



NOTE TO ADVISERS IN RELATION TO CANCELLATION OF ADMISSION TO TRADING

[Section 3\(a\)\(i\) of the Introduction](#) to the Takeover Code (the “Code”) provides that the Code applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its [securities](#) are admitted to trading on a [UK regulated market](#)¹, a [UK MTF](#)², or a stock exchange in the Channel Islands or the Isle of Man³ (i.e. a company whose [securities](#) are “UK quoted”).

[Section 3\(a\)\(ii\) of the Introduction](#) provides that the Code also applies to any company (other than a “transition company” as defined in the [Transitional Appendix](#)) which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its [securities](#) were UK quoted within the previous two years.

As described in [section 3\(e\) of the Introduction](#), if a company referred to in [section 3\(a\)\(i\) of the Introduction](#) decides that it wishes to cancel the admission of its securities to trading on a [UK regulated market](#), a [UK MTF](#), or a stock exchange in the Channel Islands or the Isle of Man, early consultation with the Panel Executive (the “Executive”) is advised so that guidance can be given on the appropriate disclosure to be made to shareholders about the fact that, as a result of the cancellation of the admission of its [securities](#) to trading, the company will fall within [section 3\(a\)\(ii\) of the Introduction](#) for a period of two years (regardless of (i) the company’s place of central management and control, and (ii) whether the company also re-registers as a private company), following which the Code will cease to apply.

To assist advisers, the Executive has prepared the pro forma drafting in the **Annex** for inclusion in the announcement, circular or explanatory memorandum in relation to the proposed cancellation of the admission to trading.

Recommended procedure to be followed for a cancellation of admission to trading

Where a company referred to in [section 3\(a\)\(i\) of the Introduction](#) decides that it wishes to cancel the admission of its [securities](#) to trading on a [UK regulated market](#), a [UK MTF](#), or a stock exchange in the Channel Islands or the Isle of Man, the advisers to the company should:

- (a) contact the Executive to inform it of the proposed cancellation of admission to trading; and

¹ The relevant UK regulated markets are the Main Markets operated by the London Stock Exchange and Aquis Stock Exchange

² The relevant UK MTFs are the London Stock Exchange’s AIM market and the Aquis Growth Market

³ The relevant stock exchange in the Channel Islands is The International Stock Exchange

- (b) amend the pro forma drafting in the **Annex** to take account of the particular facts of the situation and send the draft announcement, circular or explanatory memorandum to the Executive for approval.

Once the announcement, circular or explanatory memorandum has been satisfactorily completed and approved by the Executive, any relevant documentation should be sent to shareholders in good time to ensure that they have an adequate opportunity to consider the implications under the Code of passing any relevant resolution (where applicable). Holders of convertible securities, options or subscription rights in the company (if any) should also be sent a copy of any circular or explanatory memorandum at the same time.

Advisers should, as a matter of good practice, provide the Executive with a copy of the final circular or explanatory memorandum and confirm to the Executive if and when the cancellation of admission to trading occurs.

ANNEX

Cancellation of admission to trading of the securities of a company falling within section 3(a)(i) of the Introduction on or after 3 February 2025

The Takeover Code (the “**Code**”) applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its equity share capital or other transferable securities carrying voting rights are admitted to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man. The Code therefore applies to *[the Company]* as its securities are admitted to trading on [], which is [a UK regulated market/a UK MTF/a stock exchange in the [Channel Islands/Isle of Man]].

The Code also applies to any company which has its registered office in the UK, the Channel Islands or the Isle of Man if any of its securities were admitted to trading on a UK regulated market, a UK MTF, or a stock exchange in the Channel Islands or the Isle of Man at any time during the preceding two years.

Accordingly, if the *[Cancellation]* [is approved by *[Shareholders]* at the *[General Meeting]*⁴ and] becomes effective, the Code will continue to apply to *[the Company]* for a period of two years after the *[Cancellation]*, following which the Code will cease to apply to *[the Company]*.

While the Code continues to apply to *[the Company]*, a mandatory cash offer will be required to be made if either:

- (a) any person acquires an interest in shares which (taken together with the shares in which the person or any person acting in concert with that person is interested) carry 30% or more of the voting rights of the company; or
- (b) any person, together with persons acting in concert with that person, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with that person, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which that person is interested.

Brief details of the Takeover Panel, and of the protections afforded by the Code, are set out in section [] of this document.

[Before voting on the *[Cancellation]*, you may want to take independent professional advice from an appropriate independent financial adviser.]

⁴ NB shareholder approval may not be required for all cancellations of admission to trading, e.g. the Equity Shares (Transition) Segment and the Equity Shares (International Commercial Companies Secondary Listing) Segment

The Code

The Code is issued and administered by the Panel. The Code currently applies to *[the Company]* and, accordingly, *[Shareholders]* are entitled to the protections afforded by the Code.

The Code and the Panel operate principally to ensure that shareholders in an offeree company are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders in the offeree company of the same class are afforded equivalent treatment by an offeror. The Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The Code is based upon a number of General Principles, which are essentially statements of standards of commercial behaviour. The General Principles apply to takeovers and other matters to which the Code applies. They are applied by the Panel in accordance with their spirit in order to achieve their underlying purpose.

In addition to the General Principles, the Code contains a series of rules. Like the General Principles, the rules are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as their letter. The Panel may derogate or grant a waiver to a person from the application of a rule in certain circumstances.

A summary of key points regarding the application of the Code to takeovers is set out in the **Appendix**.

Appendix

THE TAKEOVER CODE

The following is a summary of key provisions of the Code which apply to transactions to which the Code applies.

Equality of treatment

General Principle 1 of the Code states that all holders of the securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the offeree company if there are favourable conditions attached which are not being extended to all shareholders.

Information to shareholders

General Principle 2 requires that the holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the takeover bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

The opinion of the offeree board and independent advice

The board of the offeree company is required by Rule 3.1 to obtain competent independent advice as to whether the financial terms of any offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires the board of the offeree company to send to shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion. That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The document sent to shareholders must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except in certain circumstances, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

[The following section should be included if the Company has more than one class of equity share capital.]

More than one class of equity share capital

Rule 14 provides that where a company has more than one class of equity share capital, a comparable offer must be made for each class whether such capital carries voting rights or not.

[The following section should be included if the Company has convertible securities in issue or options or subscription rights outstanding.]

Optionholders and holders of convertible securities or subscription rights

Rule 15 provides that when an offer is made and the offeree company has convertible securities, options or subscription rights outstanding, the offeror must make an appropriate offer or proposal to the holders of those securities to ensure their interests are safeguarded.