



25 July 2003

London EC2N 1HP
Telephone 020 7797 1000
www.londonstockexchange.com

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

AIM07

STOCK EXCHANGE AIM NOTICE

AIM RULES – CONSULTATION

Introduction

1. The Exchange is consulting on a proposed change to *AIM Rules for Companies* (“The AIM Rules”). The proposed change is in respect of companies seeking to cancel their admission from AIM under rule 39.

The Current Position

2. At present, companies seeking to cancel their admission from AIM are required to give at least 20 days notice prior to the date of the intended cancellation.

However there is no requirement for any shareholder approval of any such cancellation.

Proposed Change

3. The Exchange proposes that a company seeking a cancellation of the admission of its securities to AIM must make such request conditional on the consent of 75% of votes cast by holders of each class of AIM securities being given in general meeting.

A draft of the proposed rule change is attached.

Discussion

4. The proposed rule change is intended to strike a balance between the wishes of the majority and protection of minority shareholders’ interests in AIM companies.

As with all changes to the AIM rules, the Exchange welcomes views from market participants. In particular, if shareholder consent is to be required whether 75% of votes cast in respect of each class of AIM securities is the correct threshold. Also, whether it would be appropriate that AIM companies should always consult their shareholders about an intended cancellation even if the company is transferring to another market.

Responses

5. Comments on the proposed rule changes must be received by 19 September 2003. The Exchange intends, subject to comments received, to confirm any rule change as soon as possible thereafter. Comments or queries should be addressed to Gillian Watson, AIM Policy Manager, telephone 020 7797 2026 (Stx 32026) or email gwatson@londonstockexchange.com

Simon Brickles
Head of AIM

PROPOSED RULE CHANGE

Cancellation

39. An **AIM company** which wishes the **Exchange** to cancel **admission** of its **AIM securities** must **notify** the intended date of cancellation at least 20 business days prior to the date of the intended cancellation and save where the Exchange otherwise agrees, must make such cancellation conditional upon the consent of 75% of its shareholders given in a general meeting.

The **Exchange** will cancel the **admission** of **AIM securities** where these have been suspended from trading for six months.

Cancellations are effected by a **dealing notice**.

Notes

The period of 20 **business days** is a minimum. Where earlier communication is sent to **shareholders** convening such a meeting, an **AIM company** must **notify** that such a meeting has been convened without delay. The **notification** should set out the intended date of cancellation, the reasons for seeking the cancellation, a description of how shareholders will be able to effect transactions in the **AIM securities** once they have been cancelled and any other matter relevant to shareholders reaching an informed decision upon the issue of the intended cancellation.

For the avoidance of doubt, the threshold of 75% set out in this rule refers to the percentage of votes cast (rather than 75% of the class) in respect of each class of **AIM security**. Consent may be granted through shareholders voting in person or by proxy at a general meeting.

An example of circumstances where the **Exchange** might otherwise agree that shareholder consent in general meeting is not required would be where comparable dealing facilities such as upon an EU regulated market are to be put in place to enable shareholders to trade their **AIM securities** in the future.