

Pre-emption rights

LR 9.3.11 **R** 06/08/2010

A listed company proposing to issue ⁵ equity securities⁵ for cash or to sell treasury shares that are ⁶ equity shares ⁶for cash must first offer those ⁶ ⁶ ⁵equity securities⁵ in proportion to their existing holdings to:

- (1) existing holders of that class of equity shares (other than the listed company itself by virtue of it holding treasury shares); and
- (2) holders of other equity shares of the listed company who are entitled to be offered them.

LR 9.3.12 **R** 06/06/2011

LR 9.3.11 R does not apply to:⁶

- (1) a ⁶ listed company incorporated in the United Kingdom if a ⁶ disapplication of statutory pre-emption rights has been authorised by shareholders in accordance with section ³⁷ ⁷⁵⁷⁰ ⁸ ³ ⁸³ ^{3.7} ⁷⁸(Disapplication of pre-emption rights: directors acting under general authorisation) or section 571 (Disapplication of pre-emption rights by special resolution) of the Companies Act 2006 and the issue of ⁶ ⁵ equity securities⁵ ⁶ or sale of treasury shares that are equity shares by the listed company is within the terms of the authority; or⁸
- (2) ^{6a} ⁶ listed company ⁶ undertaking a rights issue or open offer ⁶ provided ⁶ the disapplication of pre-emption rights is with respect to:
 - (a) ⁵ equity securities⁵ representing fractional entitlements; or
 - (b) ⁵ equity securities⁵ which the company considers necessary or expedient to exclude from the offer on account of the laws or regulatory requirements of ⁶ a ⁶ territory other than its country of incorporation unless that territory is the United Kingdom⁶; or
- (3) ^{6a} ⁶ listed company ⁶ selling treasury shares for cash to an employee share scheme; or
- (4) ⁶⁵ ⁵an overseas company with a premium listing if a disapplication of statutory pre-emption rights has been authorised by shareholders that is equivalent to an authority given in accordance either with section 570 or section 571 of the Companies Act 2006 or in accordance with the law of its country of incorporation provided that the country has implemented article 29 of Directive 77/91/EEC and the issue of equity securities or sale of treasury shares that are equity shares by the listed company is within the terms of the authority; or⁹ ⁶ ⁶ ⁹
- (5) an open-ended investment company.⁹