



18 March 2003

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For the attention of the Nominated Advisers/ finance directors/ company secretaries, all AIM companies

AIM05

STOCK EXCHANGE AIM NOTICE

AIM RULES – CONSULTATION

Introduction

1. The Exchange is consulting on a number of proposed changes to the AIM Rules for Companies (“AIM Rules”). Details of the proposed changes can be found at our website: www.londonstockexchange.com/aim/rules. The proposals include a new expedited admission route for companies traded on “AIM Designated Markets” and a number of other relatively minor changes and clarifications including to the definition of “applicable employees”.

AIM Designated Markets

2. Currently, companies seeking admission to AIM are required to produce an AIM admission document and issue a pre-admission announcement. However, companies quoted on the UKLA Official List are exempted from the requirement to produce an admission document. Instead, they are required to make a more detailed pre-admission announcement.

Subject to certain additional safeguards, the Exchange proposes to extend this stream-lined admissions procedure to companies that are already quoted on other major international markets “designated” by the Exchange. The proposed criteria for designating such markets, the list of AIM Designated Markets and the changes required to the AIM rules can be viewed at www.londonstockexchange.com/aim/rules.

3. Companies quoted on markets that do not meet the AIM Designated Market criteria can continue to apply to join AIM in the normal way.

Other Rule Proposals

4. The proposed amendments comprise:

The consideration test

In schedule 3 of the AIM Rules (the class tests), the consideration test defines “consideration” as being “the amount paid to vendors”. We propose to clarify the definition of “consideration” to confirm that the consideration may require the inclusion of further amounts such as the repayment of inter-company or third party debt. This is in line with current practice.

Applicable Employees

We propose to standardise the definition of “applicable employee” to capture any employee in possession of price sensitive information irrespective of their holding or interest (in line with practice on the Official List of the UKLA).

Related Party Transactions

An amendment to the definition of “related party” so that common interests of directors where they can exercise certain significant voting rights are to be aggregated when applying the tests to determine what constitutes a related party.

Investing Companies – reverse takeovers

An amendment to Rule 13 to clarify that, in line with current practice, any one of the criteria may constitute a reverse.

Other proposed AIM Rule changes can be viewed at www.londonstockexchange.com/aim/rules.

Comments

6. As with all proposed amendments to the AIM Rules, comments from market participants are welcomed. Comments must be received by 15 April 2003. The Exchange intends, subject to comments received, to confirm any rule changes as soon as possible thereafter. Comments or queries should be addressed to Gillian Watson, Issuer Services, telephone 020 7797 2026 (Stx 32026) or email gwatson@londonstockexchange.com

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