraph 11: Specialist Issuers

An expert report (such as a competent persons or valuation report) may be appropriate in the case of a mineral exploration or property investment company.

Paragraph 12: Application Procedure

PLUS will ordinarily interview the **directors** of an **overseas issuer** via conference call or video link.

A decision to accept or reject an application is at the sole discretion of **PLUS**, taking into account where appropriate the advice of the **PLUS Panel**. **PLUS** may reject an application notwithstanding that an **issuer** satisfies the eligibility criteria.

Paragraph 13: Panel Consultation

The members of the **PLUS Panel** are taken from a pool of expert practitioners with relevant experience.

Paragraph 20: Price Sensitive Information

Information which a reasonable investor would be likely to use as part of the basis of his or her investment decisions must be announced under this paragraph. An **issuer** should take reasonable steps to monitor its financial position and performance in relation to any estimate, projection or forecast made public on its behalf, such that any material departure can be **announced** promptly.

An **issuer** should enter into appropriate contractual arrangements with at least one **AIS** in order to facilitate compliance with its disclosure obligations under these rules.

Continuing Obligations of Issuers

Paragraph 21: Matters in the Course of Negotiation

An **issuer** need not **announce** specific negotiations in course with respect to a corporate, financial or investment transaction. If there is any reason to believe that a breach of confidence has occurred, or is likely to occur, in relation to information which, if public, would be likely to have a significant effect on the price of the **issuer's securities**, or that continued delay may otherwise mislead the public, the **issuer** must make a holding **announcement** as soon as possible.

Paragraph 22: Standards of Disclosure

It should be noted that **PLUS** does not review or approve **announcements**. **Issuers** and **PLUS Corporate Advisers** should take particular care to ensure that where it is intended to co-ordinate the release of an **announcement** with a suspension, **PLUS** is given prior notice to consider such request.

Paragraph 23: Co-Ordination of Announcements

An **issuer** must ensure that if price sensitive information is to be published by reason of the requirements of any overseas stock exchange, its disclosure at a shareholder meeting, or its inclusion in any circular or document sent to its shareholders, that equivalent information is made available at the same time to the public by way of an **announcement**.

Paragraph 26: Provision of Information

PLUS may, at its discretion, require an **issuer** or **PLUS Corporate Adviser** to pay the reasonable expenses of a third party retained to analyse or verify information provided to it.

Paragraph 28 and 29: Interests in Securities

A **director** must disclose to an **issuer** information within his knowledge or which could with reasonable diligence be ascertained, in order to ensure compliance with the **rules**.

For **issuers** incorporated in the UK, the disclosure regime in relation to major shareholdings is set by Chapter 5 of the Disclosure and Transparency Rules of the **FSA** (which is set out in full at www.fsa.gov.uk). The **DTR** requires **shareholders** to notify **issuers** of holdings in their **shares** above an **applicable threshold**, which provides a mechanism for **issuers** to **announce** such holding to the market. The **DTR** is set and administered by the **FSA** to whom any queries should be addressed on +44(0)20 7066 1000. All **announcements** should be made via an **AIS**, such as the **Newstrack PLUS** service.

The disclosure obligations of **issuers** under paragraph 28 of the **rules** reflect the wider regulatory responsibilities of UK issuers under paragraphs 5.5.1 (re-purchase of own **shares**) and 5.8.12

(publication of major shareholdings) of the **DTR**, with which the applicable **PLUS** requirements should be interpreted consistently and which take precedence. **Issuers** should note that **announcements** should be made as soon as possible following receipt of a notification.

Issuers incorporated outside the UK whose domestic legislation permits or requires disclosure of equivalent shareholder information should **announce** such information within their knowledge.

It should be noted that positions below the 10% threshold held by a **market maker** in a **PLUS** security are exempt from the notification obligations of the **DTR**, subject to certain additional requirements (set out fully in paragraph 5.1.4 of the **DTR**).

Paragraph 30 to 33: Financial Information

If an **issuer** is unable to meet the financial reporting timetable under the **rules**, it must inform **PLUS** immediately of the reason and anticipated revised timetable. Trading in the **securities** of an **issuer** will be suspended one month after the end of the relevant deadline, unless the **issuer** has announced either its financial results, or a satisfactory reason for the delay and an acceptable expected date of **announcement** for the results.

Where **PLUS** agrees that an **issuer** may publish annual accounts to a standard other than UK GAAP, US GAAP or International Accounting Standards, it shall require the **issuer** to state any significant differences between the accounting policies of the alternative standard and one of the prescribed standards.

Paragraph 34: Transactions

It shall be presumed that a transaction is required to be **announced** where:

- the turnover attributable to the asset sold or acquired exceeds 10 per cent of the turnover shown in the **issuer's** last consolidated annual accounts; or
- the consideration paid or payable for the asset sold or acquired exceeds 10 per cent of the **issuer's** net assets shown in its last consolidated annual accounts.

However, an **issuer** should also consider the wider strategic significance of the transaction, in order to determine whether it needs to make an **announcement**. This rule includes the grant of an option (whether a put or a call or both). Where an option is exercisable at the discretion of a third party, it should be assessed as if the option had been exercised.

Paragraph 35: Related Party Transactions

An **issuer** is required to announce the terms of a **related party** transaction which is material to the **issuer**. **PLUS** will consider that a transaction is not material where a reasonable investor would consider it to be of minor importance only and may include such matters as the grant of an unsecured loan or underwriting arrangements on usual commercial terms, the grant of a lawful indemnity, the payment of **directors'** remuneration, or participation in an employee saving or incentive scheme.

Paragraph 36 to 38: Reverse Takeovers

For the purpose of this rule, acquisitions of interests in the same asset over a twelve month period should be aggregated.

PLUS may agree that an acquisition by an **investment vehicle** is not a reverse takeover if it is specifically contemplated by the investment strategy contained in its prospectus, **admission document** or **admission announcement**. On the **announcement** of a reverse takeover (whether agreed or in contemplation), **PLUS** will suspend trading in the **issuer's securities**.

If the **issuer**, as enlarged by the acquisition, wishes to seek **admission** to **PLUS**, it must make a fresh application in the manner set out in Part I. For the avoidance of doubt, a further **application fee** is required. If the application is not successful, then **PLUS** shall withdraw the **securities** of the **issuer** and the **admission agreement** shall be terminated. The circular sent to shareholders should state whether or not the **issuer** intends to make a fresh application. pending the publication of the explanatory circular required by paragraph 38 of the **rules**.

Paragraph 39: PLUS Securities

Issues of **securities** further to the exercise of employee share options will be treated as occurring on a regular basis. An **issuer** should ensure that the **announcement** includes the purpose of the issue, together with details of the number of **securities** and issue price. An **issuer** must ensure that arrangements are made to admit all **securities** in issue within a particular class of **securities**. If an **issuer** proposes to seek **admission** for a new class of **securities**, its **PLUS Corporate Adviser** must inform **PLUS** at least three **business days** in advance, confirm that such **securities** meet the eligibility criteria and provide copies of any relevant documents describing the terms of the issue.

For the avoidance of doubt, a further fee will be required in respect of the **admission** of a new class of **securities**.

The disclosure requirements of paragraph 39 of the **rules** reflect the wider regulatory responsibilities of UK **issuers** under paragraph 5.6.1 of the **DTR** with which the applicable **PLUS** requirements should be interpreted consistently and which take precedence. The purpose of the disclosure is to permit holders of **shares** to calculate the percentage of voting rights they possess, in order to ensure accurate notifications to **issuers**.

Issuers should note that the definition of a **share** relates only to issued shares of a class carrying voting rights. It does not therefore include other classes of security that may be traded on **PLUS**, such as non-voting preference shares or warrants.

In accordance with paragraph 5.8.9 of the **DTR**, the **FSA** maintains and publishes on its website a calendar of business days in the UK, to facilitate the periodic **announcement** of the total number of voting rights in relation to a class of an **issuer's shares**.

Paragraph 43: Corporate Actions Timetables

A proposed corporate actions timetable should be agreed with **PLUS** in advance of an announcement.

Paragraph 44: Corporate Governance

In establishing procedures under this paragraph, an **issuer** should have due regard for the principles laid down by the Combined Code on Corporate Governance, insofar as appropriate in relation to the nature and size of the **issuer**. In particular, an **issuer** must generally have at least one wholly independent Non-Executive **Director**.

Paragraph 46: PLUS Model Code

PLUS may otherwise agree where exceptional circumstances exist, such as to meet a pressing financial commitment where other funds are not reasonably available or if the financial viability of an **issuer** is in immediate danger. For the avoidance of doubt, transfers for no consideration and transactions between insiders are included in this rule. A short sale of **securities** by a **director** will be considered to be of a short term nature and is prohibited. **PLUS** may permit a **director** to honour a binding commitment to **deal** at a price which was fixed or could have been objectively determined prior to the commencement of the **close period**.

An **issuer** should maintain a list of **relevant employees** to ensure compliance with this rule.

Paragraph 47: Legal Responsibilities

Under this rule, an **issuer** must ensure that its **directors** are acquainted with the provisions of section 118 of the Financial Services and Markets Act 2000 (market abuse), Part V of the Criminal Justice Act 1993 (insider dealing) and any applicable code of practice relating to takeovers and substantial acquisitions of shares.

Paragraph 48: Change of Adviser

PLUS must be informed of the intention of an **issuer** to change its **PLUS Corporate Adviser** as soon as possible.

Paragraph 51: Fees

PLUS may suspend trading in the **securities** of an **issuer** which has not paid its **annual fees** by the due date.

Paragraph 52: Suspension of Trading

An **issuer** (or its **PLUS Corporate Adviser** on its behalf) may request a suspension of trading in its **securities**. An **issuer** or its **PLUS Corporate Adviser** must ensure that **PLUS** is informed of

circumstances which require, or are expected to require, a suspension of trading at the earliest opportunity. Where practicable, a request for suspension should be made during **market** hours, and include the reason for the suspension and a draft **announcement**.

An **issuer** must ensure that, during any period where trading in its **securities** is suspended, it complies with its continuing obligations under the **rules**.

Paragraph 54: Shares in Public Hands

The holdings of **securities**, directly or indirectly, by a **related party** will generally not be regarded as being in public hands for the purpose of the **rules**. **PLUS** may at its discretion allow an issuer reasonable time to restore the number, unless this is precluded by the need to maintain the smooth operation of the **market** or to protect investors.

Paragraph 55: Withdrawal by an Issuer

PLUS may agree to the omission of the statement inviting objections where an **issuer** has provided irrevocable undertakings representing 75% of voting rights to approve a resolution proposing the withdrawal. **PLUS** may reduce the ten **business day** notice period for a withdrawal where a right of compulsory acquisition under the Companies Act 1985 has been exercised.

Where shareholder approval is required for a withdrawal, a circular must be sent to the **issuer's** shareholders convening the shareholder meeting and giving 15 **business days** notice, or such longer period as may be required by law. For the avoidance of doubt, the shareholder approval threshold relates to 75% of votes cast in respect of each class of **securities**. Votes may be cast in person or by proxy.

Paragraph 56: Discipline

A decision to commence disciplinary action will follow the **PLUS** disciplinary procedures.

Guidance on Appendices

Appendix 1: The Admission document

If, during the period between publication of an **admission document** in relation to an **offer** of **securities** and the **admission** to trading, there is a significant change to the information, or otherwise a significant new matter arises or the **issuer** becomes aware of a significant inaccuracy or omission in the information, the **issuer** must publish a supplemental circular as soon as possible.

Appendix 2: Application Documents

Part 1: General Requirements

A copy of the **admission agreement** is available on the **PLUS** website.

The **announcement** required under paragraph (d) should include such matters as the **issuer's** registered and trading name, sector classification, principal business activity, the name of its **PLUS Corporate Adviser**, the timetable for any offer of **securities** (including an address or website where any prospectus or **admission document** is available for inspection) and the expected **admission** date. If the expected admission date changes, the **announcement** will be required to be updated.

The **application fee** is non-refundable. An additional fee will be payable for each additional security to be traded on the **PLUS market**. **PLUS** may also charge an additional fee where significant additional work is required.

Part 2: Further Requirements

Where possible, the further documents required by this Part should be submitted in electronic format.

The accounts of an **issuer** submitted under paragraphs (c) and (d) should be prepared in accordance with UK GAAP, US GAAP, International Accounting Standards, or other appropriate accounting standard agreed with **PLUS**. Where **PLUS** agrees to the use of an alternative standard, it may require a statement of any significant differences in accounting policy.

If an **issuer's** last report and accounts:

- relate to a period which, on **admission**, will be more than nine months old, audited interim results will be required; or
- contain a qualified audit opinion, or a statement of fundamental uncertainty, confirmation will be required that such qualification or statement will cease to apply by reason of a subsequent re-financing.

Appendix 3: Admission Announcement

An **investment vehicle** must, as a minimum in relation to its investment strategy, disclose such matters as the sectors, countries and regions in which it will consider investments, what expertise the **directors** of the **issuer** have in such sphere of activity, whether it will be an active or passive investor, and how widely it intends to spread its investments. An **investment vehicle** will, if it has not made a material investment after the period of one year following **admission**, ordinarily be expected to seek shareholder approval for the further pursuit of its investment strategy or else return its cash to shareholders.

Appendix 4: Announcements Relating to Shareholdings

The information required to be provided to an UK **issuer** in relation to a major shareholding is set out in paragraph 5.8.1 of the **DTR**. Such an **issuer** should ensure that its **announcement** includes all the disclosed particulars of a holding, in order to meet its responsibilities under paragraph 5.8.12 of the **DTR**. In particular for the avoidance of doubt, the “required particulars” mentioned in Appendix 4.1(f) would include:

- if applicable, the name of any subsidiary undertakings through which the **substantial shareholding** is held (**DTR** 5.8.1(2)); and
- if different to the person required to make the notification, the registered holder of any **shares** which are the subject of the triggering transaction (**DTR** 5.8.1(4)).

An **issuer** is entitled to rely on the information it receives in a shareholder notification as a proper basis for any **announcement** required by the rules.

Appendix 5: Financial Results

The profit and loss account must include as a minimum turnover, gross profit (or loss) before tax, tax and profit (or loss) after tax. The balance sheet must include fixed assets, current assets, current liabilities, other liabilities, share capital and reserves.

A dividend timetable must include the type and amount of the dividend per share after tax and the record and payment dates for the dividend.