

Channel Island Stock Exchange, LBG - Listing Equities

Listing of Equities issued by a Trading Company

This briefing document provides a summary of the key requirements for the admission of equity securities of a trading company to a listing on the Channel Island Stock Exchange, LBG (the 'CISX' or the 'Exchange').

Client Briefings on listing debt securities, and securities of investment funds and on the recognition of the CISX by the UK Inland Revenue, on Duties of Directors of issuing companies and on other aspects of Channel Islands company law have been prepared by Ogier in respect of Jersey and Guernsey issuers and are available on request.

Why use the CISX?

Executive Summary

The CISX offers:

- a fast document turnaround time (often same day) and an efficient personal service;
- competitive pricing (initial listing fee of £5,500 for a stand alone issue of a non-Channel Islands company with an annual fee of £5,500 or £3,500 and £3,500 respectively if the company is a Channel Islands company).
- sponsor fees significantly less than other major exchanges;
- no requirement to appoint a Nomad;
- international standards of issuer regulation;
- a pragmatic approach to disclosure requirements; and
- same market makers can be appointed as if the issuer listed on AIM.

The CISX operates in a remote environment within an electronic trading system which it monitors centrally. All CISX listing and trading information can be accessed from the CISX's dedicated pages on Reuters Triarch screen-based trading platform and on its Internet Website at www.cisx.com. Trading Members of the Exchange may display orders for listed securities by sending their prices via Reuters to the CISX and these prices are then

disseminated to all Reuters users (access via CISX's Reuters pages (CISX INDEX)).

It is intended that shortly, real time prices, as well as listing and trading information, will be available using new software developed by the CISX.

Unlike other European stock exchanges, the CISX is not bound by any European Union Listing Directives and, as a result, is able to be considerably more flexible in its approach. The CISX is also generally more flexible on local presence requirements compared to stock exchanges established in the EU. The CISX is aware of the time constraints, which affect issuers and their professional advisers and is committed to meeting an agreed transaction timetable.

Information on the Exchange

The Exchange commenced operations on 27 October 1998 with the intention of providing recognised facilities for the listing and trading of a broad range of equity and debt securities.

While complying with international standards for recognised stock exchanges, the Exchange has adopted a flexible and pragmatic approach to regulation. This business oriented approach is similar to that which has contributed to the development of the Channel Islands as first class finance centres. The Exchange has developed listing rules which place a premium on clarity and an appropriate level of corporate governance. The result is that this enables the Exchange to provide issuers of securities with a fast, efficient and cost-effective listing facility.

Recognition of the Exchange

In December 2002 the CISX was designated by the UK Inland Revenue as a recognised stock exchange under Section 841 of the UK Income and Corporation Taxes Act 1988 ('ICTA'). This designation is significant because qualifying debt securities listed on the CISX are now eligible for the 'Quoted Eurobond Exemption'. This allows an issuer within the UK tax net to make payments of interest on the listed securities gross without deduction for tax. In addition, in the United Kingdom, for example, there are capital gains and inheritance tax benefits to investing in shares linked on a recognised stock exchange such as the CISX.

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The CISX was classified as a 'designated investment exchange' by the Financial Services Authority in the UK with effect from 1 February 2004. This has facilitated trading by UK authorised firms by providing a more favourable regulatory environment for transactions effected on the CISX and also allow UK authorised firms to sell investments listed on the CISX to clients in the USA.

In designating the CISX as a recognised stock exchange under section 841 of ICTA it was necessary for the UK Inland Revenue to determine that:

- the CISX is a stock exchange undertaking the normal business of a stock exchange regulated as an investment exchange in a major economy or in a significant financial centre; and
- the Channel Islands have proper and effective arrangements for financial regulation which meet internationally accepted modern standards in this area.

Another landmark for the CISX was its approval as an affiliate member of the International Organisation of Securities Commissions ('IOSCO') which further underlines the global reputation of the CISX.

The CISX has also been designated by the US Securities and Exchange Commission as a Designated Offshore Securities market under Regulation S of the US Securities Act 1933, is also recognised by the Australian Stock Exchange, is registered with the International Federation of Stock Exchanges (FIBV) as a corresponding market and is an associate member of the International Securities Market Association. In addition, the CISX is a member of the European Securitisation Forum, an organisation sponsored by the US Bond Market Association.

The CISX is authorised to operate as an investment exchange under the Protection of Investors (Bailiwick of Guernsey) Law 1997 and is regulated and supervised by the Guernsey Financial Services Commission.

Appointment of Sponsor

In order to proceed with a listing a proposed issuer must appoint a sponsor to assist in relation to the listing procedure. The sponsor will be responsible for all communications and dealings with the Exchange (including seeking approval of the Exchange for the form and content of the Listing Document and for the preparation and filing with the Exchange of the formal listing application and supporting documentation). In addition, a sponsor is able to apply to the Exchange for derogations in the formal disclosure requirements applicable to the contents of the Listing Document.

Ogier Corporate Finance Limited is a full listing member of the Channel Islands Stock Exchange, wholly owned by Ogier, and is able to act as a sponsor for listing purposes. Ogier Corporate Finance Limited has the leading share of listing trading companies on the Exchange. In respect of any Jersey, Guernsey, Cayman or Irish incorporated issuer Ogier is experienced in the provision of high quality and cost effective professional services in relation to the set up and on-going administration of issuers. Full details of the services provided by Ogier Corporate Finance Limited in particular and the Ogier Group in general are available on request.

The Exchange's Approach to Listing

As mentioned above the Exchange endeavours to adopt a pragmatic approach to regulation. It is flexible in its requirements regarding the detailed information describing the issuer and its equity securities required to be included in a prospectus (the '**Listing Document**'). Disclosure requirements have been set at a level which are intended to provide investors with sufficient information to enable them to make an informed investment decision regarding the listed securities but without imposing unnecessarily onerous demands on an issuer. A Listing Document must disclose such information relating to the issuer and the equity securities for which a listing is sought as specified in Appendix IX, Part A of the CISX Listing Rules and a summary of the key points of Appendix IX, Part A is set out in Schedule 1. Where any such information would not be applicable or appropriate to a particular issue an application for derogation from the formal requirements may be made to the Exchange. The Exchange may authorise the omission of certain information from the Listing Document where it considers such information not to be applicable or is of minor importance. Derogation may also be permitted if disclosure would be seriously detrimental to the issuer or contrary to the public interest. As a general approach, however, the Exchange would normally expect a Listing Document to disclose all such information as may be necessary to enable an investor to make an informed assessment on the financial position, activities, management and prospects of an issuer and of the rights (and any liabilities) attached to the equity securities for which a listing is sought.

General principles for Listing on the Exchange

The rules for the listing of equity securities on the Exchange (the '**Listing Rules**') are designed to ensure that investors have and maintain confidence in the securities market. In particular:

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- the securities are suitable for listing;
- investors are given sufficient information to enable them to make an informed assessment of the issuer and the equity securities;
- the issue and any trading of the equity securities is conducted in a fair and orderly manner;
- all holders of listed equity securities of the same class are treated fairly and equally; and
- following a listing, there is sufficient disclosure of information to investors to ensure that they are kept fully informed of all factors which might affect their interests. (In particular, immediate disclosure should be made of any information which might reasonably be expected to have a material effect on market activity and prices of the listed equity securities.)

The CISX encourages prospective issuers and their sponsors to contact the Exchange at an early stage to seek informal and confidential guidance as to the eligibility of a proposed listing application.

Market Maker

Each issuer must appoint at least one market maker in order to make a market and establish a price for the equity securitisation being issued. Currently, Cenkos Collins Stewart, Winterflood Securities and Dresdner Kleinwort Wasserstein Securities provide market maker services although it is hoped to attract further market makers in due course.

Special Requirements for Listing of Equity Securities

The following special requirements apply to listing equity securities on the Exchange issued by a trading company:

Rule 6.2.1

Equity Securities may be listed by way of an introduction, an offer for subscription, an offer for sale or a placing. (Where a placing or offering memorandum has been issued in connection with any offer for subscription or sale or a placing it is possible to 'wrap' this document with the extra information required in a further document prepared by the sponsor to comply with the Listing Rules rather than having the expense of preparing and printing a new memorandum.)

Rule 6.3.2

The Exchange must be of the view that the issuer and its business are suitable for listing and that there is an adequate and open market in the securities for which the listing is sought.

Rule 6.3.7 and 6.3.11(a)

A new applicant must have published audited accounts which cover at least three years and the period to which the accounts relate must not end more than six months prior to the date of the Listing Document. It is possible for the Exchange to waive this requirement in whole or in part if it is satisfied that the acceptance of accounts covering a shorter period is desirable in the interests of the new applicant, or of investors having the necessary information available to make an informed judgement concerning the new applicant and the securities for which the list is sought.

In practice it has been possible for a newly incorporated company without any trading history to rely on the audited accounts of its wholly owned trading subsidiary and/or to obtain derogation so that only two years audited accounts are included provided that up to date unaudited financial statements are also drawn up.

The new applicant and its underlying subsidiaries must be established in a jurisdiction recognised by the Exchange. The accounts must be audited in accordance with recognised international accounting standards.

The CISX, in accordance with its general pragmatic approach, is willing to review each applicant on its own merits and reach a realistic solution where possible.

Rules 6.3.12 and 6.3.13

The directors of the issuer must collectively have appropriate expertise and experience for the management of its business. The issuer must be able to demonstrate that it has arrangements in place to ensure that the private business interests of its directors are not detrimental to the business or prospects of the issue.

Rule 6.3.15

Where the issuer has a controlling shareholder, the Exchange may require the appointment of one or more independent non executive directors to ensure that the applicant is at all times capable of operating and making decisions independently of the controlling shareholder.

All transactions between the issuer and the controlling shareholder must be conducted at arm's length and on a normal commercial basis.

Rule 6.3.17

Fully paid securities must be freely transferable and tradable. Securities may be subject to transfer restrictions:

- (a) where the holding of such securities may result in a regulatory, legal or taxation disadvantage for the issuer or the shareholders of the securities generally; or

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(b) to maintain a minimum holding per shareholder.

Nil or partly paid shares may be subject to restrictions provided that the restrictions are not such as to prevent dealings in the securities from taking place on an open and proper basis.

Rule 6.3.18

The market value of the securities must be at least £500,000 (or foreign currency equivalent).

Rule 6.3.20

At least 25% of the class of securities to be listed must be in the hands of the public in such proportions so as to satisfy the Exchange that there will be an adequate market in the securities.

Rule 6.4.1

The Listing Document should contain the information referred to in Schedule 1 (or an appropriate derogation from such disclosure should be obtained).

Rules 6.6.2 and 6.6.3

An accountant's report is only required to be included in a Listing Document where:

- a material change has taken place to the group structure or business, including any acquisition or disposal which would have been classified at the date of listing as a "substantial transaction";
- the auditor's report on the accounts for any of the last 3 years has been qualified or refers to a matter of fundamental uncertainty; or
- the Exchange decides for any other reason either not to accept any auditor's report or that an additional report is necessary.

An accountant's report that would otherwise be required by Rule 6.6.2 is not required if the issuer satisfies the Exchange that it has published sufficient information in the audited accounts to allow the shareholders of the issuer to make an informed assessment of the cause and effects of any material change to the group structure or business and this information is included in the Listing Document.

The issuer must also appoint two authorised representatives resident in the Channel Islands to act as the issuer's principal channel of communication with the Exchange on an ongoing basis. The authorised representatives may be directors of the issuer or other persons acceptable to the Exchange (such as officers of the sponsor).

The sponsor will have to confirm to the CISX that it has made enquiries and is satisfied that the opinion of the directors of the issuer that the issuer has sufficient working capital available to it for a period of a 12 months from the date of listing.

The Listing Process

Stage 1: Satisfy Listing Conditions

An issuer seeking a listing for equity securities on the Exchange must satisfy all the conditions for listing. The Applicant's professional advisers and the sponsor are encouraged to discuss the suitability of the listing proposals with the Exchange prior to making any formal application.

Stage 2: Preparation of Draft Documentation

The sponsor, in conjunction with the applicant's professional advisers, will prepare drafts of the formal listing documentation for review and comment by the Listing Department of the Exchange. The application documents will include the following:

- formal application for listing;
- sponsor's declaration;
- listing undertaking;
- directors' declarations and undertaking;
- Listing Document, signed by or on behalf of the directors of the issuer;
- if necessary, application for derogation from any formal listing requirements;
- formal listing notice setting out the material terms of the proposed issue;
- all material contracts entered into by the issuer;
- application form to subscribe or purchase the equity securities;
- standard form of share certificate or other documents of title in respect of the equity securities;
- copies of the certificate of incorporation and memorandum and articles of association of the issuer (or equivalent constitutive documents), marked-up as appropriate to indicate compliance with the listing requirements;
- authorising board resolutions of the issuer;

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- financial statements if required;
- three years audited accounts of issuer;
- accountants' report (if required);
- letters of consent to any statements made by experts being included in the Listing Document;
- payment of listing fees; and
- such additional documentation as may be required by the Exchange.

Stage 3: Approval

All applications for listing will be processed by the Exchange's Head of Listing and the Staff of the Listing Department. Once the Listing Department is satisfied with an application it will prepare a response to the Exchange's Market Authority together with a recommendation as to the suitability of the listing proposal.

Stage 4: Listing

If the Market Authority approves the application, the listing documentation is then filed and the securities are admitted to the Official List. The securities must be allocated an ISIN reference before the Listing Document is made public and dealings commence.

Continuing Obligations

Once a listing has occurred an issuer must comply with the continuing obligations specified in the Listing Rules. The continuing obligations are intended to ensure that all market users have simultaneous access to the same information and to maintain an orderly market in the listed equity securities. A summary of the detailed continuing obligation requirements is set out in Schedule 2.

In order to ensure that issuers comply with the continuing obligations requirements set out in the Listing Rules, the CISX conducts an annual review in respect of every entity that has securities listed on the CISX, six months after the issuer's financial year end.

Also, during January each year, each issuer is required to supply the sponsor with a letter confirming compliance with their continuing obligations requirements during the previous calendar year. The sponsor in turn must supply the CISX with a letter confirming such compliance by January 31 each year.

Listing Fees

The initial application fee for the listing of equity securities of a non-channel Island trading company is £5,500. An annual fee of £5,500 is charged in respect of the listed

securities. If the company is a Channel Island company, the fees are £3,500 and £3,500 respectively.

Apart from the listing fees payable to the CISX, fees will also be payable to the sponsor for acting as such. Ogier Corporate Finance Limited is willing to negotiate its fees based upon the complexity of the listing. However, in all cases, we believe that the fees of Ogier Corporate Fiduciary Limited as sponsor will be competitive and significantly less than those charged by any sponsor of a listing on the London Stock Exchange, AIM or any other exchange which may be a competitor of the CISX.

General

The purpose of this briefing is to highlight the principal requirements and key issues to be considered when considering the listing of equity securities by trading companies on the CISX. It is not intended to be a comprehensive guide to listing disclosure and continuing obligation requirements.

If you would like further information about the Exchange and the services that we are able to provide, please speak to one of the contacts listed at the end of this briefing or your usual contact at the firm.

Schedule 1

Listing Document Disclosure Requirements

The Listing Document for equity securities should contain the following information (all paragraph references are to Appendix IX, Part A of the CISX Listing Rules):

General information about the issuer

Paragraph 1

The full name, registered number (where applicable) and registered office address of the issuer.

Paragraph 5

The date and jurisdiction of incorporation of the issuer, the authority under which the issuer was incorporated or otherwise established and (if not indefinite) the length of life of the issuer.

Information about the issuer's management and operations

Paragraph 51

The full name, residential or business address of every director or proposed director.

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Paragraph 54

A statement showing the interests of each director of the issuer and the associates of each director insofar as is known to the issuer in the equity securities of the issuer or the group or an **appropriate negative statement**.

Paragraph 55

A statement showing the name of each person, other than a director of the issuer, who is directly or indirectly interested in three per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the issuer and the amount of each person's interest in such securities, or, if there are no such interests, **an appropriate negative statement**.

Paragraph 58

Full particulars of any contract or arrangement subsisting at the date of the Listing Document in which a director of the issuer is materially interested and which is significant in relation to the business of the group, **or an appropriate negative statement**.

Paragraph 59

The total of any outstanding loans by any member of the group to the directors and also of any guarantees provided by any member of the group for their benefit, **or an appropriate negative statement**.

Paragraph 60

Details of any schemes involving the staff (including executives and/or employees) in the capital of any member of the group.

Information about the issuer's professional advisers.

Paragraph 3

The names and addresses of the issuer's principal bankers, sponsor, registrars and custodians (if any), legal advisers to the issue, reporting accountants and any other expert to whom a statement or report included in the Listing Document has been attributed.

Paragraph 4

The names, addresses and professions qualifications of the current auditors and, if applicable, the auditors who have audited the issuer's annual accounts in accordance with the relevant applicable law for the last three financial years.

Information relating to the preparation of the Listing Document

Paragraph 2

A statement as follows:

"This Listing Document includes particulars given in compliance with the Listing Rules of the Channel Islands Stock Exchange for the purpose of giving information with regard to the issuer. The directors, whose names appear on page [], accept full responsibility for the information contained in this Listing Document and confirm, having made all reasonable enquiries, that to the best of their knowledge and believe there are no other facts the omission of which would make any statement herein misleading."

Paragraph 6

The provisions or a sufficient summary of the provisions of the articles of association or equivalent document with regard to:

- (a) any power enabling a director to vote on a proposal; arrangement or contract in which he or his associates is/are materially interested;
- (b) any power enabling the directors to vote remuneration (including pension or other benefits) to themselves or any members of their body and any other provision as to the remuneration of the directors;
- (c) borrowing powers exercisable by the directors and how such borrowing powers can be varied;
- (d) retirement or non-retirement of directors under an age limit;
- (e) the nomination, appointment, and removal of directors before the expiry of their period of office, (subject to the right of any such director to claim damages under any contract), including filling any casual vacancies and any directors' qualification shares;
- (f) changes in capital;
- (g) any time limit after which entitlement to dividend lapses and an indication of the party in whose favour the lapse operates including details of any power taken to cease sending dividend warrants where they remain uncashed;
- (h) arrangements for transfer of securities and, where permitted, restrictions on the free transferability of the securities including details of any fee payable in relation to transfers or other documents relating to or affecting the title to or registration of the securities;

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(i) any power to sell the securities of a member who is untraceable, including the period and conditions concerning the exercise of such power and whether any formal notice need be published.

Paragraph 7

Where the Listing Document includes a statement purporting to be made by an expert, a statement:

- specifying the qualifications of such expert and whether such expert has any financial interest in the issuer;
- that the expert has given and has not withdrawn his written consent to the issue of the Listing Document; and
- the date on which the expert's statement was made and whether or not it was made by the expert for the purpose of incorporation in the Listing Document.

Paragraph 8

The name of any promoter, and if the promoter is a company, a statement of its issued share capital, the amount paid up thereon, the date of its incorporation or other establishment and the names of its directors, and particulars of any cash, securities or other benefit paid, allotted or given within the 2 years immediately preceding the issue of the Listing Document, or proposed to be paid, allotted or given, to any promoter (individual or corporate) and the consideration for such payment, allotment or other benefit.

Paragraph 9

Details of other exchanges (if any) where admission to listing is being or will be sought and the names of the exchanges (if any) on which securities of the same class are already listed.

Paragraph 11

Particulars of any commissions, discounts, brokerages or other special terms granted within the 2 years immediately preceding the issue of the Listing Document in connection with the issue of sale or any capital of any member of the group, together with the names of any directors or proposed directors, promoters or experts (as named in the Listing Document) who received any such payment or benefit and the amount or rate of the payment or benefit they received, **or an appropriate negative statement.**

Information about the equity securities for which listing is sought

Paragraph 13

The nature and amount of the issue including the number of securities which have been or will be executed and/or issued.

Paragraph 14

A summary of the following rights attaching to the securities for which the application of listing is being made:

- (a) the extent of the rights as regards;
- (i) voting;
 - (ii) entitlement to share in dividends;
 - (iii) entitlement to share in capital distributions;
 - (iv) redemptions; and
 - (v) the creation or issue of further securities ranking in priority to, or *pari passu* with, the class of securities for which listing is sought
- (b) details of any other special rights attaching to the securities for which application is made;
- (c) a summary of the consents necessary for the variation of any of the rights detailed in (a) and (b) above; and
- (d) where an issuer is empowered to purchase its own securities, a summary of the basis on which such purchases may be made.

Paragraph 15(a)

The issue price or offer price of each security, stating the nominal value of each security.

Paragraph 15(b)

The methods of payment of the issue or offer price, particularly as regards the paying-up of securities which are not fully paid.

Paragraph 15(c)

The procedure for the exercise of any right of pre-emption and the transferability of subscription rights.

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Paragraph 15(d)

The period during which the issue or offer of securities will remain open after issue of the Listing Document, the date and time of opening of the subscription list, and the names of the receiving bankers.

Paragraph 15(e)

The methods of and the time limits for delivery of the securities and a statement whether temporary documents of title will be issued.

Paragraph 15(h)

The method of listing.

Information about the issuer's capital

Paragraph 25

The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.

Paragraph 26

Where an issuer has authorised but unissued capital or is committed to increase the capital, an indication of:

- (a) the amount of such authorised capital or capital increase;
- (b) the categories of persons having preferential subscription rights for such additional proportions of capital; and
- (c) the terms and arrangements for the share issue corresponding to such portions.

Paragraph 27

The amount of any outstanding convertible debt securities and particulars of the conditions governing and the procedures for conversion, exchange or subscription of such securities.

Paragraph 28

Particulars of any alterations in the capital of the issuer and, if material, the capital of any member of the group, within two years immediately preceding the issue of the Listing Document, including the price and terms of such issues, whether they are fully or partly paid and any details of discounts or special terms granted, **or an appropriate negative statement.**

Paragraph 29

Particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option and the name and address of the grantee, **or an appropriate negative statement**, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class of debentures, or to employees under a share scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

General information about the group's activities

Paragraph 30

A brief history of and a description of the general objectives and nature of the business of the group. If the group trades outside of the Channel Islands (or the country of incorporation or establishment of the issuer, if not the Channel Islands), a statement showing the geographical analysis of its trading operations.

Paragraph 31

Where a material proportion of the group's assets are situated outside the Channel Islands, a statement giving the best practicable indication of the amount and situation of such assets and the amount of the assets situated in the Channel Islands.

Paragraph 32

If the issuer is a member of a group, a brief description of that group covering the issuer's position within that group and, if a subsidiary, the names of and the number of shares held (directly or indirectly) by each holding company of the issuer.

Paragraph 33

Particulars of any trade marks, patents or other intellectual or industrial property rights which are material in relation to the group's business and, where such factors are of fundamental importance to the group's business or profitability, a statement regarding the extent to which the group is dependent on such factors.

Paragraph 34

Information concerning the policy of the group on the research and development of new products and processes over the past three financial years, where significant.

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Paragraph 35

Particulars of any interruptions in the business of the group which may have or have had a significant effect on the group's financial position in the last 12 months.

Paragraph 36

The number of people employed by the group and changes to that number in the last financial year (if such changes are material in the context of the group), with, if possible, a breakdown of persons employed by main categories of activity.

Paragraph 37

Particulars, including location, of the principal investments (if any), including such investments as new plant, factories and research and development, being made or planned by the group.

Paragraph 38

With regard to every company the whole, or a substantial proportion, of whose capital is held or intended to be held (either directly or indirectly) by the Issuer, or whose profits or assets make or will make a material contribution to the figures in the accountants' report or the next published accounts, particulars of the name, date and country of incorporation or other establishment, general nature of business, issued capital and the proportion of it held or intended to be held.

Paragraph 39

In regard to the group, particulars of the location, size and tenure of its principal establishments (any establishment which accounts for more than 10 per cent of net turnover or production shall be considered a principal establishment).

Information about the financial position of the group and its prospects

Paragraph 43

In the case of a primary listing only, a statement of the following, if material:

(a) the total amount of any debt securities of the group issued and outstanding, and authorised or otherwise created by unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured, **or an appropriate negative statement.**

(b) the total amount of all other borrowings or indebtedness in the nature of borrowing of the group including bank overdrafts and liabilities under

acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt, **or an appropriate negative statement.**

(c) all mortgages and charges of the group, **or an appropriate negative statement;** and

(d) the total amount of any contingent liabilities or guarantees of the group, **or an appropriate negative statement.** Intra-group liabilities should normally be disregarded, a statement to that effect being made where necessary.

Paragraph 44

Unless otherwise agreed by the Exchange in exceptional circumstances:

(a) general information on the trend of the group's business since the date to which the latest audited accounts of the issuer were made up; and

(b) a statement as to the financial and trading prospects of the group for at least the current financial year, together with any material information which may be relevant, including all special trade factors or risks (if any) not mentioned elsewhere in the Listing Document and which are unlikely to be known or anticipated by the general public, and which could materially affect profits.

Paragraph 45

In the case of a primary listing only, a statement by the directors of the issuer that in their opinion the working capital available to the group is sufficient or, if not, how it is proposed to provide the additional working capital considered by the directors to be necessary.

Paragraph 47

A statement by the directors of the issuer of any material adverse change in the financial or trading position of the group since the last audited accounts or any later interim statement have been published, **or an appropriate negative statement.**

Paragraph 49

Information on any legal or arbitration proceedings (including such proceedings which are threatened of which the issuer is aware) which may have or have had in the recent past (covering at least the previous 12 months) a significant effect on the group's financial position, **or an appropriate negative statement.**

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Paragraph 50

Details of the earnings per share (or consolidated earnings per share in the case of any issuer with consolidated annual accounts) and dividend per share for the last three financial years.

Material contracts and documents for inspection

Paragraph 62

Details of the dates of and parties to all material contracts, other than contracts entered into in the ordinary course of business, entered into by any member of the group within the two years immediately preceding the publication of the Listing Document, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group.

Paragraph 63

Details of a reasonable period of time (being not less than 14 days) during which the following documents, as appropriate, may be inspected.

- (a) the memorandum and articles of association of the issuer;
- (b) each contract disclosed pursuant to paragraphs 58 and 62, and, in the case of a contract not reduced into writing, a memorandum giving full details of the agreement;
- (c) all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the Listing Document;
- (d) where an accountants' report is included in the Listing Document, a written statement signed by the reporting accountants or auditors setting out the adjustments made by them in arriving at the figures shown in their report and giving the reasons there for;
- (e) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiaries for each of the two financial years immediately preceding the issue of the Listing Document.

Paragraph 64

Where any of the documents listed in paragraph 63 is not in the English language, translations into English must be available for inspection. In the case of any document mentioned in paragraph 63, a translation of a summary of such document may be made available for inspection if the Exchange so agrees.

Listing Documents describing equity securities should contain the following additional information:

Rule 6.5.5(d)

A statement as follows:-

"Neither the admission of the (shares/units/notes) to the Official List nor the approval of the Listing Document pursuant to the listing requirements of the Exchange shall constitute a warranty or representation by the Exchange as to the competence of the service providers to or any other party connected with the (shares/units/notes), the adequacy and accuracy of information contained in the Listing Document or the suitability of the issuer for investment or for any other purpose."

Schedule 2

Continuing Obligation Disclosure Requirements

As a condition to maintaining a listing on the Exchange, an issuer must undertake to comply with the following specific continuing obligations:

General obligation of disclosure for issuers

Rule 6.9.3

The issuer shall keep the public, the Exchange, the holders of the securities of the issuer and other holders of its listed securities informed as soon as reasonably practicable of any information relating to the group (including information on any major new developments in the group's spheres of activity which is not public knowledge) which:

- (a) is necessary to enable them and the public to appraise the position of the group;
- (b) is necessary to avoid the establishment of a false market in its securities; and
- (c) might reasonably be expected materially to affect market activity in the price of its securities.

Duty of notification to the Exchange

Rule 6.9.4

Information that is required to be disseminated pursuant to Rule 6.9.3 or otherwise under these Listing Rules must not be given to a third party before it is notified to the Exchange except as permitted in this Rule. An issuer may give information in strict confidence to its advisers, an agent employed to release the information, and to persons with whom it is negotiating with a view to

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effecting a transaction or raising finance, including prospective underwriters of an issue of securities, providers of finance or loans or the places of the balance of a rights issue not taken up by shareholders. In such cases, the issuer must advise the recipients of such information that it is confidential and that they should not deal in the issuer's securities before the information has been made available to the public. An issuer shall notify information to the Exchange by the method laid down by the Exchange from time to time.

Notifications relating to capital

Rule 6.9.6

An issuer must notify the Exchange without delay (unless otherwise indicated) of the following information relating to its capital:

Alteration to capital structure: any proposed change in its capital structure except that an announcement of a new issue may be delayed while marketing or underwriting is in progress;

Changing of rights attaching to securities: any change in the rights attaching to any class of listed securities or to any securities into which any listed securities are convertible;

Redemption: any purchase, sale or redemption by the issuer of its listed securities;

Basis of allotment: the basis of allotment of listed securities offered generally to the public for subscription or sale and of the results of any rights issues to shareholders before dealings commence;

Issues affecting conversion rights: the affect, if any, of any issue of further securities on the terms of the exercise of rights under options, warrants and convertible securities; and

Results of new issues: the results of any new issue of listed securities or of a public offering of existing securities.

Notification of substantial interests in shares

Rule 6.9.7

An issuer must notify the Exchange without delay of any information disclosed to it in accordance with applicable legislation requiring the disclosure of holdings by substantial shareholders.

Proxy forms

Rule 6.9.12

A proxy form must be sent with the notice convening a meeting of holders of listed securities to each person entitled to vote at the meeting, and must:

(a) provide for two-way voting (i.e. for and against) on all resolutions intended to be proposed;

(b) state that a shareholder is entitled to appoint a proxy of his own choice and provide on the form a space for insertion of the name of such proxy; and

(c) state that, if the proxy form is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so how, he votes;

(d) allow a corporation to execute a form of proxy under the hand of a duly authorised officer or attorney or under its common seal.

Review of documents by the Exchange

Rule 6.9.15

The issuer shall submit to the Exchange for review and approval before they are issued:

(a) copies of drafts of any announcements or advertisements relating to the issue of new or further securities or any announcements or advertisements the subject matter of which may involve a change in or relate to or affect arrangements regarding trading in its listed securities;

(b) copies of drafts of any circulars and of any documents issued in connection with takeovers, mergers or demergers; and

(c) copies of drafts of any proposed amendments to its memorandum or articles of association.

The issuer shall not issue any such documents unless they have first been approved by the Exchange.

Copies of circulars and resolutions

Rule 6.9.16

The issuer must forward to the Exchange two copies of:

(a) all circulars, notices, reports, announcements and other documents at the same time as they are issued; and

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(b) all resolutions passed by the issuer in general meeting, other than those passed in the ordinary course of business, without delay after the relevant general meeting.

Directors Board changes

Rule 6.9.17

An issuer must notify the Exchange without delay when:

- (a) a new director is appointed; or
- (b) a director resigns or is removed; or
- (c) any important functions or executive responsibilities of a director are changed; and the notification must state the effective date of the change if it is not with immediate effect, and in the case of an appointment, whether the position is executive or non-executive and the nature of any specific function or responsibility .

Directors' declarations

Rule 6.9.18

As soon as practicable after the appointment of a new director, but in any case within 14 days of his appointment, each new director must sign and lodge with the Exchange a declaration in the form set out in Appendix V of the Listing Rules.

Notification of interests of directors and their associates

Rule 6.9.20

The issuer must notify the Exchange without delay of any information it has received from its directors:

- (a) in connection with any acquisition, disposal, exercise or discharge by a director or a person connected with a director, of their interests in the listed security, or any dealings in relation to any option, right or obligation by a director, or a person connected with a director, of their interest in a listed security; and
- (b) any dealings by connected persons and investment managers pursuant to paragraphs 10 to 12 of the Model Code set out in Appendix VI of the Listing Rules

and maintain a register of the same information which must be available for inspection during normal business hours at the issuer's registered office or branch office in the Channel Islands where applicable.

Board Decisions

Rule 6.9.23

The issuer shall notify the Exchange immediately after approval by or on behalf of the board of:

- (a) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities and the rate and amount of the dividend or distribution;
- (b) any decision to withhold any dividend or interest repayment on listed securities;
- (c) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course;
- (d) any preliminary announcement of profits or losses for any year, half-year or other period;
- (e) any proposed change in the capital structure of the issuer or group, including any redemption of its listed securities; and
- (f) any decision to change the general character or nature of the business of the issuer of the group.

Other changes

Rule 6.9.24

The issuer shall notify the Exchange immediately of any changes in its secretary, auditors or registered office.

Shares in Public Hands

Rule 6.9.27

The issuer shall notify the Exchange immediately if it becomes aware that the proportion of any class of listed securities in the hands of the public has fallen below the level required.

Response to enquiries

Rule 6.9.31

The issuer shall respond promptly to any enquiries made by the Exchange concerning unusual movements in the price or trading volume of its listed securities or any other matters raised by the Exchange by giving such relevant information as is available to the issuer or, if appropriate, by issuing a statement to the effect that the issuer is not aware of any matter or development that is or may be relevant to the situation.



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Model Code

Rule 6.9.34

An issuer must require its directors to comply with a code of securities dealing in terms no less exacting than those of the Model Code set out in Appendix VI to the Listing Rules.



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