

COMPANY INFORMATION SHEET

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Company Name (stock code): Kazakhmys PLC (847)

Stock Short Name: KAZAKHMYS-S

This information sheet is provided for the purpose of giving information to the public about Kazakhmys PLC (the “**Company**”) as at the date specified. The information does not purport to be a complete summary of information about the Company and/or its securities.

Responsibility Statement

The directors of the Company (the “**Directors**”) as at the date hereof hereby collectively and individually accept full responsibility for the accuracy of the information contained in this information sheet and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief the information contained in this information sheet is accurate and complete in all material respects and not misleading or deceptive and that there are no other matters the omission of which would make any information inaccurate or misleading herein.

The Directors also collectively and individually undertake to publish on a yearly basis, when the Company publishes its annual report, this information sheet reflecting, if applicable, the changes to the information since the last publication.

Summary Content

Document Type	Date
A. Waivers and Exemptions	
Latest version	<u>27 June 2014</u>
B. Foreign Laws and Regulations	
Latest version	<u>27 June 2014</u>
C. Constitutional Documents	
Latest version	29 June 2011

Date of this information sheet: 27 June 2014

A. WAIVERS AND EXEMPTIONS

The following waivers and exemptions have been applied for and granted by the Hong Kong Stock Exchange and/or the Securities and Futures Commission (the “SFC”). Unless the context requires otherwise, capitalised terms shall have the meaning given to them in the Company’s listing document (“**Listing Document**”) issued on 21 June 2011 and references to sections of the Listing Document shall be construed accordingly.

WAIVERS

The following waivers and exemptions have been applied for and granted by the Hong Kong Stock Exchange and/or the SFC. Part A of this section covers the Listing Document contents waivers and waivers in respect of the Introduction, whilst Part B of this section covers continuing obligations waivers.

PART A: PROSPECTUS CONTENTS WAIVERS AND WAIVERS IN RESPECT OF THE LISTING

PROPERTY VALUATION

Background

Rule 5.01 of the Hong Kong Listing Rules requires valuations of and information on all the issuer’s interests in land or buildings to be included in a prospectus issued by a new applicant. It should be noted that since the date that the relevant waiver was obtained, the property valuation provisions in the Hong Kong Listing Rules (including Rule 5.01 of the Hong Kong Listing Rules) have been amended by the Hong Kong Stock Exchange.

The Company has a substantial quantity of tangible fixed assets. The Group’s core assets are subsoil rights and mining assets. All of the Group’s operating revenues derive from exploitation of subsoil rights, and all other fixed assets of the Group are production, administration and other ancillary facilities held exclusively for the purposes of pursuing the core business flowing from the subsoil rights. Such subsoil rights derive from subsoil use contracts and exploitation licences obtained from appropriate governmental authorities, primarily in Kazakhstan.

Land rights and buildings are held separately from subsoil rights. Under applicable laws, land usage rights are derivative rights (the entitlement to which flows from the subsoil rights, and which have no practical function or value in isolation). As the Company’s land and buildings are ancillary to its business of mining, production and exploration of copper, land and buildings are recorded in the Company’s financial statements at depreciated historical cost and valuations are not performed.

Based on the Company’s 31 December 2010 consolidated balance sheet, land and buildings (as recorded at depreciated historical cost and shown on the face of the Company’s financial statements at total book value of US\$653 million) represented less than 6 per cent. of consolidated total assets. This US\$653 million includes a significant proportion of associated immovables such as power lines, shorter transmission lines, high voltage lines, roads, bridges, tailing dumps, pumping facilities

and water-cooling towers, and land and buildings amounted to only US\$363 million, representing approximately 3 per cent. of consolidated total assets. This also represents less than 5 per cent. of consolidated net assets.

Given the above, land and buildings account for a very small proportion of the Company's total consolidated assets. The importance of land and buildings is peripheral to the Group's operations, profitability and market value (such land and buildings being largely unrealisable for practical purposes in isolation from the associated mining franchise). As such, the Company is of the view that the Group's property interests, individually and collectively, are not, in themselves, crucial and material to its operation. Therefore, the Company believes that the value of land and buildings is immaterial to the evaluation of the Group and its prospects and, moreover, that a valuation (performed on a basis inconsistent with the Group's current and normal practices) would not be useful to investors.

Additionally, the Group's land and buildings comprise a very large number of separate parcels and sites in widespread locations. As a result, the logistics and cost of producing valuations would be substantial, and this is considered to be disproportionately onerous compared to its usefulness to investors.

Waiver and exemption granted

The Company has made an application to the Hong Kong Stock Exchange for and has been granted a waiver from strict compliance with the requirements under Rule 5.01 of the Hong Kong Listing Rules, subject to the following conditions:

- (a) the inclusion by the Company in the Listing Document of a Competent Person's Report which will contain (among other things) a valuation of reserves and resources; and
- (b) the inclusion by the Company in the Listing Document of an overview of its property interests which are not ancillary to the exploration for and/or extraction of natural resources.

DISCLOSURE OF EXISTING SHARE OPTION SCHEMES

Background

The Company has adopted the following incentive plans:

- (a) Kazakhmys Long Term Incentive Plan 2007 (adopted by the Company's Remuneration Committee on 3 September 2007 with first grant of awards on 3 December 2007, and approved by Shareholders on 14 May 2010);
- (b) Kazakhmys Deferred Share Bonus Plan 2007 (adopted by the Company's Remuneration Committee on 3 September 2007 with first grant of awards on 7 April 2008);
- (c) Kazakhmys U.K. Executive Share Option Plan 2010 (approved by the Board on 3 March 2010 with first grant of options on 9 April 2010, and approved by Shareholders on 14 May 2010);

- (d) Kazakhmys U.K. Sharesave Plan 2010 (approved by Shareholders on 14 May 2010 with first grant of options on 23 September 2010);
- (e) Kazakhmys International Sharesave Plan 2010 (approved by Shareholders on 14 May 2010 with first grant of options on 23 September 2010);
- (f) Kazakhmys U.K. Share Incentive Plan 2010 (approved by Shareholders on 14 May 2010); and
- (g) Kazakhmys International Share Incentive Plan 2010 (approved by Shareholders on 14 May 2010),

together, the “Share Plans”.

Rule 17.02(1)(b) of the Hong Kong Listing Rules provides that a new applicant must disclose in the listing document all the terms of its share option schemes and full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options. This will include the disclosure of the names and addresses of all the grantees of the options.

In connection with this, paragraph 27 of Appendix 1A of the Hong Kong Listing Rules also requires a listed issuer to disclose particulars of any capital of any member of the Company and its subsidiaries 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, the price and duration of the option and the name and address of the grantee, or an appropriate negative statement.

For compliance with Rule 17.02(1)(b), it is expected that share options of a listing applicant shall be disclosed in its listing document with the following particulars:

The number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the following particulars, that is to say:

- (a) the period during which it is exercisable;
- (b) the price to be paid for shares or debentures subscribed for under it;
- (c) the consideration (if any) given or to be given for it or for the right to it; and
- (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures.

Waiver and exemption granted

The Company has made an application to the Hong Kong Stock Exchange for and has been granted a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A of the Hong Kong Listing Rules, subject to the conditions set out in the next paragraph, on the following grounds:

(a) Full disclosure is unduly burdensome

It is estimated that shares under the Share Plans have been granted to over 200 grantees. In view of the large number of grantees, the Company considers that disclosure of full details of the shares granted, including the names and addresses of all such grantees in the Listing Document would be unduly burdensome to the Company. The names and addresses of those grantees who are Directors or senior management of the Company (together, the “**Disclosed Grantees**”) have been disclosed in the Listing Document. Grantees other than the Disclosed Grantees are referred to as the “Other Grantees”.

As the awards granted to the Disclosed Grantees are fully disclosed in the Listing Document, the Company considers that exclusion of the names and addresses of the Other Grantees will not hinder the Company in providing an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Group to its potential investors.

(b) Sensitivity and privacy concerns

It is the policy of the Company that the remuneration packages of the employees of the Group are kept confidential. The grantees are invited to participate in the Share Plans based on merit, therefore not all grantees will be granted an equivalent number of shares in the Company. The Company considers the entitlement to the Share Plans of each Other Grantee is thus a sensitive matter and disclosure of these details may have a destabilising effect on the morale of some members of the Group’s workforce or may breach the relevant personal data/privacy legislations or regulations. This is not in the best interest of the Company, its shareholders nor the investing public in general.

(c) Sufficient information

The Company has disclosed the important information regarding the Share Plans set out below in the Listing Document. Furthermore, the names of all grantees of the Share Plans and the number of options granted and remain outstanding have been made available for inspection by the public as one of the documents available for inspection. The addresses of the grantees have not been made available for inspection because such information is protected by U.K. data protection legislation and cannot be disclosed unless written consents are obtained from the grantees concerned. The Company considers that the names and addresses of all the grantees are not material for potential investors’ assessment of the Group’s activities, assets and liabilities, financial position, management and prospects.

Disclosure in the Listing Document

The waiver requested and granted above is subject to the following conditions:

- (a) on an individual basis, the full details of the options granted by the Company under the Share Plans to each of the Disclosed Grantees including all particulars required under paragraph 10 of the Third Schedule to the Companies Ordinance (as in force then) are disclosed in the Listing Document;
- (b) for the remaining grantees on an aggregate basis, the aggregate number of grantees and number of options are disclosed in the Listing Document;
- (c) for the remaining grantees on an aggregate basis, the consideration paid for the grant of options, the exercise period and exercise price of the options are disclosed in the Listing Document; and
- (d) for the remaining grantees on an aggregate basis, the total number of shares of the Company to be issued pursuant to the exercise in full of all options granted under the Share Plans is disclosed in the Listing Document.

ACCOUNTANTS' REPORT

Background

Chapter 4 of the Hong Kong Listing Rules sets out details concerning financial information to be included in an accountants' report. Rule 4.10 of the Hong Kong Listing Rules provides that the information to be disclosed in respect of Rules 4.04 to 4.09 must be in accordance with best practice which is at least that required to be disclosed in respect of those specific matters in the accounts of a company under the Companies Ordinance and HKFRS or IFRS.

Pursuant to Rule 19.39 of the Hong Kong Listing Rules, the Company has included audited consolidated financial statements for the years ended 31 December 2008, 2009 and 2010 prepared in accordance with IFRS (the “**Historical Financial Information**”) in the Listing Document. The Company considers that the information which is contained in the section of the Listing Document entitled “**Historical Financial Information**” is sufficient for investors to understand the financial position of the Group for those periods.

The specific financial information required to be disclosed in an accountants' report under Chapter 4 of the Hong Kong Listing Rules which is not included in the Historical Financial Information includes:

- (a) analysis of indebtedness is different under IFRS and Rule 4.04(10). Rule 4.04(10) requires a statement of indebtedness as at the end of the period reported on showing, as regards bank loans and overdrafts and separately as regards other borrowings of the issuer (or of the issuer and its subsidiaries, including any company which will become a subsidiary by reason of any acquisition falling within Rules 4.04(2) and (4)), the aggregate amounts repayable: (i) on demand or within a period not exceeding one year; (ii) within a period of more than one year

but not exceeding two years; (iii) within a period of more than two years but not exceeding five years; and (iv) within a period of more than five years. In contrast, the Company, under IFRS rules and industry practice in the U.K., discloses this information as: (i) on demand or within a period not exceeding one year; (ii) less than three months; (iii) within a period of more than three months but not exceeding one year; (iv) within a period of more than one year but not exceeding five years; and (v) within a period of more than five years, within its financial instruments disclosures in the Historical Financial Information. A waiver from further analysis of indebtedness into a category of more than one year but not exceeding two years has been sought and granted by the Hong Kong Stock Exchange on the basis that the current disclosures are compliant with IFRS and U.K. industry practice. The Company also believes that based on the long-term nature of its current indebtedness profile, a further category would not provide any further useful information to readers of the Historical Financial Information than that which is currently disclosed in the Listing Document;

- (b) analysis of tax between Hong Kong and overseas is not required under IFRS (Rule 4.05(1)(h) of the Hong Kong Listing Rules). As the Company does not expect to generate any taxable revenues in Hong Kong, no taxes are expected to be levied. Furthermore, the Company currently discloses the tax charge for each jurisdiction in which it operates and the Company believes that such disclosures as required by Rule 4.05(1)(h) would not provide any further useful information to readers of the Historical Financial Information than that which is currently disclosed;
- (c) analysis of current liabilities in the form set out in Rule 4.05(2)(c) of the Hong Kong Listing Rules. In the Historical Financial Information, as part of the financial instruments disclosures, an analysis of gross accounts payable and receivable by maturity is provided as follows: (i) on demand or within a period not exceeding one year; (ii) less than three months; (iii) within a period of more than three months but not exceeding one year; (iv) within a period of more than one year but not exceeding five years; and (v) within a period of more than five years. The Company believes that this disclosure is sufficient to meet the requirements of Rule 4.05(2)(c); and
- (d) the presentation of the balance sheet is different under IFRS and, as such, “net current assets (liabilities)” (as required under Rule 4.05(2)(d) of the Hong Kong Listing Rules) and “total assets less current liabilities” (as required under Rule 4.05(2)(e) of Hong Kong Listing Rules) is not shown on the face of the balance sheet. On the basis that the Company’s financial statements are compliant with the requirements of IFRS and the London Listing Rules which do not require or recommend such disclosure, the presentation of the Company’s balance sheet allows for these measures to be easily derived should a user require this information. In addition, the disclosure provided in the financial statements relating to financial instruments provides alternative disclosures in respect of net current assets (liabilities).

The specific financial information required to be disclosed in an accountants’ report under the Companies Ordinance which is not included in the Historical Financial Information includes Sections 161B, 162 and 162A and paragraphs 12(9), 13(1)(b), 13(1)(c) and 17 of the Tenth Schedule to the Companies Ordinance (as in force then). The Historical Financial Information has complied with the relevant corresponding requirements under the U.K. laws and thus, the Company considers that such information provides sufficient information to the investors in respect of aforementioned items under the Companies Ordinance.

Appendix 16 to the Hong Kong Listing Rules sets out the minimum financial information that a listed issuer shall include in, among other publications, its annual reports, interim reports, preliminary announcements of full-year results, preliminary announcements of interim results, listing documents and circulars in respect of equity securities. On the basis that the Company has been waived from compliance with Appendix 16 on a continuing basis post-Listing (see below), the Company considers that Appendix 16 should not apply to the Historical Financial Information.

Waiver and exemption granted

Given the extent of disclosures already required under the U.K. laws and the London Listing Rules, the preparation of an accountants' report including the above specific information under the Hong Kong Listing Rules and Companies Ordinance would not serve to provide any further meaningful information to investors and the incurrance of additional time and costs for this purpose would be unduly onerous to the Company and would not be justified. As such, the Company has made an application to the Hong Kong Stock Exchange and has been granted a waiver from compliance with Rules 4.04(10), 4.05(1)(h), 4.05(2)(c), 4.05(2)(d), 4.05(2)(e) and 4.10 of the Hong Kong Listing Rules.

COMPANY SECRETARY

Rule 8.17 of the Hong Kong Listing Rules requires an issuer to appoint a company secretary who satisfies Rule 3.28 of the Hong Kong Listing Rules. Rule 3.28 of the Hong Kong Listing Rules sets out the requisite qualifications or experience that the relevant individual has to satisfy in order to discharge his functions as company secretary of an issuer. The Company obtained a waiver in relation to certain requirements set out in Rules 8.17 and 3.28 of the Hong Kong Listing Rules at the time the Company was listed in respect of Mr. Robert Welch, the company secretary of the Company at that time. Mr. Robert Welch left the Company and Mr. Stephen Hodges was appointed as the company secretary on 9 May 2014. The waiver in respect of Rule 3.28 of the Listing Rules was subsequently updated.

While Mr. Hodges has not previously had personal experience of the Hong Kong regulatory system, he will have the resources and expertise of the Company's assistant company secretary, Ms. Choy Yee Man, who is familiar with the Hong Kong regulatory environment, readily available to assist him. For further details of the background of the assistant company secretary, please see the section of the Listing Document entitled "Directors, Senior Management and Employees". As a result, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 3.28 of the Hong Kong Listing Rules on that basis.

Upon the expiry of a three-year period from the date of appointment of Mr. Hodges as company secretary of the Company, the necessity for a separate Hong Kong specific support will be reviewed.

DEALINGS IN SHARES PRIOR TO LISTING

Pursuant to Rule 9.09(b) of the Hong Kong Listing Rules, there must be no dealing in the securities for which listing is sought by any H.K. connected person of the issuer from four clear Business Days before the expected hearing date until listing is granted. In the context of a secondary listing

of a widely held, publicly traded company, the Company has no control over the investment decision of its Shareholders. The Company does not contemplate that it will satisfy the strict requirement under Rule 9.09(b) of the Hong Kong Listing Rules. The Company has accordingly applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules.

In support of the waiver application, the Company has agreed and undertaken as follows:

- (a) the Company has no control over the investment decisions of its Shareholders, nor is it in a position to be fully aware of the dealing in the Shares of such Shareholders;
- (b) the Company confirms that the waiver is only applicable to existing and future Substantial Shareholders whose investment decisions it does not have control over;
- (c) the Company confirms that the Directors and senior management of the Company, and their associates, will not deal in its Shares from four clear Business Days before the expected hearing date until Listing is granted;
- (d) the Company undertakes that it shall notify the Hong Kong Stock Exchange of any dealing in Shares by the Kazakhstan Government and related parties of the Company of which it becomes aware; and
- (e) the Company undertakes that it shall release inside information to the public as required by relevant laws, rules and regulations applicable to the Company so that anyone who may deal in the Shares as a result of this waiver will not be in possession of non-public inside information.

PROFIT FORECAST MEMORANDUM

Rule 9.11(10)(b) of the Hong Kong Listing Rules provides that, where the listing document does not contain a profit forecast, two copies of a draft of the board's profit forecast memorandum covering the period up to the forthcoming financial year end date after the date of listing and cash flow forecast memorandum covering at least 12 months from the expected date of publication of the listing document with principal assumptions, accounting policies and calculations for the forecasts are required to be submitted to the Hong Kong Stock Exchange. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 9.11(10)(b) of the Hong Kong Listing Rules on the basis that: (a) the Listing Document does not include a profit forecast; (b) the Company is already listed on the LSE where there is extensive coverage of its financial position and prospects through analysts' research in the market; and (c) it is a requirement under the DTR that public announcements be made by the Company where there is any material change in expectations of its financial position and prospects.

RESTRICTION ON DISPOSAL OF SHARES

Rule 10.07(1) of the Hong Kong Listing Rules provides that a person or group of persons shown by the listing document issued at the time of the issuer's application for listing to be the controlling shareholder of the issuer shall not and shall procure that the relevant registered holder shall not:

- (a) in the period commencing on the date by reference to which disclosure of his shareholding in the issuer is made in the listing document and ending on the date which is six months from the date on which dealings in the shares commence on the Hong Kong Stock Exchange, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares in the issuer in respect of which he is shown to be the beneficial owner; and
- (b) in the period of six months commencing on the date on which the period referred to in (a) above expires, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the shares in the issuer referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he would cease to be a controlling shareholder of the issuer.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with the restrictions on disposal under Rule 10.07(1) of the Hong Kong Listing Rules. The reasons for application for such waiver by the Company are as follows:

- (a) the rationale for Rule 10.07(1) is to ensure that controlling shareholders are committed to an issuer during its initial stage of listing as investors are entitled to expect a degree of commitment by a controlling shareholder. The Company has been listed on the LSE since 2005 and the controlling shareholders have together maintained more than 30 per cent. of the shareholding in the Company since then; and
- (b) Rule 10.07(4) of the Hong Kong Listing Rules provides that the restrictions in Rule 10.07(1) of the Hong Kong Listing Rules do not apply to transfer of shares by controlling shareholders in listed issuers successfully transferred from the Growth Enterprise Market to the Main Board of the Hong Kong Stock Exchange. The Directors are of the view that the relaxation provided under Rule 10.07(4) of the Hong Kong Listing Rules should also be extended to companies already listed on an overseas stock exchange and seeking to list on the Hong Kong Stock Exchange by way of an introduction; as no new funds will be raised in either situation.

ISSUE OF SECURITIES AFTER LISTING

Rule 10.08 of the Hong Kong Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of the listed issuer first commence dealing on the Hong Kong Stock Exchange.

Rules 7.19(7) and 7.24(6) provide that, in the period of 12 months from the date on which dealings in the securities of a new applicant commence on the Hong Kong Stock Exchange, the issuer shall not effect any rights issue or open offer, unless it is made conditional on the approval of shareholders in general meeting by a resolution on which any controlling shareholder and its associates shall abstain from voting in favour.

The Shares are already listed on the LSE and hence, the listing on the Hong Kong Stock Exchange is not an initial but a further listing. Apart from the statutory pre-emptive rights conferred under CA 2006 and the Articles and the restrictions on issuing new Shares as set out in the shareholder resolutions approved at the Annual General Meeting, the Company is currently not subject to any restriction which prevents it from issuing new Shares. The listing of the Shares on the Hong Kong Stock Exchange was by way of introduction and did not involve any fund raising and hence, there was no concern of new investors being subject to the risk of dilution within a relatively short time after Listing. On such basis, the Company considers that it would be unduly onerous to restrict its ability to raise funds through the issuance of new Shares on terms set out in Rules 10.08, 7.19(7) and 7.24(6).

In order for the Company to maintain the flexibility in fund raising through the issue of Shares, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with the restrictions on further issue of securities within six months from the Listing Date under Rule 10.08 of the Hong Kong Listing Rules and the restrictions on offer of securities by way of rights issue and open offer under Rules 7.19(7) and 7.24(6) of the Hong Kong Listing Rules.

ARTICLES OF ASSOCIATION

Appendix 3 to the Hong Kong Listing Rules requires an issuer's articles of association or equivalent constitutional documents to conform with the provisions set out in that appendix (the “**Articles Requirements**”). The Articles do not comply with certain of the Articles Requirements and the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the following Articles Requirements.

As regards Redeemable Shares

Articles Requirement 8 requires that if the Company has the power to purchase for redemption redeemable shares, purchases not made through the market or by tender shall be limited to a maximum price and if such a purchase is made by tender, then tenders must be available to all shareholders alike.

Section 684(3) CA 2006 provides that a public company must not issue redeemable shares unless its articles expressly authorise it to do so. It further states that the terms, conditions and manner of redemption of redeemable shares can be either: (a) stated in the company's articles; or (b) determined by the directors of the company, provided that they have been authorised to do so either by the company's articles or by an ordinary resolution. The Articles have authorised the issue of redeemable shares and the Company will comply with the said relevant provisions under CA 2006 when redeeming such redeemable shares (to the extent that they are ever in issue). In addition, under Rule 12.2 of the London Listing Rules: (a) no share redemption shall take place during a black-out period set out in the U.K. Model Code; (b) there shall be no redemption from a related

party unless rules governing related party transactions in the London Listing Rules (see paragraph “Notifiable Transactions and Connected Transactions” below) are complied with; and (c) depending on the size of the redemption, the Company may be required to set a maximum redemption price or conduct the redemption by way of a tender offer.

The Company has undertaken to the Hong Kong Stock Exchange that it will observe the redemption requirements under Articles Requirement 8 when redeeming any redeemable shares after Listing.

As regards Capital Structure

Articles Requirement 9 requires the structure of the share capital of the issuer be stated and where such capital consists of more than one class of share it must also be stated how the various classes shall rank for any distribution by way of dividend or otherwise.

Section 108 CA 2006 requires that the statement of capital which must be filed by a company on the allotment of shares (as well as in certain other circumstances where the share capital of the company is altered) must contain the following information about each class of shares: (a) particulars of any voting rights attached to the shares (including rights that arise only in certain circumstances); (b) particulars of any rights attached to the shares, as respects dividends, to participate in a distribution; (c) particulars of any rights attached to the shares, as respects capital, to participate in a distribution (including on a winding up); and (d) whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder. CA 2006 further requires the annual return of a company with a share capital to include a statement of capital which, among other things, sets out for each class of shares: (a) the voting rights attached to the shares; (b) the number of shares of that class; and (c) the aggregate nominal value of shares of that class. The Company has complied, and will continue to comply, with the requirements for filing the statement of capital and annual return under the relevant provisions of CA 2006.

As regards Non-Voting or Restricted Voting Shares

Articles Requirement 10(1) requires that where the capital of the issuer includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.

Articles Requirement 10(2) requires that where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”.

Although none of CA 2006, the London Listing Rules or the Articles contain any requirement similar to Articles Requirements 10(1) and 10(2), the Company has undertaken to the Hong Kong Stock Exchange to designate Shares which do not carry voting rights with the words “non-voting” or Shares which do not contain most favourable voting rights with the words “restricted voting” or “limited voting”.

As regards Disclosure of Interests

Articles Requirement 12 requires that no powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.

Under article 77 of the Articles, if a Shareholder fails to provide information in respect of his interest in the Shares in compliance with a notice issued to him pursuant to Section 793 of CA 2006, such member shall not be entitled to be present or to vote at a general meeting and where the Shares represent 0.25 per cent. of the issued shares dividends will be withheld by the Company and transfer of the Shares will be limited. In addition, for non-compliance with such notice, Section 794 of CA 2006 also allows a listed issuer to take action to freeze or otherwise restrict any of the rights attaching to any share by application to the court.

The Company considers that any amendment to article 77 of the Articles will not be compliant with Sections 793 and 794 of CA 2006.

DISCLOSURE OF INTERESTS

Part XV of the SFO imposes duties of disclosure of interest in Shares. The Company is presently subject to a requirement to disclose the interests of its Directors and certain senior executives (and their connected persons as defined in Section 96B and Schedule 11B of the FSMA) and shareholders who hold 3 per cent. or more of the Shares under the DTR and for every subsequent 1 per cent. increment thereafter. The Company has applied for, and the SFC has granted, a partial exemption under Section 309(2) from all of the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12) for Shareholders, Directors and the chief executive to notify their interests in securities of the Company and for the Company to prepare registers and maintain records. Division 5 of Part XV of the SFO relates to a listed corporation's powers to investigate into ownership of its share capital. Division 11 of Part XV of the SFO relates to the power of the Financial Secretary of Hong Kong to investigate into ownership of the share capital of listed corporations. Division 12 of Part XV of the SFO allows for applications for a court order to impose restrictions on shares the subject of investigations by a listed corporation or the Financial Secretary pursuant to the exercise of powers under Divisions 5 and 11 of Part XV of the SFO.

The SFC has granted such partial exemption on the condition that:

- (a) the Company shall file with the Hong Kong Stock Exchange all disclosures of interests made in the United Kingdom as soon as practicable on the basis that the Hong Kong Stock Exchange will publish these disclosures in the same way as those it receives from other listed corporations pursuant to Part XV of the SFO;
- (b) the Company shall report to the SFC within 10 Business Days after the end of each calendar month what percentage of that month's average daily worldwide share turnover took place on the Hong Kong Stock Exchange, until such time when the SFC advises the Company otherwise in writing and in any case for no less than 12 months following Listing. It should be noted that the SFC has subsequently advised the Company that the submission of such monthly reports is no longer required until further notice from the SFC to the Company; and
- (c) the Company shall advise the SFC if there is any material change in any of the information which the Company has given to the SFC, including any significant change to the disclosure requirements in the United Kingdom, and any exemption or waiver from the disclosure of interests requirements in the United Kingdom.

In addition, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraphs 41(1) and 45 of Appendix 1A, paragraphs 34 and 38 of Appendix 1B, paragraph 49 of Appendix 1C, paragraphs 30 and 34 of Appendix 1F and paragraphs 12 and 13 of Appendix 16 to the Hong Kong Listing Rules. For details, please refer to paragraph “Practice Note 5 of the Hong Kong Listing Rules”.

NOT A PUBLIC COMPANY IN HONG KONG

Section 4.1 of the Hong Kong Codes on Takeovers and Mergers and Share Repurchases (the “**Hong Kong Codes**”) applies to takeovers, mergers and repurchases affecting, among others, public companies in Hong Kong and companies with a primary listing in Hong Kong.

The Company has applied for, and the SFC has granted, a ruling that the Company should not be regarded as a “public company in Hong Kong” for the purposes of Section 4.1 of the Hong Kong Codes. This ruling may be reconsidered by the SFC in the event of a material change in information provided to the SFC.

The Company is subject to the provisions of CA 2006, the London Listing Rules and the U.K. Takeover Code; the website addresses of these laws and regulations are included in the Listing Document.

PART B: CONTINUING OBLIGATIONS WAIVERS

The Company has applied for and been granted by the Hong Kong Stock Exchange and/or the SFC a number of waivers, modifications and exemptions with respect to continuing obligations applicable following Listing as disclosed below.

Relevant Rule to be waived/ modified	Subject matter of the Rule	Page Number
Rule 2.07A of the Hong Kong Listing Rules	Rules relating to electronic communications	18
Rule 2.07C(1)(b)(i) of the Hong Kong Listing Rules	Rules relating to submission of shareholder communications to the Hong Kong Stock Exchange	21
Rule 2.07C(4)(a) of the Hong Kong Listing Rules	Rules relating to publication of announcements of <u>inside</u> information in Hong Kong	21
Rules 2.07C(4)(b) — (d) and 19.36(5) of the Hong Kong Listing Rules	Language requirement	22
Rules 3.10, 3.11, 3.13 and 3.14 of the Hong Kong Listing Rules	Requirement to have Independent Non-Executive Directors	23
Rule 3.17 and 13.67 of and Appendix 10 to the Hong Kong Listing Rules	Rules relating to Model Code for Securities Transactions by Directors of Listed Issuers	24
Rules 3.21, 3.22 and 3.23 of the Hong Kong Listing Rules	Requirement to have an Audit Committee	26
Rule 7.09 — 7.12 of the Hong Kong Listing Rules	Certain matters relating to placing	27
Rules 7.29, 7.31 and 7.33 of the Hong Kong Listing Rules	Certain matters relating to capitalisation issue, consideration issue and exchange, etc.	28
Rule 8.15 of the Hong Kong Listing Rules	Rules relating to qualifications for listing	28
Rule <u>3.28</u> of the Hong Kong Listing Rules	<u>Requirements</u> of a Company Secretary	29
Rules 8.20 and 13.26 of the Hong Kong Listing Rules	Rules relating to listing of future new shares	29

Relevant Rule to be waived/ modified	Subject matter of the Rule	Page Number
Rule 8.22 of the Hong Kong Listing Rules	Rules relating to suitability of underwriters	30
Rules 9.09(a) and 9.09(b) of the Hong Kong Listing Rules	Rules relating to dealings by H.K. connected persons ahead of listing of future new shares	30
Rules 9.19 — 9.23 of the Hong Kong Listing Rules	Procedural requirements applicable to the listing of further equity securities	31
Rules 10.01 — 10.02 of the Hong Kong Listing Rules	Rules relating to restrictions on preferential treatment of purchase and subscription applications	31
Rules 10.05, 10.06(2)(c), 10.06(4), 10.06(5) of the Hong Kong Listing Rules	Rules relating to restrictions and notification requirements on issuers purchasing their own shares on a stock exchange	32
Rule 10.07(1) of the Hong Listing Rules	Rules relating to restrictions on disposal of shares by controlling shareholders following a new listing	35
Rule 10.08 of the Hong Kong Listing Rules	Rules relating to issue of securities within six months of listing	<u>35</u>
Chapter 11 of the Hong Kong Listing Rules	Requirements relating to listing documents	<u>35</u>
Chapter 11A of the Hong Kong Listing Rules	Requirements relating to prospectuses	38
Chapter 12 of the Hong Kong Listing Rules	Publication requirements	38
Rules 13.11 — 13.23 and 13.25 of the Hong Kong Listing Rules	Matter relating to the disclosure of certain matters relevant to the Company's business	39
Rules 13.25A, 13.25B, 13.26, 13.27, 13.28, 13.29, 13.30, 13.31(1), 13.32, 13.33, 13.35, 13.36, 13.36(5), 13.57 and 19.31 of the Hong Kong Listing Rules	Matters relating to the disclosure of certain matters relevant to the Company's securities	40
Rules 13.37, 13.38, 13.39(1), (2), (4), (5), (6) and (7), 13.40, 13.41 and 13.42 of the Hong Kong Listing Rules	Matters relating to general meetings	44

Relevant Rule to be waived/ modified	Subject matter of the Rule	Page Number
Rules 13.44 and 13.45 of the Hong Kong Listing Rules	Matters relating to board meetings	47
Rules 13.46, 13.47, 13.48, 13.49, 13.50 of the Hong Kong Listing Rules	Matters relating to general disclosure of financial information	48
Rules 13.51(1), (2), (3), (5), (6), 13.51B, 13.51C and 13.74 of the Hong Kong Listing Rules	Notification requirements	51
Rules 13.52, 13.52A, 13.52B, 13.54, 13.55(1), 13.56 and 13.57 of the Hong Kong Listing Rules	Requirements relating to announcement, circulars and other documents	52
Rules 13.58 — 13.63 of the Hong Kong Listing Rules	Requirements relating to trading and settlement	54
Rule 13.66 of the Hong Kong Listing Rules	Rules relating to the closure of books and record date	54
Rules 13.67, 13.68, 13.69, 13.70, 13.71, 13.73 and 13.80 — 13.87 of the Hong Kong Listing Rules	Other general continuing obligations requirements	54
Chapter 14 of the Hong Kong Listing Rules	Rules relating to Notifiable Transactions	58
Chapter 14A of the Hong Kong Listing Rules	Rules relating to Connected Transactions	58
Chapters 15, 27 and Practice Note 4 of the Hong Kong Listing Rules	Rules relating to Options, Warrants and Similar Rights	65
Chapter 16 of the Hong Kong Listing Rules	Rules relating to Convertible Equity Securities	67
Chapter 17 of the Hong Kong Listing Rules	Rules relating to Disclosure of Share Options	67
Rules 18.14 and 18.16 of the Hong Kong Listing Rules	Continuing obligations relating to mining companies	69

Relevant Rule to be waived/ modified	Subject matter of the Rule	Page Number
Rules 18.18 — 18.34 of the Hong Kong Listing Rules	Requirements relating to statements on resources and/or reserves	70
Chapter 28 of the Hong Kong Listing Rules	Rules relating to Convertible Debt Securities	72
Appendix 14 to the Hong Kong Listing Rules	Code on Corporate Governance Practices	74
Appendix 16 to the Hong Kong Listing Rules	Certain disclosure requirements for financial statements to be included in certain reports, documents and circulars of an issuer	<u>80</u>
Paragraphs 41(1) and 45 of Appendix 1A, paragraphs 34 and 38 of Appendix 1B, paragraph 49 of Appendix 1C, paragraphs 30 and 34 of Appendix 1F and paragraphs 12 and 13 of Appendix 16 and Practice Note 5 of the Hong Kong Listing Rules	Rules relating to Disclosure of Interests Information	82
Practice Note 15 of the Hong Kong Listing Rules	Rules relating to spin-off listings	83

ELECTRONIC COMMUNICATIONS

Background

Rule 2.07A of the Hong Kong Listing Rules provides that an issuer may send or otherwise make available to the relevant holders of its securities any corporate communication by electronic means, provided that either the issuer has previously received from each of the relevant holders of its securities an express, positive confirmation in writing or the shareholders of the issuer have resolved in a general meeting that the issuer may send or supply corporate communications to shareholders by making them available on the issuer's own website or the issuer's constitutional documents contain provision to that effect, and certain conditions are satisfied.

Section 1144 CA 2006 sets out that documents or information to be sent by an issuer must comply with Schedule 5 CA 2006, which states that documents or information may be validly sent in electronic form where the person and issuer have agreed to this method (generally or specifically) and the recipient has specified an address. It also provides that a document or information may be validly sent to a person by means of a website where the person has agreed for the document or information to be sent in this manner or is deemed to have agreed (e.g. by way of a members' resolution or pursuant to the terms of a company's articles of association). This is on the condition that the person has been asked individually by the issuer to agree and the issuer has not received a response within 28 days of the request.

Under article 153.2 of the Articles, notices or documents are treated as being sent to a person by electronic means or by means of a website where: (a) the Company and that person have agreed to having access to the notice or document on a website (instead of them being sent to that person); and (b) a notice is sent to the person, in a manner for the time being agreed for that purpose between the person and the Company, of (i) the publication of that notice or document on the website, (ii) the address of the website and (iii) the place on the website where the notice or document may be accessed and how it may be accessed.

Consequently, in accordance with the Articles, CA 2006 and the regulatory requirements of the London Listing Rules, the Company may use electronic means for the issue of all corporate communications with certain limited exceptions.

The Company's approach and practices

At the Annual General Meeting in April 2008, the Company's Shareholders passed a resolution altering its Articles to adopt provisions enabling the Company to utilise changes to English law to permit the Company to send documents and information by electronic means, including making them available on the Company's website in accordance with the provisions of CA 2006 and the DTR. These provisions require members to "opt-in" to receive annual reports and other shareholder documents in hard copy form, making electronic communications the default method of communication, so that members are required to specify if they want to receive communications in hard copy form.

Following Shareholder approval, the Company wrote to Shareholders individually in October 2008 explaining the above and providing them with three options:

- (a) if they wished to access all future shareholder documents on the Company's website they could enter their e-mail address on the form enclosed with the letter and send this back to the Company's U.K. registrar, following which the Shareholder would receive an e-mail notification on each occasion a shareholder document was placed on the Company's website including a link to where they would find the document on the website; or
- (b) if they wished to continue to receive shareholder documents in hard copy form they could tick the appropriate box on the form enclosed with the letter and send this back to the Company's U.K. registrar, following which the Shareholder would continue to receive shareholder documents in hard copy form; or
- (c) if they wished to receive notification by post that a shareholder document was available on the Company's website then they did not need to respond and, if they did not respond positively to the letter within 28 days, they would be deemed to have chosen this option.

The letter also informed Shareholders that if they wanted to change their mind as to how they wished to receive shareholder documents, they could do so by notifying the Company's U.K. registrar. Furthermore, notwithstanding any prior request or deemed consent to receive communications electronically, a Shareholder may at any time tell the Company that he/she wishes to receive all or specified information in hard copy form and the Company will then send a copy free of charge within 21 days of receiving the request.

This process was repeated again in January 2010 in order to cover new Shareholders who had come onto the U.K. Register since October 2008, and on an annual basis thereafter until September 2013. Since September 2013, this letter has been sent to each new Shareholder individually as soon as they come onto the U.K. Register.

Based on the above options the Company currently sends its Shareholders the following:

- (a) e-mail notification (in English and Russian) on the date that shareholder documents are mailed to Shareholders, advising that shareholder documents are available to access on the Company's website; or
- (b) annual report and accounts, notice of annual general meeting and form of proxy (and, for Russian and Kazakhstan-based Shareholders, Russian versions of the notice of annual general meeting and form of proxy); or
- (c) a cover letter advising that the relevant annual report and accounts are available to access on the Company's website, notice of annual general meeting and form of proxy (and, for Russian and Kazakhstan-based Shareholders, Russian versions of the notice of annual general meeting and form of proxy).

All Shareholders, whether they receive an e-mail notification or whether they receive hard copy shareholder documents, are able to cast their votes online for any annual general meeting or general meeting using an online voting service offered by the Company's U.K. registrar. Shareholders require a Shareholder reference number and PIN, and this is either provided in the e-mail notification or on their form of proxy.

Furthermore, from 2008, the Company has utilised changes to the London Listing Rules which removed the requirement to issue a hard copy interim (half-yearly) report to Shareholders. The half-yearly report is issued in the form of a press release which is released to the LSE and made available on the Company's website.

The Company's proposed approach relative to the Introduction and Listing

In connection with the Introduction and Listing, the Company will, following completion of the Introduction and Listing, and at a date no earlier than one month and no later than three months following the Listing Date, repeat the Shareholder communication process described above as undertaken in January 2010, offering the same options to Shareholders on the Hong Kong Share Register.

Waiver granted

On the basis that the London Listing Rules relating to the sending of corporate communications in electronic form are comparable to the Hong Kong Listing Rules, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 2.07A of the Hong Kong Listing Rules to enable the Company to follow the position contained in its Articles and continue with its existing approach and practices described above, on the condition that the Company will, following completion of the Introduction and Listing and at a

date no earlier than one month and no later than three months following the Listing Date, repeat the Shareholder communication process described above as undertaken in January 2010, offering the same options to Shareholders on the Hong Kong Share Register.

SUBMITTING SHAREHOLDER COMMUNICATIONS TO THE HONG KONG STOCK EXCHANGE

Rule 2.07C(1)(b)(i) of the Hong Kong Listing Rules provides that, other than where a prospectus is required to be registered under the Companies Ordinance, an issuer must submit to the Hong Kong Stock Exchange an electronic copy of any corporate communication the day before it is sent to the shareholders. Where the prospectus is to be registered under the Companies Ordinance, the issuer must submit an electronic copy of the prospectus to the Hong Kong Stock Exchange at the same time as it is sent to the shareholders. The prospectus can only be submitted after the issuer has received a letter confirming the registration from the Companies Registry of Hong Kong.

The Company has applied for, and the Hong Kong Stock Exchange has granted, modification of the application to the Company of Rule 2.07C(1)(b)(i) of the Hong Kong Listing Rules to the effect that all corporate communications (other than the prospectus) are to be filed with the Hong Kong Stock Exchange on the day such communication is sent to Shareholders where practicable, but, in any event, such communication must be filed no later than it is announced on the website of the LSE.

PUBLICATION OF ANNOUNCEMENTS OF INSIDE INFORMATION IN HONG KONG

Background

Pursuant to Rule 2.07C(4)(a) of the Hong Kong Listing Rules, announcements must not be submitted to the Hong Kong Stock Exchange between 9:00 a.m. and 4:15 p.m. (Hong Kong time) on a normal Business Day unless they fall within certain exemptions contained in that Rule. Submission of announcements during these hours (and not pursuant to one of the exemptions) may necessitate a trading halt in or suspension of trading of the relevant issuer's listed securities.

Compliance with the DTR by the Company could require an announcement of inside information to be made by the Company outside the permitted periods for submitting announcements to the Hong Kong Stock Exchange under Rule 2.07C(4)(a) of the Hong Kong Listing Rules.

Under the DTR, an announcement of inside information is required to be made as soon as possible regardless of whether such announcement is made during normal trading hours. No suspension of the trading of the Company's securities would generally be imposed by the LSE or the Financial Conduct Authority.

If trading of Shares on the Hong Kong Stock Exchange is halted or suspended as a result of the Hong Kong Listing Rules, this would have an adverse result on the trading of the Company's shares as this could potentially put Hong Kong investors at a disadvantage compared to investors in the U.K. and Kazakhstan who may be able to deal in the Company's shares whilst Hong Kong investors are prevented from doing so.

Waiver granted

Accordingly, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver in respect of Rule 2.07C(4)(a) such that the Company is permitted to issue announcements pursuant to Rule 13.09(1) between 9:00 a.m. and 4:15 p.m. (Hong Kong time) simultaneously with the issue of the same announcement in accordance with Rule 2 of the DTR in London without a subsequent suspension of dealings or trading halt in the Company's shares subject to the following conditions:

- (a) the Company shall disclose in its prospectus the grant of this waiver setting out relevant details including a clear indication of the impact of the waiver on the Hong Kong investing public given that the waiver is not subject to a condition requiring there to be a trading halt immediately following any announcement under the waiver;
- (b) the Company shall inform the Hong Kong Stock Exchange in the first instance in the event of any material change being made to the U.K. regime on disclosure of inside information as such information may be of material relevance to an assessment of the ongoing appropriateness of the waiver. The Hong Kong Stock Exchange will evaluate the impact of any of these changes and indicate to the Company whether or not it intends to amend or revoke the waiver; and
- (c) the Company shall comply with relevant provisions in the event of changes to the Hong Kong regulatory regime and the Hong Kong Listing Rules in relation to disclosure of inside information and the applicable requirements for publication through the Hong Kong Stock Exchange's electronic publication system unless the Hong Kong Stock Exchange agrees to amend the waiver or grant a new waiver in the circumstances then prevailing. The Company would also agree to notify the Hong Kong Stock Exchange of the pending announcements and the expected time of release and submit the electronic copies of the English and Chinese versions of announcements at least 10 minutes in advance of the expected time of release.

The impact of the above waiver for investors in Hong Kong is that trading in the Company's securities will continue in the event that an announcement containing inside information is released by the Company during normal trading hours in Hong Kong. **As a result, investors in Hong Kong should consider whether any inside information has been released during trading hours in Hong Kong prior to making an investment decision regarding the Company's securities.** Investors can access announcements released by the Company (including those containing inside information) via the Hong Kong Stock Exchange's website at www.hkex.com.hk. Announcements will also be published on the Company's website at www.kazakhmys.com in accordance with the Hong Kong Listing Rules. The Hong Kong Listing Rules require that, where an announcement is submitted to the Hong Kong Stock Exchange for publication on its website during trading hours, publication on the Company's own website must be no later than one hour after such submission.

LANGUAGE

Rules 2.07C(4)(b)-(d) of the Hong Kong Listing Rules (as modified by Rule 19.36(5)) provide that announcements, notices and corporate communications (other than a listing document which is not a prospectus) required to be published by an issuer pursuant to the Hong Kong Listing Rules must be in both English and Chinese.

The Company has sought clarification, and the Hong Kong Stock Exchange has confirmed, that the obligation on the Company to publish announcements, notices and other corporate communications in Chinese will be limited to any announcement containing inside information, notice or other corporate communications. As a specific point, on each occasion when the Company first publishes or announces its financial results for any period, the results will be announced or otherwise published (as applicable) in both English and Chinese.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Background

Rules 3.10 and 3.11 of the Hong Kong Listing Rules provide that an issuer must have three independent non-executive directors, at least one of whom should hold an appropriate professional qualification or accounting or related financial management expertise. The issuer must publish an announcement if the number of independent non-executive directors falls below the minimum requirement and it must appoint a replacement within three months. It should be noted that since the date that the relevant waiver was granted, Rule 3.10A of the Hong Kong Listing Rules has been introduced by the Hong Kong Stock Exchange requiring an issuer to, by 31 December 2012, appoint independent non-executive directors representing at least one-third of the board.

Rule 3.12 states (among other things) that the Hong Kong Stock Exchange may stipulate a minimum number of independent non-executive directors to be higher than three.

Rule 3.13 sets out the (non-exhaustive) factors which the Hong Kong Stock Exchange will take into account in assessing the independence of a non-executive director and it also requires every independent non-executive director to submit a written confirmation of his or her independence and provide an annual confirmation of such, which must be disclosed in the issuer's annual report.

Rule 3.14 provides that if a proposed independent non-executive director does not satisfy the requirements under Rule 3.13, the issuer must demonstrate to the Hong Kong Stock Exchange's satisfaction why the proposed independent non-executive director is independent. This needs to be disclosed in the announcement of his appointment and in the next annual report after his appointment.

The U.K. Governance Code contains provisions in regard to independent non-executive directors which are broadly similar to those in the Hong Kong Listing Rules. Section B.1 of the U.K. Governance Code provides that the board should include an appropriate combination of executive and non-executive directors (and, in particular, independent non-executive directors) such that no individual or small group of individuals can dominate the board's decision taking. Although the U.K. Governance Code does not specify the factors to be considered for determination of independence of non-executive directors, it states that the board should identify in the annual report each non-executive director it considers to be independent and should state its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination.

Section B.1.2 of the U.K. Governance Code states that at least half the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent.

The U.K. Governance Code has no formal requirements for written confirmations of independence, or in respect of professional qualifications or accounting or related financial management expertise. Nevertheless, under Section B.2 of the U.K. Governance Code, the search for board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the board, including gender. Also, whilst there are no specific requirements if the number of independent non-executive directors falls below what is required, the resignation of a director must be disclosed and any non-compliance by the Company with the U.K. Governance Code would be discloseable in its annual report.

Waiver granted

As there are overriding similarities on these points between the Hong Kong Listing Rules and the U.K. Governance Code, which the Company must either comply with or explain its reasons for non-compliance, the Company has applied for, and been granted by the Hong Kong Stock Exchange, a waiver from Rules 3.10, 3.11, 3.13 and 3.14 of the Hong Kong Listing Rules and also from those provisions of Rule 3.12 of the Hong Kong Listing Rules which would otherwise permit stipulation of a minimum number of independent non-executive directors which is higher than three.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

Rules 3.17 and 13.67 of the Hong Kong Listing Rules specify that a listed issuer must adopt, and its directors must comply with, the H.K. Model Code or the listed issuer's own code on no less exacting terms than the H.K. Model Code.

The H.K. Model Code, which is set out in Appendix 10 to the Hong Kong Listing Rules, sets a required standard against which directors must measure their conduct regarding transactions in securities of their listed issuers. A listed issuer may adopt its own code on terms no less exacting than those set out in the H.K. Model Code if it so wishes.

Pursuant to the London Listing Rules, compliance with the U.K. Model Code is required, and the Company must take all proper and reasonable steps to ensure compliance.

Key similarities between the H.K. Model Code and the U.K. Model Code

There are general similarities between the H.K. Model Code and the U.K. Model Code in terms of the following:

Restricted persons: the categories of persons covered by the U.K. Model Code's restrictions on dealing cover directors, their "connected persons" and certain other "restricted persons" as described below. In this respect the scope of the U.K. Model Code is in certain respects wider than the H.K. Model Code.

Connected persons: under the U.K. Model Code, restricted persons are required to take reasonable steps to prevent dealings by their “connected persons”. As with the H.K. Model Code, this covers spouses and minor children; the categories of persons treated as connected for the purposes of the U.K. Model Code are wider in certain respects than the H.K. Model Code (see “Key differences between the H.K. Model Code and the U.K. Model Code” below).

Trustees: As with the H.K. Model Code, the U.K. Model Code covers restricted persons who are sole trustees, as well as the actions of restricted persons acting as co-trustees, (except where the restricted person is not a beneficiary of the trust and the decision to deal is not taken by the restricted person).

Black-out periods: under the U.K. Model Code, the “black-out” periods in which dealings are restricted include the same periods as under the H.K. Model Code, covering: (a) periods when there exists any matter which constitutes inside information in relation to the company; and (b) specified close periods comprising (a) the period of 60 days immediately preceding a preliminary announcement of the listed company’s annual results or, if shorter, the period from the end of the relevant financial year up to and including the time of announcement; and (b) the period of 60 days immediately preceding the publication of its annual financial report or if shorter the period from the end of the relevant financial year up to and including the time of such publication; and (c) if the listed company reports on a half-yearly basis the period from the end of the relevant financial period up to and including the time of such publication; and (d) if the listed company reports on a quarterly basis the period of 30 days immediately preceding the announcement of the quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement. Accordingly, the scope of the U.K. Model Code is wider in this respect than the H.K. Model Code (see “Key differences between the H.K. Model Code and the U.K. Model Code” below).

Key differences between the H.K. Model Code and the U.K. Model Code

The majority of the differences between the H.K. Model Code and the U.K. Model Code relate to circumstances in which the restrictions under the U.K. Model Code are wider than under the H.K. Model Code. The key differences can be summarised as follows:

Restricted persons: the categories of persons covered by the U.K. Model Code are wider, as the U.K. Model Code covers persons discharging managerial responsibilities (“PDMRs”), as well as just directors: for these purposes, “persons discharging managerial responsibilities” are defined in Section 96B(1) of FSMA as: (a) a director; or (b) a senior executive who (i) has regular access to inside information relating to the issuer and (ii) has power to make managerial decisions affecting the future development and business prospects of the issuer.

Clearance to deal: whereas the prohibition under the H.K. Model Code is absolute, under the U.K. Model Code, a PDMR can, notwithstanding the prohibition, be given clearance to deal, by (a) in the case of a PDMR who is not a director, the company secretary or a director designated by the board for this purposes; (b) in the case of a director (other than the chairman or the chief executive), the chairman or a director designated by the board for this purpose; (c) in the case of the chairman, the chief executive or, if he is not available, the senior independent director (or a committee or officer designated by the board for this purpose); and (d) in the case of the chief executive, the chairman

or, if he is not available, the senior independent director (or a committee or officer designated by the board for this purpose). If the chairman and the chief executive are the same person, clearance is required from the board.

Connected persons: the categories of “connected persons” under the U.K. Model Code are wider in certain respects than under the H.K. Model Code, as the U.K. regime covers, in addition to spouses and children, civil partners, step-children, bodies corporate with which the PDMR is associated (based on a test of 20 per cent. voting rights or shares), trustees or trusts in which the PDMR is a potential beneficiary and partners of the PDMR or his connected persons.

Black-out rules: the “black-out” periods during which dealings are restricted under the U.K. Model Code are slightly wider than under the H.K. Model Code as, in addition to the periods referred to under “Key similarities between the H.K. Model Code and the U.K. Model Code” above: (a) in the case of inside information, the trigger is the existence of relevant inside information, rather than the Hong Kong requirement that information be in the possession of the restricted director; and (b) PDMRs are restricted at all times from dealing on considerations of a short-term nature (including investments with a maturity of one year or less).

Restrictions on employees: under the H.K. Model Code, directors are required to ensure that employees of the company and directors or employees of its subsidiaries who are likely to be in possession of unpublished inside information because of their employment do not deal in securities at a time when directors are prohibited from dealing; there is no express equivalent provision in the U.K. Model Code.

Waiver granted

Accordingly, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 3.17 of the Hong Kong Listing Rules on the grounds that there are similar, although not exactly equivalent, requirements under the London Listing Rules and that the Company will comply with the U.K. Model Code.

AUDIT COMMITTEE

Rule 3.21 of the Hong Kong Listing Rules provides that an issuer must have an audit committee comprising non-executive directors only. It must be constituted of a minimum of three members, with at least one independent non-executive director with appropriate professional qualifications or expertise. The majority of the members must be independent non-executive directors and the chairman must be an independent non-executive director.

Rule 3.22 states that the board must approve the written terms of reference for the audit committee. Rule 3.23 states that the issuer must immediately inform the Hong Kong Stock Exchange and issue an announcement if it fails to set up an audit committee or meet any of the requirements under Rule 3.21 and the situation must be rectified within three months.

The U.K. Governance Code and the DTR have provisions with regard to audit committees which are broadly similar to those in the Hong Kong Listing Rules. Section C.3.1 of the U.K. Governance Code requires the establishment of an audit committee of at least three members who should all be independent non-executive directors and one of whom should have recent and relevant financial experience. This requirement overlaps with DTR 7.1.1R which states that at least one member of the audit committee must be independent and at least one member must have competence in accounting and/or auditing.

Accordingly, in view of the waiver from compliance with Appendix 14 to the Hong Kong Listing Rules, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to Rules 3.21, 3.22 and 3.23 of the Hong Kong Listing Rules on the grounds that there are similar, although not exactly equivalent, requirements under the London Listing Rules and in particular that the Company is required under the U.K. Governance Code to establish an audit committee.

METHODS OF LISTING

Chapter 7 of the Hong Kong Listing Rules sets out the methods by which equity securities may be brought to listing, and the requirements applicable to each method.

Placing

Rule 7.09 of the Hong Kong Listing Rules defines a placing as the obtaining of subscriptions for or the sale of securities by an issuer or intermediary primarily from or to persons selected or approved by the issuer or intermediary. Rules 7.10 to 7.12 of the Hong Kong Listing Rules provide that a placing must comply with Appendix 6 of the Hong Kong Listing Rules. A placing of securities of a class already listed does not have to be supported by a listing document, however if a prospectus or other listing document is otherwise required or issued, it must comply with the relevant requirements of Chapter 11 of the Hong Kong Listing Rules.

The London Listing Rules define a placing as a marketing of securities already in issue but not listed or not yet in issue, to specified persons or clients of the sponsor or any securities house assisting in the placing, which does not involve an offer to the public or to existing holders of the issuer's securities generally. The definition in Rule 7.09 of the Hong Kong Listing Rules is therefore analogous to the definition given in the London Listing Rules. A placing will only require a prospectus if the placing size equals or exceeds 10 per cent. of the issued share capital. Specific or general shareholder authority is required in respect of a placing for cash.

Capitalisation Issue, Consideration Issue and Exchange, etc.

A capitalisation issue is an allotment of further securities to existing shareholders, credited as fully paid up out of the issuer's reserves or profits, in proportion to their existing holdings, or otherwise not involving any monetary payments. A consideration issue is an issue of securities as consideration in a transaction or in connection with a takeover or merger or division of an issuer. An exchange or substitution of securities for or a conversion of securities into other classes of securities may also bring equity securities to listing.

Pursuant to Rules 7.29 and 7.33 of the Hong Kong Listing Rules, a capitalisation issue or an exchange or substitution of securities, respectively, must be supported by a listing document in the form of a circular to shareholders which must comply with the relevant requirements of Chapter 11 of the Hong Kong Listing Rules. Rule 7.31 of the Hong Kong Listing Rules provides that a consideration issue must be set out in an announcement published in accordance with Rule 2.07C of the Hong Kong Listing Rules.

Under Chapters 10 and 13 of the London Listing Rules and Rule 1.2 of the Prospectus Rules, whether or not a prospectus or shareholder circular is required for a capitalisation issue, consideration issue or an exchange issue would depend on the specific fact situation in relation to the issue, such as the size of the issue, to whom it is being made and the percentage ratios of any connected transaction.

Clarification and waivers from the Hong Kong Stock Exchange

Although there are differences in the way that the issue of new shares is regulated by U.K. law and the London Listing Rules (on the one hand) and the Hong Kong Listing Rules (on the other), both regulatory frameworks include protections to shareholders (described above) which are broadly comparable. Given that the Company will comply with the Hong Kong Listing Rules in respect of any prospectus issued in Hong Kong (subject to any waivers which may be sought and granted at the relevant time), and the scope of the Company's continuing obligations under the relevant rules and regulations of the U.K., the application of the Rules in Chapter 7 of the Hong Kong Listing Rules which govern placing, capitalisation issue, consideration issue and exchange is not necessary for adequate protection of shareholders, and compliance with the Hong Kong Listing Rules would put the Company at a disadvantage compared to other companies with premium listings on the LSE. As such, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification, so that the Company is only required to comply with the Rules in Chapter 7 of the Hong Kong Listing Rules which govern placing, capitalisation issue, consideration issue and exchange in respect of any prospectus issued in Hong Kong (and subject to any waivers which may be sought and granted at the relevant time).

In cases where a prospectus is issued in Hong Kong, the Company will comply with all the related documentary and procedural requirements in Chapter 7, and (as disclosed below in this section) the Company will also comply with the listing application, listing document, prospectus and publication requirements set out in Rules 9.19 to 9.23 and Chapters 11, 11A and 12 of the Hong Kong Listing Rules, subject to any waivers which may be sought and granted at the relevant time.

On the basis that applicable U.K. rules provide sufficient alternative protection to Shareholders, the Company has separately applied for, and the Hong Kong Stock Exchange has granted, waivers of (among others) Rules 13.36 and 13.57 of the Hong Kong Listing Rules (relating to shareholder authorisation and approval of share issuances) as disclosed below in this section.

QUALIFICATIONS FOR LISTING

Rule 8.15 of the Hong Kong Listing Rules provides that the persons proposed to hold office as directors of an issuer must meet the requirements of Chapter 3 of the Hong Kong Listing Rules to the satisfaction of the Hong Kong Stock Exchange.

Rules 3.10 to 3.14 of the Hong Kong Listing Rules are the subject of waivers described in the paragraph “Independent Non-Executive Directors” above and the Company has accordingly sought clarification, and the Hong Kong Stock Exchange has confirmed, that Rule 8.15 of the Hong Kong Listing Rules applies to the Company except that compliance with Rules 3.10 to 3.14 of the Hong Kong Listing Rules has been waived.

COMPANY SECRETARY

As detailed in the paragraph “Company Secretary” in Part A, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 3.28 of the Hong Kong Listing Rules.

LISTING OF FUTURE NEW SHARES

Rule 8.20 of the Hong Kong Listing Rules provides that listing must be sought for all further issues of securities of a class already listed prior to the issue of the securities. Under Rule 13.26(1) of the Hong Kong Listing Rules an issuer shall, prior to their issue, apply for the listing of any further securities which are of the same class as securities already listed and shall not issue such securities unless approval for the listing of those securities has been granted by the Hong Kong Stock Exchange.

Under Rule 2.2.9 of the London Listing Rules, an application for listing of securities of any class must: (1) relate to all securities of that class, issued or proposed to be issued if no securities of that class are already listed; or (2) relate to all further securities of that class, issued or proposed to be issued, if securities of that class are already listed.

However, Rule 9.5.14 of the London Listing Rules differs from Rule 13.26(1) of the Hong Kong Listing Rules in that, under Rule 9.5.14, when an issuer issues further shares, an application for admission to listing of such shares must be made as soon as possible, but in any event within one month of the allotment. Trading of such newly issued shares on the LSE will be conditional upon the relevant listing approval being granted by the Financial Conduct Authority.

As a matter of practice, in the U.K. the application for listing is often simultaneous with allotment of shares or would take place shortly afterwards and is generally considered a procedural formality. Accordingly, strict compliance with Rule 8.20 of the Hong Kong Listing Rules would place the Company at a significant disadvantage relative to other companies with premium listings on the LSE. It is the Company’s current intention that the Company will use its best endeavours to ensure that an application for listing of securities on the Hong Kong Stock Exchange will be made at the same time as the listing application is made for the securities to be listed on the LSE (or as soon as practicable thereafter if application for listing on the LSE is made outside Hong Kong business hours or in other circumstances where simultaneous application is not practicable). On that basis, the Company has sought clarification, and the Hong Kong Stock Exchange has confirmed, that such proposed arrangement complies with Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules. For the avoidance of doubt, if the Company issues further securities of a class already listed only in Hong Kong, it will comply with Rules 8.20 and 13.26(1) of the Hong Kong Listing Rules in the usual manner prescribed thereunder.

SUITABILITY OF UNDERWRITERS

Pursuant to Rule 8.22 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may enquire as to the financial suitability of any proposed underwriter and may reject an application for listing if it is not satisfied with the underwriter's ability to meet its underwriting commitment.

Given that there is no analogous obligation in the U.K., it is not necessary for protection of the interests of Hong Kong shareholders that Rule 8.22 should apply in circumstances where the Company undertakes a transaction on a non-public basis where no Hong Kong prospectus is required.

The Company has therefore sought clarification, and the Hong Kong Stock Exchange has confirmed, that Rule 8.22 of the Hong Kong Listing Rules will only be applicable in circumstances where the Company issues Shares pursuant to a Hong Kong prospectus.

DEALINGS BY H.K. CONNECTED PERSONS AHEAD OF LISTING OF FUTURE NEW SHARES

In connection with the Introduction and secondary listing in Hong Kong, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules, which stipulates that there must be no dealing in the securities for which listing is sought by any H.K. connected person of the issuer from four clear Business Days before the expected hearing date until listing is granted.

This waiver has been granted on the basis that Company, a widely held, publicly traded company, has no control over the investment decision of its Shareholders and as a result the Company does not contemplate that it will satisfy the strict requirement under Rule 9.09(b) of the Hong Kong Listing Rules.

Similarly, pursuant to Rule 9.09(a) of the Hong Kong Listing Rules, in the case of listed applicants (and relative to listing of further shares issued by the Company in the future) there must be no dealing in the securities for which listing is sought by any H.K. connected person of the issuer from the time of submission of the formal application for listing until listing is granted.

For similar reasons as applicable relative to the requirement in Rule 9.09(b), the Company does not contemplate that it will satisfy the strict requirement under Rule 9.09(a) of the Hong Kong Listing Rules in all cases. The Company has accordingly applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(a) of the Hong Kong Listing Rules.

In support of this waiver, the Company confirms and will agree and undertake on each occasion that the waiver is utilised relative to any Shareholder (or such Shareholder's share dealings) as follows:

- (a) the Company has no control over the investment decisions of its Shareholders, nor is it in a position to be fully aware of the dealing of the Shares of the Shareholders;
- (b) the Company will confirm that the waiver is only applicable to the existing and future substantial Shareholders whose investment decisions it does not have control over;

- (c) the Company will confirm that the Directors and senior management of the Company, and their associates, will not deal in its Shares from the time of submission of the formal application for listing until listing is granted;
- (d) the Company will undertake that it shall notify the Hong Kong Stock Exchange of any dealing in Shares by the Kazakhstan Government or any other relevant Shareholder in respect of the waiver of which it becomes aware; and
- (e) the Company will undertake that it shall release inside information to the public as required by relevant laws, rules and regulations applicable to the Company so that anyone who may deal in the Shares as a result of this waiver will not be in possession of non-public inside information.

LISTING APPLICATIONS

The Hong Kong Stock Exchange has granted certain waivers from certain requirements in Chapter 7 of the Hong Kong Listing Rules applicable to the issue and listing of further equity securities (see above paragraph “Methods of Listing”).

Rules 9.19 to 9.23 of the Hong Kong Listing Rules stipulate certain procedural requirements applicable to the listing of further equity securities, which are in many respects based on the requirements of Chapter 7. In view of the waivers granted from certain requirements in Chapter 7, the Company has sought clarification, and the Hong Kong Stock Exchange has confirmed, that Rules 9.19 to 9.23 of the Hong Kong Listing Rules will be applied subject to (and consistent with) all other waivers granted with respect to the requirements applicable to the issue and listing of further equity securities.

RESTRICTIONS ON PURCHASE AND SUBSCRIPTION

Restrictions on Preferential Treatment of Purchase and Subscription Applications

Rule 10.01 of the Hong Kong Listing Rules provides that normally, no more than 10 per cent. of any securities being marketed for which listing is sought may be offered on a preferential basis to employees or past employees of the issuer, its subsidiaries or associated companies and their respective dependants or any trust, provident fund or pension scheme for the benefit of such persons. Any such preferential treatment must be approved by the Hong Kong Stock Exchange prior to the marketing. Pursuant to Rule 10.02 of the Hong Kong Listing Rules, applications for securities offered under any preferential treatment scheme must be made on separate forms to distinguish them from other applications.

There are no directly analogous requirements under the London Listing Rules. However, the requirements of CA 2006, the London Listing Rules and guidelines issued by the ABI together provide significant protection to shareholders of companies listed in the U.K. against preferential treatment. Section 561 CA 2006 provides that a U.K. incorporated company offering to issue equity securities for cash must offer those equity securities on a pre-emptive basis to existing shareholders.

In addition, Rule 9.3.11 of the London Listing Rules stipulates that share issues for cash must be conducted on a pre-emptive basis. These pre-emption rights may (principally) be disapplied in two ways:

- (a) the directors of the issuer may disapply pre-emption rights pursuant to a general authorisation;
or
- (b) pursuant to specific disapplication granted by a special resolution of shareholders.

Moreover, companies listed on the LSE are recommended to adhere to the guidelines issued by the ABI. In particular, the ABI recommends that a general authorisation should, generally, be limited to 5 per cent. of the share capital of the issuer in any one year, with a cumulative limit of 7.5 per cent. in any three year period. The Company's policy is also to comply with these guidelines.

Application forms are rarely used in share issues by LSE-listed companies. The only common case outside the context of an initial public offering would be in the case of a rights issue or pro rata open offer (in which cases a preferential tranche would be unlikely).

In the Company's view, the provisions referred to above provide sufficient protection to investors normal for issuers with premium listings on the LSE, and such protections would not be adversely affected by the waiver from compliance with Rules 10.01 and 10.02.

On that basis, and because such restrictions would put the Company in a more restricted position as compared with other companies listed on the LSE, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rules 10.01 and 10.02 of the Hong Kong Listing Rules.

The above waiver does not apply in the case where the Company issues shares pursuant to a Hong Kong prospectus (subject to any waivers that may be sought and granted at the relevant time). The waiver with respect to application forms does not apply in any other case where public application forms are used for the main tranche of any offer.

Restrictions and Notification Requirements on Issuers Purchasing their own Shares on a Stock Exchange

Rule 10.05 of the Hong Kong Listing Rules provides that, subject to the Code on Share Repurchases, an issuer may purchase its shares on the Hong Kong Stock Exchange or another recognised stock exchange. All such purchases must be made in accordance with Rule 10.06 of the Hong Kong Listing Rules.

Part 18 CA 2006 allows a company to buy its own shares, provided there is no prohibition in its articles of association and it complies with the procedural requirements under Part 18 CA 2006. The Company is subject to restrictions on the price it can pay to repurchase shares in most circumstances and must observe certain prohibited periods during which it cannot repurchase shares.

Article 46.1 of the Articles gives the Company the power to purchase its own shares and it has complied with the relevant rules and regulations of the U.K. As such, the Company has made an application to the Hong Kong Stock Exchange and the SFC, and has been granted, a modification to Rule 10.05 so that the Company is not required to comply with the Code on Share Repurchases.

Rule 10.06(2)(c) of the Hong Kong Listing Rules provides that an issuer shall not knowingly purchase its shares from a H.K. connected person and a H.K. connected person shall not knowingly sell shares to the issuer on the Hong Kong Stock Exchange. Rule 19.43(1) of the Hong Kong Listing Rules provides that an overseas issuer may purchase its own shares on the Hong Kong Stock Exchange in accordance with Rule 10.06 of the Hong Kong Listing Rules, provided the Hong Kong Stock Exchange may waive some of the restrictions set out in Rule 10.06(2) of the Hong Kong Listing Rules if the overseas issuer's primary exchange imposes equivalent dealing restrictions in respect of purchases of shares on the Hong Kong Stock Exchange.

As described in the paragraph "Notifiable Transactions and Connected Transactions" below, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Chapter 14A of the Hong Kong Listing Rules. As such, the definition of "connected person" will not apply to the Company. According to Rule 12.3 of the London Listing Rules, the rules governing related party transactions (as described in more detail in the paragraph "Notifiable Transactions and Connected Transactions" below) will apply to the repurchase of shares from a related party (directly or indirectly) unless: (a) a tender offer has been made to all holders of that class of securities; or (b) if it is a market purchase pursuant to a general shareholder authority, it is made without prior understanding, arrangement or agreement between the company and the related party. On the basis that the London Listing Rules already provide similar shareholder protections, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 10.06(2)(c) of the Hong Kong Listing Rules.

Under Rule 10.06(2)(d) of the Hong Kong Listing Rules, an issuer shall procure that any broker appointed by the issuer to effect the purchase of its shares shall disclose to the Hong Kong Stock Exchange such information with respect to purchases made on behalf of the issuer as the Hong Kong Stock Exchange may request. These requirements apply only to purchases made on the Hong Kong Stock Exchange.

Rule 10.06(4) of the Hong Kong Listing Rules provides, inter alia, that where an issuer makes a purchase of shares, whether on the Hong Kong Stock Exchange or otherwise, it shall submit for publication to the Hong Kong Stock Exchange the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases (as applicable), and confirm that purchases made on the Hong Kong Stock Exchange were made in accordance with the Hong Kong Listing Rules. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that stock exchange.

Rule 12.4.6 of the London Listing Rules provides that any purchase of an issuer's own equity shares by or on behalf of the Company or any member of its group must be notified to a RIS. The notification must include details including the date of purchase, the number of equity shares purchased and the purchase price for each of the highest and lowest price paid (where relevant). Where relevant it should also detail the number of equity shares purchased for cancellation and the

number of equity shares purchased to be held as treasury shares. Where equity shares are purchased to be held as treasury shares, a statement of the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares should be included, along with the number of equity shares of each class that the company has in issue less the total number of treasury shares of each class held by the company following the purchase and non-cancellation of such equity shares.

As the Company's primary listing is on the Main Market of the LSE, it has complied with the relevant requirements under the London Listing Rules in relation to purchases of its own shares on the LSE, which requirements are similar to those under Rule 10.06(4) of the Hong Kong Listing Rules. On this basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to Rule 10.06(4) of the Hong Kong Listing Rules so that the Company shall only submit for publication reports in respect of purchases made on the Hong Kong Stock Exchange.

Rule 10.06(5) of the Hong Kong Listing Rules provides that the listing of all shares which are purchased by an issuer (whether on the Hong Kong Stock Exchange or otherwise) shall be automatically cancelled upon purchase and the listed issuer must apply for listing of any further issues of that type of shares in the normal way. The listed issuer must also ensure that the documents of title of purchased shares are automatically cancelled and destroyed as soon as reasonably practicable following settlement of any purchase. Rule 19.43(2) of the Hong Kong Listing Rules provides that the Hong Kong Stock Exchange will be prepared to waive the requirement to cancel and destroy the documents of title of purchased shares in the case of an overseas issuer whose primary exchange permits treasury stock, provided that the overseas issuer must apply for the re-listing of any such shares which are reissued as if it were a new issue of those shares.

Pursuant to Section 724 CA 2006, where a company makes a purchase of its own shares out of distributable profits and the shares are qualifying shares, the company may hold the shares as treasury shares, dispose of for cash, or cancel the shares or transfer the shares for the purposes of or pursuant to an employees share scheme. The pre-emption rights provisions in CA 2006 also apply to the sale of any treasury shares and therefore a company must offer the treasury shares to existing shareholders unless a special resolution has been passed to disapply pre-emption rights. In addition, pursuant to Section 726 CA 2006, a company may not exercise any right in respect of treasury shares, including the right to attend or vote at meetings, and no dividends or other distributions may be made to a company in respect of any of its treasury shares (apart from any issue of bonus shares). Under the London Listing Rules, a company is not required to apply for re-listing of its treasury shares on the LSE. Shares traded on the Main Market of the LSE are qualifying shares.

As the Company's primary listing is on the Main Market of the LSE, it is permitted under the laws of the U.K. to hold any repurchased shares in treasury. To deny this facility to the Company would put it at a disadvantage compared to other companies listed on the LSE. On this basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance

with Rule 10.06(5) of the Hong Kong Listing Rules. The waiver has been granted subject to the following conditions:

- (a) the Company complies with the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and the London Listing Rules in relation to shares held by the Company in treasury (the “**Treasury Shares**”) and informs the Hong Kong Stock Exchange as soon as practicable in the event of any failure to comply or any waiver to be granted;
- (b) the Company shall inform the Hong Kong Stock Exchange as soon as reasonably practicable in the event of any change being made to the U.K. regime on Treasury Shares;
- (c) the Company shall disclose in the Listing Document the grant of the waiver setting out relevant details including the circumstances and the conditions imposed;
- (d) the Company shall confirm compliance with the waiver conditions in its annual reports and circulars seeking Shareholders’ approval of the repurchase mandate; and
- (e) in the event that the Company is no longer listed on the LSE, the Company shall comply, subject to statutory and regulatory provisions applicable to the Company in the U.K., with the relevant provisions of the Hong Kong Listing Rules applicable to Treasury Shares.

As a consequence of the grant of the waiver of Rule 10.06(5) to the Company, certain provisions under the Hong Kong Listing Rules would be modified to show how the relevant Hong Kong Listing Rules will be changed. These modifications will be posted on the Company’s website and the Hong Kong Stock Exchange’s website for reference.

RESTRICTION ON DISPOSAL OF SHARES

As detailed in the paragraph “Restriction on Disposal of Shares” in Part A, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 10.07(1) of the Hong Kong Listing Rules.

ISSUE OF SECURITIES AFTER LISTING

As detailed in the paragraph “Issue of securities after Listing” in Part A, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 10.08 of the Hong Kong Listing Rules.

LISTING DOCUMENTS

Chapter 11 of the Hong Kong Listing Rules sets out the requirements for the contents of listing documents relating to equity securities.

Hong Kong Listing Rules

Pursuant to Rule 11.04 of the Hong Kong Listing Rules, listing documents are normally required to be issued for the following methods of listing of shares of a class already listed: rights issues, open offers, capitalisation issues, exchange or substitution of securities and any deemed new listing. Rule 11.06 of the Hong Kong Listing Rules provides that, subject to the permitted omissions described in Rule 11.09 of the Hong Kong Listing Rules, in cases where listing is sought for securities of an issuer some part of whose share capital is already listed, such listing documents must contain all of the information set out in Part B or F of Appendix 1 to the Hong Kong Listing Rules. Such information includes general information about the issuer, its advisers and the listing document, information about the securities for which listing is sought and the terms and conditions of their issue, information about the issuer's capital, information about the group's activities and financial information about the group. Pursuant to Rule 11.10 of the Hong Kong Listing Rules, negative statements are required only where indicated in Appendix 1 to the Hong Kong Listing Rules.

Rule 11.07 of the Hong Kong Listing Rules requires listing documents to contain particulars and information which is necessary to enable an investor to make an informed assessment of the issuer, its profits and losses and the rights attaching to the securities for which listing is sought. In addition, Rule 11.08 of the Hong Kong Listing Rules provides that special requirements, set out in Chapters 18, 19, 19A and 21 of the Hong Kong Listing Rules, apply to listing documents issued by mineral companies, issuers, PRC issuers and investment companies, respectively. Pursuant to Rule 11.11 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may also require disclosure of additional or alternative information as it considers appropriate in any particular case.

Rule 11.12 of the Hong Kong Listing Rules provides that directors must accept responsibility for information contained in listing documents, and the listing document must contain a statement to such effect. At any time after the issue of the listing document and before dealings in any securities commences, if the issuer becomes aware that there has been a significant change affecting any matter contained in the listing document or a significant new matter has arisen, which would have been required to be contained in the listing document had it arisen before the listing document was issued, Rule 11.13 of the Hong Kong Listing Rules requires the issuer to submit to the Hong Kong Stock Exchange and to issue a supplementary listing document detailing the change or new matter.

Rule 11.14 of the Hong Kong Listing Rules provides that every listing document must be in English and accompanied by a Chinese translation.

Pursuant to Rule 11.15 of the Hong Kong Listing Rules, a listing document may include pictures or graphics provided that they are not misleading or likely to mislead.

Rules 11.16, 11.17, 11.18 and 11.19 of the Hong Kong Listing Rules set out requirements governing profit forecasts. Where a profit forecast is included in a listing document, it must be clear and unambiguous, it must state the principal assumptions upon which it is based and it must be prepared on a basis consistent with the issuer's normal accounting policies. The accountants' report on accounting policies and calculations for the forecast must be set out in the listing document. Further, the financial adviser or sponsor must set out their report that they are satisfied the forecast has been made by the directors after due and careful enquiry.

Pursuant to Rule 11.20 of the Hong Kong Listing Rules, all listing documents must contain a prominent and legible disclaimer to the effect that the Hong Kong Stock Exchange is not responsible for the contents of such listing document.

London Listing Rules, Prospectus Rules and U.K. laws

Under Section 85 of FSMA, a prospectus approved by the Financial Conduct Authority is required before transferable securities are offered to the public in the U.K. or before a request is made for the admission of transferable securities to trading on a regulated market situated or operating in the U.K.

A supplementary prospectus must be issued pursuant to Section 87G of FSMA if a significant new factor, mistake or inaccuracy in the original prospectus arises or is noted during the period from the approval of the prospectus to either closure of the offer or when trading begins. Such supplementary prospectus should be submitted as soon as practicable to the Financial Conduct Authority for approval.

Pursuant to Rule 4.1 of the Prospectus Rules, a prospectus must be in English as well as any other language that may be required.

Rules and regulations in the U.K. do not stipulate the form of the information to be contained in a prospectus. However, Section 87A of FSMA provides that the information must be comprehensible and easy to analyse. Information contained in a prospectus must not be misleading or inaccurate in whatever way it is presented.

If a profit forecast is to be included in a prospectus, it must adhere to the requirements set out in Appendix 3.1, Annex 1 to the Prospectus Rules. Pursuant to Item 13.2 Appendix 3.1, Annex 1 to the Prospectus Rules, the independent reporting accountants must report on any profit forecast or estimate included in the prospectus, and such report must include confirmation that the forecast or estimate has been properly compiled on a basis consistent with the accounting policies of the company or group and must be included in the prospectus. The profit forecast or estimate must also include a statement of the principal assumptions on which the forecast or estimate is based.

Confirmation received

The Company will comply with the applicable Hong Kong Listing Rules in any case where a prospectus is issued in Hong Kong (subject to any waivers which may be sought and granted at the relevant time), and the Hong Kong Stock Exchange has (as disclosed in this section) granted waivers in relation to a number of Hong Kong Listing Rules requirements otherwise applicable to transactions for the purposes of which listing documents are typically required (including, without limitation, waivers under Chapters 7, 14 and 14A).

As such, the Company has sought clarification, and the Hong Kong Stock Exchange has confirmed, that the requirements of Chapter 11 will be applied subject to (and on a basis consistent with) all other waivers granted with respect to: (a) the issue and listing of further equity securities; and/or (b) any transaction for the purposes of which a listing document is produced or published. In particular, the Hong Kong Stock Exchange has confirmed that Chapter 11 will not apply to any

listing document produced or published in connection with a transaction covered by any other waiver (including, without limitation, waivers under Chapters 7, 14 and 14A) unless it is a Hong Kong prospectus (in which case all the provisions of Chapter 11 will apply subject to any waivers which may be sought and granted at the relevant time).

PROSPECTUSES

Chapter 11A of the Hong Kong Listing Rules contains rules applicable when a prospectus is issued. The Company will comply with the applicable Hong Kong Listing Rules in any case where a prospectus is issued in Hong Kong (subject to any waivers which may be sought and granted at the relevant time). Where the Company does not issue a prospectus in Hong Kong, Chapter 11A of the Hong Kong Listing Rules will not apply.

PUBLICATION REQUIREMENTS

Chapter 12 of the Hong Kong Listing Rules contains rules relating to publication and availability of listing documents, and prescribing form and content of formal notices and other announcements published in connection with certain categories of share issues.

Rule 12.01 of the Hong Kong Listing Rules stipulates that a listing document may not be published until the Hong Kong Stock Exchange has confirmed that it has no further comments thereon.

Rules 12.02, 12.03 and 12.05 of the Hong Kong Listing Rules stipulate the requirements for publication of formal notices in connection with offers for subscription, offers for sale, and open offers. Rules 12.04 and 12.06 of the Hong Kong Listing Rules stipulate the form and content of formal notices published in a newspaper.

Rule 12.07 of the Hong Kong Listing Rules requires that, whenever a formal notice is required to be published under Chapter 12, the issuer must make available free of charge sufficient copies of the listing document to satisfy public demand.

Rules 12.08 to 12.10 of the Hong Kong Listing Rules stipulate announcements to be made notifying results of offers for subscription, placings, offers for sale, and open offers and introductions and offers of shares of a class new to listing.

The Company will comply with the applicable Hong Kong Listing Rules in any case where a prospectus is issued in Hong Kong (subject to any waivers which may be sought and granted at the relevant time), and the Hong Kong Stock Exchange has (as disclosed in this section) granted waivers in relation to a number of Hong Kong Listing Rules requirements otherwise applicable to transactions for the purposes of which listing documents are typically required (including, without limitation, waivers under Chapters 7, 14 and 14A) and, as indicated above in the paragraph “Listing Documents”, the Hong Kong Stock Exchange has confirmed that Chapter 11 will not apply to any listing document produced or published in connection with a transaction covered by any other waiver (including, without limitation, waivers under Chapters 7, 14 and 14A) unless it is a Hong Kong prospectus (in which case all the provisions of Chapter 11 will apply subject to any waivers which may be sought and granted at the relevant time).

On the same basis, the Company has sought clarification, and the Hong Kong Stock Exchange has confirmed, that the requirements of Chapter 12 will be applied subject to (and on a basis consistent with) all other waivers granted with respect to: (a) the issue and listing of further equity securities; and/or (b) the requirements for, or applicable to, listing documents; and (c) any transaction for the purposes of which a listing document is produced or published. Accordingly, (i) Rule 12.01 will apply only to the issue of a prospectus in Hong Kong and (ii) Rules 12.02 to 12.07 of the Hong Kong Listing Rules will apply only in cases where relevant formal notices are required to be published in the Hong Kong newspapers in connection with the issue of a prospectus in Hong Kong.

CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE HONG KONG LISTING RULES

Disclosure of certain matters relevant to the Company's business

Rules 13.11 to 13.23

Rules 13.11 to 13.23 of the Hong Kong Listing Rules require disclosure as soon as practicable of certain specific matters relevant to an issuer's business, whether or not those matters are inside information. Those specific matters include advances to an entity and financial assistance and guarantees to affiliated companies of an issuer which in each case exceed a certain threshold, pledging of shares in the issuer by a controlling shareholder, loan agreements with covenants relating to specific performance of the controlling shareholder and certain breaches of loan agreements by an issuer. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.11 to 13.23. While there are no directly analogous provisions under the London Listing Rules or under the DTR to which the Company is subject, the requirements under the DTR for the Company to disclose "inside information" means that the Company would, by virtue of its compliance with the DTR, be required to disclose any matter specified in Rules 13.11 to 13.23 if it constituted inside information. In addition the Company is subject to Rule 13.09(1), the effect of which would be to require disclosure of the matters specified in Rules 13.11 to 13.23 if they constitute inside information.

For the purposes of this section captioned "Continuing Obligations Waivers", the term "inside information" has the meaning given to it in Section 118C of FSMA, which term broadly means any information of a precise nature which:

- (a) is not generally available;
- (b) relates, directly or indirectly, to one or more issuers, and
- (c) would, if generally available, be likely to have a significant effect on the share price of the issuer(s).

Rule 13.25

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.25 of the Hong Kong Listing Rules. Rule 13.25 provides that an issuer must inform the Hong Kong Stock Exchange of the occurrence of an insolvency event in respect of

the issuer or in respect of a subsidiary of the issuer, provided that, in the case of a subsidiary, the value of the relevant subsidiary's total assets, profits or revenue represents five per cent. or more under any of the percentage ratios as defined under Rule 14.04(9) of the Hong Kong Listing Rules. While there is no strictly analogous provision under the London Listing Rules or under the DTR to which the Company is subject, the requirements under the DTR for the Company to disclose inside information (as that term is defined under Section 118C of FSMA) means that the Company would, by virtue of its compliance with the DTR, be required to disclose the occurrence of an insolvency event in similar circumstances (whenever such information constitutes inside information).

Disclosure of certain matters relevant to the Company's securities

Rules 13.25A, 13.25B and 13.31(1)

Rule 13.25A of the Hong Kong Listing Rules requires an issuer to file a next day disclosure return with the Hong Kong Stock Exchange whenever there is a change in its issued share capital as a result of or in connection with a placing, consideration issue, open offer, rights issue, bonus issue, scrip dividend, repurchase of shares or other securities, exercise of an option, capital reorganisation or any other change in share capital. Rule 13.25B of the Hong Kong Listing Rules requires an issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates. Rule 13.31(1) of the Hong Kong Listing Rules requires an issuer to inform the Hong Kong Stock Exchange as soon as possible after any purchase, sale, drawing or redemption by the issuer, or any member of the group, of its listed securities.

Under DTR 5.6.1 and Rule 9.6.4 of the London Listing Rules, an issuer is required to disclose, at the end of each calendar month during which an increase or decrease has occurred, the total voting rights and capital of its shares in issue. An issuer must also make an announcement disclosing the total voting rights and capital as soon as possible after an increase or decrease in total voting rights (and no later than the end of the Business Day following the day on which the increase or decrease occurs) when an issuer completes a transaction unless such transaction's effect on total voting rights is not material (in the opinion of the Financial Conduct Authority an increase or decrease of 1 per cent. or more is likely to be material). In addition, an issuer must notify an RIS as soon as possible of changes to its capital as a result of a new issue of equity securities.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.25A, 13.25B and 13.31(1) of the Hong Kong Listing Rules on the basis that the requirements for a company listed on the LSE are sufficiently similar to those for a company listed on the Hong Kong Stock Exchange.

Rule 13.26

As detailed in the paragraph "Listing of Future New Shares" above, the Company has sought clarification for, and the Hong Kong Stock Exchange has confirmed, that Rules 8.20 and 13.26 of the Hong Kong Listing Rules will be complied with if the Company uses its best endeavours to ensure that an application for listing on the Hong Kong Stock Exchange is made at the same time as the listing application is made for securities to be listed on the LSE (or as soon as practicable thereafter if application for listing on the LSE is made outside Hong Kong trading hours or in other

circumstances where simultaneous application is not practicable). Such confirmation does not apply in circumstances for which a Hong Kong prospectus is required (subject to any waivers sought and granted at the relevant time).

Rule 13.27

Rule 13.27 of the Hong Kong Listing Rules requires an issuer, if the issue of new securities by it or the purchase by it of its listed securities will result in a change in the terms of conversion of any of its convertible securities or in the terms of the exercise of any of its options, warrants or similar rights, to publish an announcement in accordance with Rule 2.07C of the Hong Kong Listing Rules as to the effect of any such change wherever practicable, prior to the new issue and, if not so practicable, as soon as possible thereafter.

Under DTR 6.1.9 and DTR 6.1.10, an issuer must disclose without delay any changes to the rights of its securities including changes in their terms and conditions which could indirectly affect those rights.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.27 of the Hong Kong Listing Rules on the basis that the Company's obligations under the DTRs are broadly comparable to those under Rule 13.27 of the Hong Kong Listing Rules.

Rule 13.28

Rule 13.28 of the Hong Kong Listing Rules requires that, where the directors agree to issue securities for cash in accordance with Rules 13.36(1)(a) or 13.36(2) of the Hong Kong Listing Rules, an issuer must publish an announcement in accordance with Rule 2.07C of the Hong Kong Listing Rules as soon as possible, but in any event not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next Business Day. The announcement must contain the name of the issuer and the number, class and aggregate nominal value of the securities agreed to be issued and certain other information.

Under Rule 9.6.4 of the London Listing Rules, issuers must notify an RIS as soon as possible of a new issue of shares. The announcement may be delayed while marketing or underwriting is in progress.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.28 of the Hong Kong Listing Rules on the basis that the Company's obligations under the London Listing Rules are sufficiently similar to those under Rule 13.28 of the Hong Kong Listing Rules.

Rules 13.29 and 13.36(5)

Rule 13.29 of the Hong Kong Listing Rules requires that, if the directors of an issuer issue securities for cash under a general mandate (granted by the issuer's shareholders by ordinary resolution in a general meeting) and at a discount of 20 per cent. or more to the benchmarked price set out in Rule 13.36(5) of the Hong Kong Listing Rules, the issuer must publish an announcement setting out details of the allottees as soon as possible, but in any event not later than 30 minutes

before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day immediately following the day on which the relevant agreement involving the proposed issue of securities is signed. Under Rule 13.36(5) of the Hong Kong Listing Rules, in a placing of securities for cash, the issuer may not issue any securities pursuant to a general mandate if the issue price represents a discount of 20 per cent. or more to the benchmarked price unless the issuer can satisfy the Hong Kong Stock Exchange that it is in a serious financial position or that there are other exceptional circumstances which in each case require the issue on the proposed terms. The benchmarked price is the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
- (b) the average closing price in the five trading days immediately prior to the earlier of:
 - (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and
 - (iii) the date on which the placing or subscription is fixed.

Under Rule 9.5.10 of the London Listing Rules, if the directors issue shares for cash under a general pre-emption disapplication (the granting of which would require a special resolution passed by 75 per cent. majority vote at a general meeting of the shareholders), no restriction on the discount of the share price is applied under the London Listing Rules. However, where pre-emption has not been disappplied the maximum discount permitted is 10 per cent. to the middle market price of those shares at the time of announcing the terms of the issue.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.29 and 13.36(5) of the Hong Kong Listing Rules on the basis that the Company is already subject to rules that restrict discounts in certain events and that, in any event, under the DTR the Company will be required to make an announcement in respect of any new issue of shares.

Rule 13.30

Rule 13.30 of the Hong Kong Listing Rules requires that an issuer shall inform the Hong Kong Stock Exchange of the basis of allotment of securities offered to the public for subscription or sale or an open offer and of the result of any rights issue and, if applicable, of the basis of any acceptance of excess applications, not later than the morning of the Business Day following the day on which the allotment letters or other relevant documents of title are posted.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.30 of the Hong Kong Listing Rules on the basis that, in practice, the basis of allotment in respect of a company listed on the LSE will be set out in the prospectus (it being accepted that where the issue involves the issue of a prospectus in Hong Kong the rule

will apply unless a waiver is applied for by the Company and granted at the time). This is because, under Appendix 3.1 Annex III, Item 5.2.3 of the Prospectus Rules, the prospectus must describe any pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups (for example, any family and friends programmes) in the allotment, the percentage of the offer reserved for such preferential treatment and the criteria for inclusion in such class or groups.

Rules 13.32, 13.33, 13.35 and 19.31

Rule 13.32(1) of the Hong Kong Listing Rules specifies that an issuer must maintain the minimum percentage of listed securities in public hands prescribed by Rule 8.08 of the Hong Kong Listing Rules. Rules 13.32(2) to (5), 13.33 and 13.35 of the Hong Kong Listing Rules stipulate related requirements applicable in cases where the percentage of listed securities in public hands is, or has fallen, below the prescribed minimum, and other related requirements with respect to absence of an open market and related disclosure in annual financial statements.

For overseas secondary listed issuers such as the Company, whose primary listing is on another stock exchange, Rule 8.08 of the Hong Kong Listing Rules is disapplied under Rule 19.31 of the Hong Kong Listing Rules. On that basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, confirmation that Rules 13.32, 13.33 and 13.35 of the Hong Kong Listing Rules are inapplicable to the Company.

Rules 13.36 and 13.57

Rule 13.36 of the Hong Kong Listing Rules provides that the directors of an issuer must obtain the consent of shareholders in a general meeting prior to allotting, issuing or granting any shares (or any securities convertible into shares or any options, warrants or similar rights to subscribe for any shares or such convertible securities). However, no such consent is required if the allotment, issuance or grant is made: (A) pursuant to a share offering made to existing shareholders on a pro rata pre-emptive basis; or (B) pursuant to a general mandate granted by shareholders limited to an aggregate number of securities not exceeding 20 per cent. of the existing issued share capital of the issuer (plus, if applicable and separately approved by shareholders, the number of securities repurchased by the issuer since the granting of the mandate up to a maximum of 10 per cent. of the existing share capital of the issuer). Rule 13.57 of the Hong Kong Listing Rules provides that where an increase in authorised capital is proposed, the directors must state in the explanatory circular whether they have any present intention of issuing any part of that capital.

The combined requirements of CA 2006, the London Listing Rules and guidelines issued by the ABI together provide significant protection to shareholders of companies listed on the LSE in the U.K. with regard to non pre-emptive share issues.

Under Section 551 CA 2006, the directors of a company may issue or allot shares if they are authorised to do so by the company's articles of association or by a resolution of the company. However, any such allotment or issuance must be carried out on a pre-emptive basis unless the pre-emption requirement has been disapplied by approval of 75 per cent. of shareholders in a general meeting of the company. Such shareholder authority may be in specific or general terms.

For LSE-listed companies in the U.K., the ABI will only regard as routine a request for: (i) authorisation to allot new shares equivalent to up to one third of the existing issued share capital; or (ii) provided the additional headroom is only to be used for a fully pre-emptive rights issue, authorisation to allot a further one third. However, if securities are proposed to be issued or allotted on a non pre-emptive basis in reliance on a disapplication which has been granted by shareholders in general terms, the ABI considers that such allotments and issuance should not amount to more than 5 per cent. of the existing issued ordinary share capital in any year (and not more than 7.5 per cent. in any three-year rolling period). It is the Company's practice to seek shareholder authorisations disapplying pre-emption rights on a basis consistent with the ABI's recommendations at its Annual General Meeting.

Although certain overseas shareholders are sometimes excluded from participation in rights issues by U.K. companies, it is the Company's current intention that any future rights issue or open offer would be extended to all Shareholders on the Hong Kong Share Register who have a registered address in Hong Kong wherever practicable.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.36 and 13.57 of the Hong Kong Listing Rules on the basis that, whilst the rules applicable to the Company by virtue of its premium listing on the LSE differ in detail from the Hong Kong Listing Rules, such U.K. rules provide sufficient alternative protection to shareholders.

General Meetings

Rule 13.37

Rule 13.37 of the Hong Kong Listing Rules requires that an issuer shall ensure that notice of every annual general meeting is published in accordance with Rule 2.07C of the Hong Kong Listing Rules. Where such notice is published in the newspapers, whether pursuant to Rule 2.07C or otherwise, such notice must be of a size of not less than eight centimetres by ten centimetres (three inches by four inches approximately).

The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the application to the Company of Rule 13.37 of the Hong Kong Listing Rules to the effect that the requirements as to the size of the notice published in the newspapers shall apply only to notices published in Hong Kong newspapers.

Rule 13.38

Rule 13.38 of the Hong Kong Listing Rules requires an issuer to send a proxy form with the notice convening a shareholders' general meeting to all persons entitled to vote at the meeting, such proxy form to contain provision for two-way voting on all resolutions.

Under Rule 9.3.6(2) of the London Listing Rules and DTR 6.1.5, proxy forms must contain provisions for three-way voting; i.e. options to vote either for or against the resolution or to withhold the vote, and must be made available by paper or by electronic means to each shareholder. Use of electronic means must have been approved by shareholders in accordance with CA 2006.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.38 of the Hong Kong Listing Rules on the basis that the rules applicable to companies listed on the LSE are broadly similar to the requirements under Rule 13.38 of the Hong Kong Listing Rules.

Rules 13.39(1), (2), (4) and (5)

Rule 13.39(1) of the Hong Kong Listing Rules requires that an issuer proposing to solicit proxies or votes in connection with any general meeting of an issuer may only use for such purpose previously published information which remains accurate and is not misleading at the time it is quoted. Rule 13.39(2) of the Hong Kong Listing Rules provides that shareholders must not be put under pressure to vote or abstain from voting at any general meeting and, where their votes are solicited, must be encouraged to consult their professional advisers. Rule 13.39(4) of the Hong Kong Listing Rules requires that any vote of shareholders at a general meeting must be taken by poll. Rule 13.39(5) of the Hong Kong Listing Rules requires that an issuer must announce the results of the poll in accordance with Rule 2.07C of the Hong Kong Listing Rules as soon as possible, but in any event not less than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Business Day following the meeting.

Article 62 of the Articles provides that a resolution to be voted on at a meeting is to be decided on a show of hands unless a poll is demanded. Nevertheless, it is considered good corporate governance for companies listed on the LSE to call a poll on all resolutions at general meetings and the chairman should call a poll at the start of the meeting for each resolution. Section 321 CA 2006 provides that any provision of a company's articles that has the effect of excluding the right of shareholders to demand a poll at a general meeting is void. Under Section 341 CA 2006, the Company must ensure statistics concerning a poll are published on the Company's website by the end of 16 days beginning with the day of the meeting. It should be noted that it is considered good practice to make such information available much sooner than this deadline and Section 353(4)(a) CA 2006 provides that the information should be made available as soon as reasonably practicable.

The Company has applied for, and the Hong Kong Stock Exchange has granted, waivers from strict compliance with Rules 13.39(1), (2), (4) and (5) of the Hong Kong Listing Rules on the basis that, whilst the rules applicable to the Company by virtue of its premium listing on the LSE differ in detail to the Hong Kong Listing Rules, such rules provide broadly comparable protection and information to shareholders.

Rules 13.39(6) and 13.39(7)

Rule 13.39(6) of the Hong Kong Listing Rules requires that, in relation to: (a) any connected transactions pursuant to Chapter 14A of the Hong Kong Listing Rules; or (b) other transactions that are subject to independent shareholders' approval; or (c) spin-off proposals subject to shareholder approval, an issuer must (i) establish an independent board committee (consisting only of independent non-executive directors who do not have an interest in the relevant transaction) to advise shareholders in relation to the transaction; and (ii) appoint an independent financial adviser acceptable to the Hong Kong Stock Exchange to make recommendations to the independent board committee and to its shareholders. Rule 13.39(7) of the Hong Kong Listing Rules requires that, in relation to the transactions referred to in Rule 13.39(6), the circular to shareholders must contain

at least: (a) if applicable, a separate letter from the independent board committee providing advice to the shareholders, taking into account the advice of the independent financial adviser; and (b) a separate letter from the independent financial adviser containing its recommendation to the independent board committee and shareholders in respect of the relevant transaction.

Rule 11.1.7 of the London Listing Rules provides that a related party transaction will require shareholder approval prior to its completion except where, in the case of a related party transaction, each of the percentage ratios is less than 5 per cent., but one or more of the percentage ratios exceeds 0.25 per cent., pursuant to Rule 11.1.10, an issuer is required to appoint a sponsor to confirm to the Financial Conduct Authority that the transaction is fair and reasonable as far as the shareholders of the company are concerned. A listed company must, in accordance with Rule 8.2.1 of the London Listing Rules, appoint a sponsor in specific prescribed circumstances, for example, wherever it is required to produce a Class 1 circular and a related party circular. Further details regarding related party transactions, percentage ratios and Class 1 circulars are set out below in the section “Notifiable Transactions and Connected Transactions”.

On the basis of the similarity between the Company’s existing obligations under the London Listing Rules and the above Hong Kong Listing Rules, the Company has separately applied for, and the Hong Kong Stock Exchange has granted, waivers of (among others) Rules 13.40 to 13.42, 13.80 to 13.87 and Chapter 14A of the Hong Kong Listing Rules (all as disclosed in this section). On the same basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver of Rules 13.39(6) and 13.39(7) of the Hong Kong Listing Rules.

Rules 13.40, 13.41 and 13.42

Under Rule 13.40 of the Hong Kong Listing Rules, parties that are required to abstain from voting in favour of a resolution at the general meeting pursuant to certain Hong Kong Listing Rules may vote against the resolution at the general meeting of the issuer provided that their intention to do so has been stated in the relevant listing document or circular to shareholders.

Under Rule 13.41 of the Hong Kong Listing Rules, where under Rules 13.40 or 13.73 of the Hong Kong Listing Rules a meeting is required to be adjourned by resolution, all shareholders are permitted to vote on the adjournment resolution and any shareholders who would have been required to abstain from voting on any resolution that was to be proposed are required to vote in favour of the adjournment resolution.

Under Rule 13.42 of the Hong Kong Listing Rules, the issuer must have an appropriate procedure in place to record that any parties that must abstain or have stated their intention to vote against the relevant resolution in a listing document, circular or announcement, have done so at the general meeting.

There are no strictly analogous rules under the London Listing Rules, the DTR or other laws or regulations to which the Company is subject. However, all of these requirements are procedural requirements supporting or resulting from other provisions of the Hong Kong Listing Rules that require an independent shareholder vote in specified circumstances.

On the basis of similarity with applicable London Listing Rules, the Company has separately applied for, and the Hong Kong Stock Exchange has granted, waivers of (among others) Rules 13.39(6) and 13.39(7), 13.80 to 13.87 and Chapter 14A of the Hong Kong Listing Rules (all as disclosed in this section). On the same basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver of Rules 13.40 to 13.42 of the Hong Kong Listing Rules.

Board Meetings

Rule 13.44

Under Rule 13.44 of the Hong Kong Listing Rules, subject to the exceptions set out in Note 1 to Appendix 3 of the Hong Kong Listing Rules, a director of the issuer shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.

Section 177 CA 2006 requires directors to declare their interest in a proposed transaction or arrangement with the company to the other directors. A director may, subject to the company's articles of association, form part of a quorum and participate in decision-taking relating to transactions the subject of a declaration of interest. However, articles 126 to 128 of the Articles provide that, subject to certain exceptions, including where authorised by ordinary resolution of the shareholders, a director may not vote on any board resolution approving any contract or arrangement in which he or his associates is interested and shall not be counted in the quorum.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.44 of the Hong Kong Listing Rules on the basis that the Articles provide sufficiently similar protection to the provisions of Rule 13.44 of the Hong Kong Listing Rules.

Rule 13.45

Under Rule 13.45 of the Hong Kong Listing Rules, an issuer is required to inform the Hong Kong Stock Exchange immediately after the 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 thereof; (b) 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; (c) any preliminary announcement of profits or losses for any year, half-year or any other period; (d) any proposed change in the capital structure, including any redemption of its listed securities; and (e) any decision to change the general character or nature of the business of the issuer or group.

Under Rule 9.7A.2 of the London Listing Rules, an issuer must notify an RIS as soon as possible after the board has approved any decision to: (a) pay or make a dividend or other distribution on its listed shares; or (b) withhold any dividend or interest payment on its listed securities. The notification to the RIS must include details of the exact amount (net) payable per share, the payment date and the record date. Under DTR 6.1.13, an issuer must publish a notice or distribute a circular concerning the allocation and payment of dividends. Under Rule 9.7A.1 of the London Listing Rules, if an issuer prepares a preliminary statement of annual results the statement must be published as soon as possible after it has been approved by the board and agreed with the company's auditors prior to publication. Under Rule 9.6.4 of the London Listing Rules, an issuer must notify an RIS as soon as possible of any proposed change in its capital structure including the structure of its listed debt securities.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 13.45 of the Hong Kong Listing Rules on the basis that requirements under the London Listing Rules and the DTR are broadly comparable to the requirements under Rule 13.45 of the Hong Kong Listing Rules.

Disclosure of Financial Information

Rule 13.46

Rule 13.46(2) of the Hong Kong Listing Rules provides that an overseas issuer shall send to: (a) every member of the issuer; and (b) every other holder of its listed securities (not being bearer securities) a copy of either (i) its annual report including its annual accounts and, where the issuer prepares group accounts, the group accounts, together with a copy of the auditors' report thereon, or (ii) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not less than four months after the end of the financial year to which they relate. The annual accounts must be made up to a date falling no more than six months before the date of the issuer's annual general meeting.

Under DTR 4.1.3 an issuer must make public its annual report not more than four months after the end of each financial year. Under article 151 of the Articles, the Company must send its annual report to shareholders not less than 21 clear days before the date of the relevant accounts meeting, which requirement is consistent with the requirements under Section 424 CA 2006. Under Section 336 CA 2006, public companies must hold their annual general meeting within six months of the end of the accounting reference period.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 13.46 of the Hong Kong Listing Rules on the basis that provisions under the DTR, CA 2006 and the Articles are comparable to those under the Hong Kong Listing Rules.

Rule 13.47

Rule 13.47 of the Hong Kong Listing Rules provides that an issuer's annual report must comply with the provisions set out in Appendix 16 to the Hong Kong Listing Rules and that its summary financial report must comply with the Companies (Summary Financial Reports of Listed Companies) Regulation. Rule 19.44 of the Hong Kong Listing Rules provides that the Hong Kong Stock Exchange will be prepared to agree to such modification to Appendix 16 as it considers appropriate in a particular case in the context of a secondary listing.

The Company is currently required to publish its annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee ("**IFRIC**") of the IASB, as adopted by the EU and audited in accordance with applicable law and International Standards on Auditing (U.K. and Ireland).

The Company considers that it would be unduly onerous if it were to include information required under Appendix 16 to the Hong Kong Listing Rules in its annual reports which it is not required under IFRS. The Company has therefore applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.47 of the Hong Kong Listing Rules on the basis of the Company's reporting requirements as a consequence of its premium listing on the LSE.

For a list of items which the Company would have to disclose in its annual report if the waiver from Rule 13.47 of the Hong Kong Listing Rules had not been obtained, please refer to the paragraph "Disclosure of Financial Information" below.

Rule 13.48

Rule 13.48 of the Hong Kong Listing Rules provides that an issuer must send its interim report and accounts (or a compliant summary report) to its shareholders not later than three months after the end of the interim period. Rule 13.48 also stipulates that the interim report must comply with the requirements of Appendix 16 of the Hong Kong Listing Rules.

There is no requirement in the U.K. to send an interim report to shareholders, and the Company therefore does not do so. The Company does, however, publish its interim report on its website, in accordance with DTR 4.2.2 (not later than two months after the end of the period to which the report relates). The Company currently publishes its interim report prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the DTR and reported on in accordance with International Standard on Review Engagements (U.K. and Ireland) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Auditing Practices Board for use in the U.K.

The Company considers that it would be unduly onerous if it were to include information required under Appendix 16 to the Hong Kong Listing Rules in its interim reports which it is not required in the U.K. The Company has therefore applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 13.48 of the Hong Kong Listing Rules on the basis of the Company's reporting requirements as a consequence of its premium listing on the LSE.

For a list of items which the Company would have to disclose in its interim report if the waiver from Rule 13.48 of the Hong Kong Listing Rules had not been obtained, please refer to the paragraph "Disclosure of Financial Information" below.

Rule 13.49

Rule 13.49 of the Hong Kong Listing Rules provides that an issuer must publish its full preliminary results announcement before the opening of trading on the Business Day after such results are approved by the board and not less than three months after the end of the financial year. In addition, an issuer must publish its interim results announcement before the opening of trading on the Business Day after such results are approved by the board and not less than two months after the end of the interim period. Rule 13.49 also stipulates that both announcements must comply with the requirements of Appendix 16 of the Hong Kong Listing Rules.

Under Rule 9.7A of the London Listing Rules, the requirement to produce a preliminary statement of annual results is optional. The Company does currently produce a preliminary results statement. As a matter of practice, pursuant to Rule 9.7A.1 of the London Listing Rules, the Financial Conduct Authority expects issuers who choose to produce a preliminary statement of annual results to publish such statement as soon as possible after it has been approved by the board.

Rule 9.7A.1 of the London Listing Rules states that if a listed company prepares a preliminary statement of annual results then, among other things:

- (a) the statement must be agreed with the company's auditors prior to publication;
- (b) the statement must show the figures in the form of a table, including the items required for a half-yearly report, consistent with the presentation to be adopted in the annual accounts for that financial year;
- (c) the statement must give details of the nature of any likely modification that may be contained in the auditors' report required to be included with the annual financial report; and
- (d) the statement must include any significant additional information necessary for the purpose of assessing the results being announced.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.49 of the Hong Kong Listing Rules on the basis of the Company's reporting requirements as a consequence of its premium listing on the LSE and for the same reasons (disclosed above) as in relation to the waivers in relation to Rules 13.46 and 13.48 of the Hong Kong Listing Rules.

Rule 13.50

It is specified in Rule 13.50 of the Hong Kong Listing Rules that the Hong Kong Stock Exchange will normally require suspension of trading if an issuer fails to publish its financial results on time.

In the U.K., the Financial Conduct Authority has the power to suspend the listing of shares at any time if an issuer has failed to meet its continuing obligations, such as the publication of its annual report in due time.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.50 of the Hong Kong Listing Rules on the basis that the requirements under Rule 13.50 are comparable with the powers of the Financial Conduct Authority and that the Hong Kong Stock Exchange has in any event the ability to require suspension under Rule 6.01 of the Hong Kong Listing Rules.

Notification

Rules 13.51(1), (2), (3), (5) and (6), 13.51B, 13.51C and 13.74

Under Rule 13.51(1) of the Hong Kong Listing Rules, an issuer shall immediately inform the Hong Kong Stock Exchange and publish an announcement as soon as possible if any changes to an issuer's memorandum or articles of association are proposed. The circular for any such amendments must contain an explanation of the effect of the proposed amendments and the full terms of the proposed amendments. The circular should be accompanied by a letter from the issuer's legal advisers confirming compliance with the Hong Kong Listing Rules. Under DTR 6.1.2 an issuer must make any draft amendment to its constitution available to the Financial Conduct Authority and the market on or before the date of calling the general meeting which will vote on the amendment. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.51(1) of the Hong Kong Listing Rules on the basis that the requirements under the DTR are broadly comparable to those under Rule 13.51(1) of the Hong Kong Listing Rules.

Rules 13.51(2), 13.51B, 13.51C and 13.74 of the Hong Kong Listing Rules set out certain disclosure requirements in respect of any change in an issuer's directors, including appointment, re-designation and resignation of directors. Under Rules 9.6.11 to 9.6.14 of the London Listing Rules, an issuer must announce any change to the board, including appointment, resignation, and removal of directors, and important changes to roles, as soon as possible and in any event by the end of the Business Day following the decision (or receipt of notice) about the change by an issuer. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from the requirements of Rules 13.51(2), 13.51B, 13.51C and 13.74 of the Hong Kong Listing Rules on the basis that the Company will comply with content requirements as set out in the London Listing Rules and the DTR in respect of notifications regarding changes to board composition.

Under Rule 13.51(3) of the Hong Kong Listing Rules, an issuer shall inform the Hong Kong Stock Exchange immediately of any decision made and publish an announcement as soon as practicable with regard to any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable. Under Rule 9.6.4 of the London Listing Rules, an issuer must, without delay, disclose to the public any changes in the rights attaching to its various classes of shares. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.51(3) of the Hong Kong Listing Rules on the basis that the requirements under the London Listing Rules are broadly comparable to those under Rule 13.51(3) of the Hong Kong Listing Rules.

Under Rule 13.51(5) of the Hong Kong Listing Rules, an issuer shall inform the Hong Kong Stock Exchange immediately of any decision made and publish an announcement as soon as practicable with regard to any change in its secretary, share registrar (including overseas branch registrar) or registered address or, where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong. Under Rule 13.8.10 of the London Listing Rules, if a change amounts to an amendment to an issuer's constitution, then the issuer must send a circular to shareholders informing them of the change and explaining the effect of the proposed amendments. If the change does not amount to an amendment to the issuer's constitution, then it

will be necessary to file the documents with the U.K. Registrar of Companies only. The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification in respect of Rule 13.51(5) of the Hong Kong Listing Rules to the effect that such rule will only be applicable to a change to the Hong Kong share registrar or the registered address in Hong Kong.

Under Rule 13.51(6) of the Hong Kong Listing Rules, an issuer shall inform the Hong Kong Stock Exchange immediately of any decision made and publish an announcement as soon as practicable with regard to any change in its compliance adviser. As the London Listing Rules do not require the appointment of a compliance adviser, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification in respect of Rule 13.51(6) of the Hong Kong Listing Rules to the effect that such rule will only be applicable if the Company is of the view that any change in compliance adviser constitutes inside information which would require disclosure under Rule 13.09 of the Hong Kong Listing Rules.

Announcement, circulars and other documents

Rules 13.52 and 13.52A

Rules 13.52 and 13.52A of the Hong Kong Listing Rules provide that certain types of announcements, circulars and other documents, including any listing document and certain shareholder circulars, must be pre-vetted by the Hong Kong Stock Exchange prior to being issued. Under Rule 13.2.1 of the London Listing Rules, all circulars must be approved by the Financial Conduct Authority unless a prescribed exemption applies. Other documents are handled on a case-by-case basis in accordance with the London Listing Rules.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the requirements of Rules 13.52 and 13.52A of the Hong Kong Listing Rules on the basis that additional vetting by the Hong Kong Stock Exchange of documents would be unduly onerous on the Company having regard to practice and regulation referable to its premium listing on LSE and other waivers (including, among others, waivers in relation to Chapters 11, 14 and 14A of the Hong Kong Listing Rules) disclosed in this section. Accordingly, Rules 13.52 and 13.52A of the Hong Kong Listing Rules will only apply to prospectuses issued in Hong Kong.

Rule 13.52B

Rule 13.52B of the Hong Kong Listing Rules provides that if an issuer proposes to publish announcements or circulars relating to trading in its securities (including suspension and resumption of trading), the issuer must consult the Hong Kong Stock Exchange before the document is released. There is no comparable requirement in the U.K. The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to Rule 13.52B of the Hong Kong Listing Rules to the effect that this rule shall only apply insofar as it relates to suspension of trading in Shares on the Hong Kong Stock Exchange.

Rule 13.54

Rule 13.54 of the Hong Kong Listing Rules provides that an issuer must, upon request by the Hong Kong Stock Exchange, provide the requested number of certified copies of all resolutions of an issuer, except resolutions concerning routine business at an annual general meeting (but including resolutions in relation to the allotment, grant or issue of shares), within 15 days after they are passed. There is no comparable requirement in the U.K. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.54 of the Hong Kong Listing Rules on the basis that given there is no comparable requirement in the U.K., compliance would be unduly onerous on the Company.

Rule 13.55(1)

Rule 13.55(1) of the Hong Kong Listing Rules provides that, in the event of a circular being issued to holders of any of its securities, an issuer shall issue a copy or summary of such circular to holders of all its other securities (not being bearer securities) unless the contents of such circular are of no material concern to such other holders. There is no such requirement in the U.K. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.55(1) of the Hong Kong Listing Rules on the basis that given there is no comparable requirement in the U.K., compliance would be unduly onerous on the Company.

Rule 13.56

Rule 13.56 of the Hong Kong Listing Rules requires an issuer, if requested by CCASS, to send to any non-registered holder of the issuer's securities holding securities through CCASS (or having notified such request through CCASS) copies of any corporate communications. The Company has applied for, and the Hong Kong Stock Exchange has granted, modification of Rule 13.56 of the Hong Kong Listing Rules to the effect that the Rule will only extend to such corporate communications as the Company is required to send to Hong Kong registered Shareholders generally (having regard to other waivers disclosed in this section).

Rule 13.57

Rule 13.57 of the Hong Kong Listing Rules requires that, where an increase in authorised capital of an issuer is proposed, the directors must state in the explanatory circular or other document accompanying the notice of the meeting whether they have any present intention of issuing any part of that capital. Under Rule 13.8.1(3) of the London Listing Rules, a circular relating to a resolution proposing to grant the directors authority to allot shares must include a statement by the directors as to whether they have any present intention of exercising the authority and, if so, for what purpose. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.57 of the Hong Kong Listing Rules on the basis that the provisions of the London Listing Rules are substantially similar to those under Rule 13.57 of the Hong Kong Listing Rules.

Trading and settlement

Rules 13.58 to 13.63

Rules 13.58 to 13.63 of the Hong Kong Listing Rules set out certain requirements in relation to the transfer and registration of securities, including provisions relating to the period within which transfers of securities must be registered and share certificates issued. The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the application to the Company of Rules 13.58 to 13.63 of the Hong Kong Listing Rules with the effect that such rules will only apply to Shares registered on the Hong Kong Share Register.

Rule 13.66(2)

Rule 13.66(2) of the Hong Kong Listing Rules requires that an issuer ensures that the last day for trading in its securities with entitlements falls at least one business day after the general meeting if such entitlements require the approval of shareholders in such general meeting or are contingent on a transaction that is subject to the approval of shareholders in such general meeting.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.66(2) of the Hong Kong Listing Rules in respect only to the Company's final dividend payments on the basis that there is no comparable requirement in the U.K. and that compliance would be unduly onerous on the Company.

General

Rule 13.67 and Appendix 10

Rules 3.17 and 13.67 of the Hong Kong Listing Rules specify that a listed issuer must adopt, and its directors must comply with, the H.K. Model Code or the listed issuer's own code on no less exacting terms.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from the strict requirements of Rule 13.67 of the Hong Kong Listing Rules on the basis disclosed above that there are similar, although not exactly equivalent, requirements under the London Listing Rules. For a description of the similarities and differences between the H.K. Model Code and the U.K. Governance Code, see the section "Model Code for Securities Transactions by Directors of Listed Issuers".

Rules 13.68 and 13.69

Rule 13.68 of the Hong Kong Listing Rules provides that an issuer shall obtain the prior approval of its shareholders (in respect of which the relevant director and his associates shall not vote on the matter) for any service contract to be granted by the issuer or any of its subsidiaries to any director or proposed director which: (a) is for a duration that may exceed three years; or (b) in order to entitle the listed issuer to terminate the contract, expressly requires the issuer to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments. Under Rule 13.69 of the Hong Kong Listing Rules, directors' service contracts entered into by an issuer or any of its subsidiaries on or before 31 January 2004 are exempt from the shareholders' approval requirement under Rule 13.68 of the Hong Kong Listing

Rules. However, upon any variation as to duration or payment on termination or any other material terms of the directors' service contracts or renewal of any such contract, an issuer must comply in full with the requirements of Rule 13.68 of the Hong Kong Listing Rules in respect of the service contracts effected after such variation or renewal.

Under Section 188 CA 2006 directors' service contracts cannot be in excess of two years in length without the approval of the shareholders in general meeting. However, approval is not required by the shareholders of a company which is a wholly-owned subsidiary. In addition, the U.K. Governance Code stipulates that notice periods in and terms of service contracts should be set at one year or less. If it is necessary to offer longer notice or contract periods to new directors, these should reduce to 12 months or less after the initial period. Under Rule 9.8.8 of the London Listing Rules, the annual report must contain details of any directors' service contract with a notice period in excess of one year or with provisions for pre-determined compensation on termination which exceeds one year's salary and benefits in kind, giving the reasons for the notice period. In addition, under Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), the annual report must contain details of any obligation on the company which is contained in directors' service contracts which could give rise to, or impact on remuneration payments or payments for loss of office.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 13.68 and 13.69 of the Hong Kong Listing Rules on the basis that (consistent with other waivers relating to matters of corporate governance), there are similar, although not exactly equivalent, requirements under the London Listing Rules and other applicable U.K. rules and regulations.

Rule 13.70

Rule 13.70 of the Hong Kong Listing Rules provides that an issuer shall publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a director at the general meeting where such notice is received by the listed issuer after publication of the notice of meeting.

Under Section 303 CA 2006, in certain circumstances members may requisition directors to call a general meeting, including to add or remove a director (namely members representing at least 5 per cent. of such of the paid-up capital of the company as carries the right of voting at general meetings). Under Section 304 CA 2006, notice of any such requisitioned meeting must be sent out within 21 days of the directors receiving the appropriate requisition and the meeting must be held within 28 days of that notice. Pursuant to Section 307 CA 2006, shareholders must receive at least 14 days' notice of a general meeting and at least 21 days' notice of an annual general meeting (in respect of public companies).

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.70 of the Hong Kong Listing Rules on the basis that the rules in the U.K. are broadly comparable to those under Rule 13.70 of the Hong Kong Listing Rules.

Rule 13.71

Under Rule 13.71 of the Hong Kong Listing Rules, an issuer must send notices to all holders of its listed securities whether or not their registered address is in Hong Kong. In the U.K., under Section 310 CA 2006, every member of a company must be sent notice of a general meeting. However, this provision takes effect subject to any provision of a company's articles. Article 154 of the Articles

state that where a member has a registered address outside the U.K., subject to having given a U.K. address for notices or in certain circumstances an electronic address, such member shall not be entitled to receive any notice from the Company. The Company currently sends notice of meetings to all registered Shareholders whether or not they have a registered address in the U.K., except for those registered Shareholders who have chosen to receive electronic notification that the notice of meeting is available to view and download from the Company's website.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.71 of the Hong Kong Listing Rules on the basis that the Company will send notice of meetings to all Shareholders on the Hong Kong Share Register whether or not they have a registered address in Hong Kong, except for those Shareholders on the Hong Kong Share Register to whom corporate communications are requested or permitted to be sent or available by download from the websites of the Company and of the Hong Kong Stock Exchange (or other form of electronic communication). For a description, please see the paragraph in this section captioned "Electronic Communications" above.

Rule 13.73

Under Rule 13.73 of the Hong Kong Listing Rules, an issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (for example, for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with Rule 2.07C of the Hong Kong Listing Rules. An issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. Such supplementary information must be provided either by way of supplementary circular or by way of an announcement not less than 10 Business Days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 Business Days requirement.

Rule 13.8.8 of the London Listing Rules provides that where shareholders are sent a notice of a general meeting which includes any business, other than ordinary business at an annual general meeting (Financial Conduct Authority guidance states that "ordinary business" should bear its ordinary meaning), an explanatory circular must accompany the notice. A circular would need to comply with Rule 13.3.1 of the London Listing Rules and should include, inter alia:

- (a) a clear and adequate explanation of its subject matter;
- (b) all information necessary to allow shareholders to make a properly informed decision;
- (c) an indication of the document's importance;
- (d) advice to shareholders who are in any doubt as to what action to take to consult appropriate independent advisers; and
- (e) a recommendation from the board as to the voting action shareholders should take for all resolutions proposed, indicating whether or not the proposals described in the circular are, in the board's opinion, in the best interests of shareholders as a whole.

In addition, DTR 6.1.12 requires issuers to provide information to shareholders regarding the place, time and agenda of meetings, total number of shares and voting rights and the rights of holders to participate in meetings. An issuer of shares must publish notices or distribute circulars concerning the allocation and payment of dividends and the issue of new shares, including information on any arrangements for allotment, subscription, cancellation or conversion.

Pursuant to Section 307 CA 2006, shareholders must receive at least 14 clear days' notice of a general meeting and at least 21 clear days' notice of an annual general meeting. Under Section 310 CA 2006, every shareholder must be sent notice of a general meeting, subject to any provision of a company's articles, and the notice must state that the meeting is an annual general meeting where relevant. Changes made to the CA 2006 by the Companies (Shareholders' Rights) Regulations 2009 increased the notice period required for general meetings of the Company to 21 days unless shareholders approved a shorter notice period, which cannot be less than 14 clear days. Such approval will not affect annual general meetings, which continue to be held on at least 21 clear days' notice. In accordance with Section 311(2) CA 2006, the notice should state the general nature of the business to be dealt with at the meeting. In practice, issuers typically send a notice of annual general meeting and related documents to shareholders around one to two months before the meeting date.

Rule 10.5.4 of the London Listing Rules provides that a supplementary circular must be sent if after the circular has been issued and before the meeting held, there is a material change or material new matter that would have had to be disclosed in the circular. In addition, to the extent directors of the Company come into possession of inside information subsequent to the release of a shareholder circular, the Company would be required under the DTR to disclose such information as soon as possible and so similar regimes in effect apply. Because these requirements are sufficiently similar, and having regard to the waiver granted in relation to 2.07C of the Hong Kong Listing Rules (and the rationale for that waiver, all as disclosed above), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.73 of the Hong Kong Listing Rules on that basis.

Rules 13.80 to 13.87

Rules 13.80 to 13.87 of the Hong Kong Listing Rules set out certain requirements regarding independent financial advisers, including that the independent financial adviser must perform its duties with impartiality, and an issuer must afford the independent financial adviser full access at all times to all persons, premises and documents relevant to the independent financial adviser's performance of its duties. These requirements are aimed at, and apply primarily in, circumstances specified in Rule 13.39(6)(b) of the Hong Kong Listing Rules (described above) or other situations in which an independent shareholder vote is required.

A listed company must, in accordance with Rule 8.2 of the London Listing Rules, appoint a sponsor in specific circumstances including wherever it is required to produce a Class 1 circular and a related party circular. Further details regarding related party transactions, percentage ratios and Class 1 circulars are set out below in the section "Notifiable Transactions and Connected Transactions".

On the basis of the Company's existing obligations under the London Listing Rules, the Company has applied for, and the Hong Kong Stock Exchange has granted, waivers of (among others) Rules 13.39(6) and 13.39(7), 13.40 to 13.42 and Chapter 14A of the Hong Kong Listing Rules (all as disclosed in this section). On the basis that the rules applicable to the Company by virtue of its listing on the LSE provide sufficient alternative protection, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver of Rules 13.80 to 13.87 of the Hong Kong Listing Rules.

NOTIFIABLE TRANSACTIONS AND CONNECTED TRANSACTIONS

Chapters 14 and 14A of the Hong Kong Listing Rules provide for a range of continuing obligations which apply to an issuer listed on the Hong Kong Stock Exchange, including in relation to “notifiable transactions” and “connected transactions”. As the Company was incorporated in England and Wales and maintains a primary listing on the LSE, it is already subject to a wide range of continuing obligations, which are broadly commensurate with the shareholder protections under Chapters 14 and 14A of the Hong Kong Listing Rules.

The Rules under Chapter 14 of the Hong Kong Listing Rules relating to notifiable transactions are intended to keep the shareholders of an issuer informed of the ongoing operations of the issuer so that they can assess the impact of a particular transaction and vote on significant transactions. In addition, these rules also reinforce the general disclosure principle of inside information to keep the public apprised of the position of issuers and to avoid the establishment of a false market in the issuers’ listed securities.

The connected transactions rules in Chapter 14A of the Hong Kong Listing Rules are intended to guard against the risk that connected persons could take advantage of their positions and influence the issuer to enter into connected transactions which adversely affect the interests of the issuer or its shareholders.

Set out below is a description of the relevant provisions under the London Listing Rules which govern transactions that would constitute “notifiable transactions” or “connected transactions” under the Hong Kong Listing Rules.

I. Rules governing Significant Transactions under the London Listing Rules

Background

Rule 10 of the London Listing Rules details the obligations on issuers to provide information to its shareholders and to the market generally in connection with transactions outside the ordinary course of business, principally acquisitions and disposals.

The class tests are the means by which transactions are graded in terms of importance for the purpose of determining the appropriate level of information to be made available; in some cases the issuer will be required to obtain the approval of shareholders before proceeding. The tests are principally tests of size, comparing certain financial information relating to the issuer making the acquisition or disposal on the one hand with the company, business or assets being acquired or disposed of by it on the other. The figures for each are compared and then expressed as a percentage. The percentage will determine the categorisation of the transaction.

There are four ratio tests, the last of which only applies to an acquisition of a company or business. The ratio tests are as follows:

- (a) *Assets to Assets* — compares the value of the gross assets acquired or disposed of with the gross assets under the issuer’s control.

- (b) ***Profits to Profits*** — compares the net profits attributable to the assets acquired or disposed of with the net profits of the issuer.
- (c) ***Consideration to Market Capitalisation*** — compares the consideration with the aggregate market value of the ordinary shares of the issuer. This test expresses the value of the transaction as a proportion of the market's perception of the issuer's worth which, in respect of the vast majority of companies in most sectors, significantly exceeds the net asset value.
- (d) ***Gross Capital*** — compares the gross capital of the issuer with the gross capital of the company or business being acquired. The purpose of the test is to give an indication of the value of funding required to support the assets being acquired, based on the value of the business being acquired (represented by the consideration payable) and its other funding.

In addition, there is an additional ratio test relating to transactions by listed Mineral Companies.

Mineral Reserves and Resources — compares the volume or amount of proven reserves and probable reserves to be acquired/disposed of with the volume or amount of aggregate proven reserves and probable reserves of the Company. The purpose of the test is to give an indication of the significance of the mineral reserves the subject of the transaction.

Further details regarding transactions involving “Mineral Companies” are set out below in “Statement on Resources and/or Reserves”.

Classification of transactions

There are broadly two categories of transactions under Rule 10 of the London Listing Rules:

- (a) ***Class 2 transaction*** — a transaction is a Class 2 transaction if any one of the percentage ratios are 5 per cent. or more, provided that no ratio reaches 25 per cent.
- (b) ***Class 1 transaction*** — a transaction is a Class 1 transaction if any one of the percentage ratios is 25 per cent. or more.

Disclosures — announcements and circulars

The disclosure and other procedural requirements that must be complied with for each of the classes of transactions are as follows:

Class 2

A Class 2 transaction requires an announcement to be made as soon as possible after the terms of the transaction have been agreed. The requirement of an announcement is triggered once the parties have entered into a binding agreement whether or not this is conditional.

The contents of the announcement are as follows:

- (a) details of the transaction, including the name of the other party to the transaction;
- (b) a description of the business carried on by, or using, the net assets the subject of the transaction;
- (c) the aggregate value of the consideration, explaining how this is being satisfied including the terms of any arrangements for deferred payment;
- (d) the value of the gross assets being acquired or disposed of;
- (e) the net profits attributable to those assets;
- (f) the effect of the transaction on the issuer including any benefits which are expected to accrue to the company as a result of the transaction;
- (g) details of any service contracts of proposed directors of the issuer;
- (h) for a disposal, the application of the sale proceeds;
- (i) in the case of a disposal, if shares or other securities are to form part of the consideration received, a statement whether such securities are to be sold or retained; and
- (j) details of key individuals important to the business or company the subject of the transaction.

There is an obligation to make a further announcement if any of the announced details change significantly or a matter arises which should have been included in the earlier announcement.

Class 1

For a Class 1 transaction, an announcement is required in the same form as for Class 2 transactions. A circular is required and its contents must be approved by the Financial Conduct Authority before it is published and distributed to shareholders. A Class 1 circular must contain the prescribed financial information set out in Rule 13.5 of the London Listing Rules (if applicable). In addition, the required contents for a Class 1 circular are, inter alia:

- (a) all the information required to be contained in a Class 2 announcement;
- (b) for both the issuer and the undertaking the subject of the transaction, risk factors that are specific to the issuer or its industry;
- (c) the legal and commercial name of the issuer;
- (d) the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);
- (e) for both the issuer and the undertaking the subject of the transaction, the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document and information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year;
- (f) information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate negative statement;
- (g) with respect to each (i) member of the administrative, management or supervisory body, (ii) partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) founder, if the issuer has been established for fewer than five years, and (iv) senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business, of the issuer, information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date;
- (h) insofar as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or, if there are no such persons, an appropriate negative statement;
- (i) details of related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) No 1606/2002) that the issuer has entered into during the period covered by the historical financial information and up to the date of the circular. If such standards do not apply to the issuer, the issuer must disclose (i) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer, (ii) where such related party transactions are not concluded at arm's length, an explanation of why these transactions were not concluded at arm's length and (iii) the amount or the percentage to which related party transactions form part of the turnover of the issuer;

- (j) for both the issuer and the undertaking the subject of the transaction, information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or an appropriate negative statement;
- (k) for both the issuer and the undertaking the subject of the transaction, a description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement;
- (l) for both the issuer and the undertaking subject to the transaction, a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the circular and a summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document;
- (m) a statement that certain documents may be inspected and an indication of where they are available;
- (n) for both the issuer and the undertaking the subject of the transaction, a statement by the directors that, in their opinion, the working capital is sufficient for present requirements or, if not, how it is proposed to provide the additional working capital needed;
- (o) a responsibility statement by the directors of the issuer and by the issuer; and
- (p) a statement of the effect of the acquisition or disposal on the group's earnings and assets and liabilities.

Reverse Takeovers

Under Rule 5.6 of the London Listing Rules, a reverse takeover will occur where an issuer acquires a business, assets or company where any of the percentage ratios is 100 per cent. or more or which would result in a fundamental change in the business of the company or in board or voting control. Rule 5.6 of the London Listing Rules does not apply where an issuer acquires shares of another listed company with the same category of listing. Listing is usually, but is not always, suspended upon announcement of a reverse takeover.

If the transaction is a reverse takeover, then an announcement will have to be made in the same way as for a Class 2 and Class 1 transaction. In addition, a circular complying with the Class 1 circular requirements will have to be dispatched which will have to be approved in advance by the Financial Conduct Authority. For a reverse takeover, the acquiring company will be treated as a new applicant for listing but will not be required to produce a prospectus solely for this purpose.

Shareholders' approval

Class 1 or reverse takeovers are subject to shareholders' approval. A shareholders' meeting shall be convened to approve any such transactions after the relevant circular is sent to all shareholders.

II. Rules governing Related Party Transactions under the London Listing Rules

Background

Rule 11 of the London Listing Rules sets out the obligations of listed companies in relation to related party transactions. For the purposes of Rule 11 of the London Listing Rules, a “related party transaction” means:

- (a) a transaction (other than a transaction in the ordinary course of business) between an issuer (or any of its subsidiary undertakings) and a related party;
- (b) any arrangements (other than an arrangement in the ordinary course of business) pursuant to which an issuer (or any of its subsidiary undertakings) and a related party each invests in, or provides finance to, another undertaking or asset; or
- (c) a transaction (other than a transaction in the ordinary course of business) between an issuer (or any of its subsidiary undertakings) and any person, the purpose and effect of which is to benefit a related party.

Any transaction falling within these categories will be a related party transaction, regardless of size, although the size of the transaction will still need to be considered, since this will affect the availability of exemptions from the requirements otherwise applicable.

A “related party” means:

- (a) ***a substantial shareholder*** — that is anyone who is (or was during the 12 months before the transaction) entitled to exercise, or control the exercise of, 10 per cent. or more of the votes of the issuer, or any other company in the issuer’s group (disregarding voting rights exercised as bare trustee/investment manager/collective investment undertaking);
- (b) ***a director*** or ***shadow director*** — that is anyone who is (or was within the 12 months before the transaction) a director or shadow director of the issuer, or of any other company in the issuer’s group;
- (c) ***a person exercising significant influence*** over the company;
- (d) an ***associate*** of any of the above, being:
 - (i) in relation to a director, substantial shareholder or person exercising significant influence that is an ***individual***:
 - (A) that individual’s spouse, civil partner or child (the “individual’s family”);
 - (B) trustees of any trust of which that individual or any member of that individual’s family is a beneficiary;

(C) a company in which that individual and that individual's family are able:

I. to exercise or control the exercise of 30 per cent. or more of the votes; or

II. to appoint or remove directors holding a majority of the voting rights at board meetings on all, or substantially all, matters;

(ii) any partnership whether a limited partnership or limited liability partnership (in which the individual or any member of the individual's family are interested and would be able to control 30 per cent. of the partnership); and

(iii) in relation to a substantial shareholder or person exercising significant influence that is a ***company***:

(A) any other company which is its subsidiary or parent or fellow subsidiary;

(B) any company whose directors are accustomed to act in accordance with its instructions;
or

(C) any other company in which it, taken together with other companies under (a) and (b) above, would be able to exercise power as envisaged in (C) above.

Disclosures — announcements and circulars

The requirements for a related party transaction, subject to full (e.g. percentage ratio of 0.25 per cent. or less) and limited exemptions (percentage ratio of less than 5 per cent. but above 0.25 per cent.), are as follows:

(a) Announcement

The issuer must make a Class 2 (as defined under significant transaction rules) announcement as soon as possible after the terms of the transaction have been agreed.

In addition to the Class 2 announcement content requirements, the announcement must contain the name of the related party and details of the nature and extent of the related party's interest in the transaction.

(b) Circular

The issuer must send an explanatory circular, approved by the Financial Conduct Authority, to its shareholders. The circular must comply with the general content requirements for all circulars as prescribed under the London Listing Rules.

In addition to the general circular content requirements, the circular must contain the information required under Rule 13.6 of the London Listing Rules, which includes:

(i) full particulars of the transaction, including the name of the related party and the nature and extent of that party's interest in the transaction; and

- (ii) a statement by the board to the effect that the transaction is fair and reasonable so far as the shareholders of the company are concerned, and that they have been so advised by a sponsor. Under Rule 8.2.1(7) of the London Listing Rules, a company is required to appoint a sponsor whenever it is required to submit a related party circular to the Financial Conduct Authority.

If the transaction is classified as a Class 1 transaction (as defined under significant transaction rules), then the circular must also contain all the information required for a Class 1 circular.

If each of the percentage ratios under the class tests is less than 5 per cent., but one or more of the percentage ratios exceeds 0.25 per cent., then the issuer must:

- (i) before entering into the transaction, obtain a written confirmation from a sponsor that the transaction is fair and reasonable as far as the shareholders are concerned; and
- (ii) make an announcement as soon as possible upon entering into the transaction, including a description of the transaction, identification of the counterparty, the value of the transaction and the fact that the transaction is a related party transaction.

Shareholders' approval

For those related party transactions where the percentage ratio under any one of the class tests is 5 per cent. or more, and which do not qualify for full exemption or limited exemption, the issuer must obtain its shareholders' approval for such transactions (to be by ordinary resolution in a general meeting before the transaction is entered into — the notice of general meeting will be sent out with the circular). The agreement may be entered into before it is approved by shareholders, providing that completion of the transaction is conditional on such approval being obtained.

The London Listing Rules require the issuer to ensure that: (a) the related party does not vote on the relevant resolution; and (b) the related party takes all reasonable steps to ensure that its associates do not vote on the relevant resolution.

Waiver granted

On the basis that the rules applicable to the Company by virtue of its listing on the LSE provide sufficient alternative protection, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver of Chapters 14 and 14A of the Hong Kong Listing Rules.

OPTIONS, WARRANTS AND SIMILAR RIGHTS

Chapters 15 and 27 and Rule 19.41 of the Hong Kong Listing Rules set out certain criteria to be satisfied by a listed issuer before the Hong Kong Stock Exchange will grant approval for the issue or grant of options, warrants or similar rights to subscribe or purchase equity securities by the listed issuer or any of its subsidiaries and to the issue of warrants which are attached to other securities by the listed issuer or any of its subsidiaries, as well as the minimum content to be included in the circular or the notice to be sent to shareholders when convening a general meeting to approve the issue or grant of such options, warrants or rights.

Rule 15.01 of the Hong Kong Listing Rules applies to options, warrants and similar rights to subscribe or purchase equity securities of an issuer which are issued or granted on their own by that issuer or any of its subsidiaries, as well as to warrants which are attached to other securities. However, it does not apply to any employee options which are granted on a basis covered by Chapter 17 of the Hong Kong Listing Rules. Rule 15.02 of the Hong Kong Listing Rules states that warrants must be approved by the Hong Kong Stock Exchange (even if they are not listed) and by shareholders in a general meeting (or under general mandate). Generally, the securities to be issued on exercise must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, exceed 20 per cent. of the issued share capital of the issuer at the time such warrants are issued. Such warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe for securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

Rules 15.06 and 27.04 of the Hong Kong Listing Rules state that any alterations in the terms of warrants after their issue or grant must be approved by the Hong Kong Stock Exchange. Practice Note 4 of the Hong Kong Listing Rules sets out certain additional requirements for the issue of new warrants to existing warrant holders by a listed issuer or the alteration of the exercise period or the exercise price of existing warrants.

Under the London Listing Rules, the allotment and issue of shares upon conversion of the warrants must be approved at the time of issue of the warrants under an existing authority or by shareholders at a general meeting of the company. At the time of the initial issuance, a prospectus may be required although an exemption under the Prospectus Rules will often apply. Under Prospectus Rule 1.2.3(7) and the European Securities and Market's Authority FAQs, no prospectus is required for the admission of the shares on conversion and no general approval by the Financial Conduct Authority or LSE is required.

Under Rule 6.1.22(1) of the London Listing Rules, the total of all issued warrants to subscribe for equity shares or options to subscribe for equity shares must not exceed 20 per cent. of the issued equity share capital (excluding treasury shares) of the applicant as at the time of issue of the warrants or options. Rights under employees' share schemes are not included for the purpose of the 20 per cent. limit.

Rule 9.6.4 of the London Listing Rules provides that an issuer must notify an RIS as soon as possible of any proposed change in its capital structure, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress. In addition, DTR 6.1.10 states that an issuer of listed warrants must disclose to the public without delay any changes in the rights of holders of the warrants, including changes in the terms and conditions of such securities which could indirectly affect those rights.

Compared to the Hong Kong Listing Rules, there is no equivalent U.K. requirement that warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe to securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

The issue of options and warrants by an England and Wales incorporated, LSE listed company are subject to a legal and regulatory regime which includes protections to shareholders (described above) which have differences from the rules in Chapter 15, Chapter 27 and Practice Note 4 of

the Hong Kong Listing Rules, so that compliance with the Hong Kong Listing Rules would put the Company at a disadvantage compared to other companies with premium listings on the LSE. As a result, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the application to the Company of Chapter 15, Chapter 27 and Practice Note 4 with the effect that such Chapters, Rules and Practice Notes shall only apply to the extent the relevant options, warrants or similar rights are listed or to be listed on the Hong Kong Stock Exchange.

CONVERTIBLE EQUITY SECURITIES

Rule 16.01 of the Hong Kong Listing Rules provides that all convertible equity securities (whether listed or unlisted) which are convertible into new securities or outstanding securities of the issuer or a group company must, prior to the issue thereof, be approved by the Hong Kong Stock Exchange. Rule 16.03 of the Hong Kong Listing Rules states that any alterations in the terms of convertible equity securities after issue must be approved by the Hong Kong Stock Exchange.

No comparable rules exist in the U.K., however compliance with Chapter 16 of the Hong Kong Listing Rules, and specifically Rules 16.01 and 16.03, would put the Company at a disadvantage compared to other companies with premium listings on the LSE. As a result, the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification from strict compliance with Chapter 16 with the effect that the provisions in Chapter 16 shall only apply to convertible equity securities listed or to be listed on the Hong Kong Stock Exchange.

SHARE OPTIONS

Rule 19.42 of the Hong Kong Listing Rules states that the Hong Kong Stock Exchange may be prepared to vary the requirements applicable to schemes involving the issue or grant of options over shares or other securities by issuers to, or for the benefit of, executives and/or employees set out in Chapter 17 for an overseas issuer if its primary listing is or is to be on another stock exchange where different requirements apply.

Summary of applicable London Listing Rules

The London Listing Rules apply to “employees’ share schemes” and “long term incentives schemes” of U.K. issuers. The ABI Principles of Remuneration, dated November 2013 (the “**ABI Principles**”) provide a framework as to the best practice for issuers in respect of executive remuneration.

Operation of scheme

The ABI Principles stipulate that: (i) the rules of a scheme must provide that commitments to issue new shares or re-issue treasury shares, when aggregated with awards under all of the company’s other schemes, must not exceed 10 per cent. of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling 10 year period; and (ii) commitments to issue new shares or re-issue treasury shares under executive (discretionary) schemes should not exceed 5 per cent. of the issued ordinary share capital of the company (adjusted for share issuance and cancellation) in any rolling 10 year period. This may be exceeded where vesting is dependent on the achievement of significantly more stretching performance conditions.

The ABI Principles recommend that no awards should be made beyond the life of the scheme, which should not exceed 10 years. In addition, shares and options should not vest or be exercisable within three years from the date of grant and options should not be exercisable more than 10 years from the date of grant.

Pricing

Under Rules 9.4.4 and 9.4.5 of the London Listing Rules, an issuer may not, without the prior approval by ordinary resolution of its shareholders in a general meeting, grant to a director or employee of an issuer or of any subsidiary undertaking, an option or right to subscribe for shares where the exercise price is set at a discount to whichever of the following is used to calculate the exercise price: (i) the market value of a share on the date when the exercise price is determined; (ii) the market value of a share on the Business Day before such date; or (iii) the average of the market values for a number of dealing days within a period not exceeding 30 days preceding such date.

The ABI Principles state that the price at which shares are issued under a scheme should not be less than the mid-market price (or similar formula) immediately preceding the grant of the shares under the scheme. Also, any options granted under executive (discretionary) schemes should not be granted at a discount to the prevailing mid-market price.

Dealings during close periods

The U.K. Model Code states that, subject to certain exceptions, any acquisition or disposal of any securities of the company, or the acquisition or disposal of an option, or any other right to acquire or dispose of securities, or any interest in securities in the company under an employees' share scheme, by a PDMR during a close period or any other time there exists information relating to a company, requires advance clearance by the relevant designated person.

Disclosure

Under Rule 9.4.1 and 9.4.2 of the London Listing Rules, the scheme of an issuer, or any of its major subsidiary undertakings, where such a scheme is either: (i) an employees' share scheme involving the issue of new shares or the transfer of treasury shares; or (ii) a long term incentive scheme in which one or more directors are eligible to participate, must be approved by an ordinary resolution of shareholders in the general meeting prior to its adoption. Exceptions to this requirement in respect of (ii) include: (A) where participation is offered on an all-employee basis and on similar terms (e.g. share incentive plan or a sharesave plan); or (B) if the only participant is a director and the scheme has been established for retention/recruitment purposes.

Rules 9.8.6 and 9.8.8 of the London Listing Rules require any remuneration information relating to the grant of options and awards under an employees' share scheme or long term incentive scheme to PDMRs to be included in the issuer's annual report and in the board's report to shareholders.

In addition, Section 421 CA 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) require the directors' remuneration report to contain details of awards granted during the year, together with any performance conditions to which they are subject, so annual disclosure will be required and any change of policy on performance targets or comparator groups should, therefore, be explained in the report. The remuneration report is subject to a shareholders' vote and, although only advisory and not binding, a vote against is something which most issuers prefer to avoid.

The Company's existing Share Plans comply with the relevant requirements under the London Listing Rules, however, such Share Plans do not and any future share plans will not contain all of the provisions required by Chapter 17 of the Hong Kong Listing Rules.

Waiver granted

On the basis of Rule 19.42 of the Hong Kong Listing Rules, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Chapter 17 in its entirety.

CONTINUING OBLIGATIONS UNDER CHAPTER 18 OF THE HONG KONG LISTING RULES

Applicable Hong Kong rules

Rule 18.14 of the Hong Kong Listing Rules provides that a "Mineral Company" must include in its interim and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. If there has been no exploration, development or production activity, this must be stated.

Rule 18.16 of the Hong Kong Listing Rules states that a "Mineral Company" must include an update of its resources and/or reserves in its annual report in accordance with the reporting standard under which they were previously disclosed. Rule 18.17 states that annual updates of resources and/or reserves must follow a stipulated format according to Rule 18.18 (see below "Statements on Resources and Reserves").

Applicable U.K. rules

Similar obligations to those in Rules 18.14 and 18.16 of the Hong Kong Listing Rules are imposed on the Company by DTR 4.1 and DTR 4.3.

Details of the Company's exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review may be found in both its annual report and its interim management statements. This results from the following general disclosure requirements:

(i) Annual Report

Under DTR 4.1.8, the management report in an issuer's annual report must contain a fair review of the company's business. Under DTR 4.1.11, the management report in the annual report must give an indication of any important events that have occurred since the end of the financial year and the company's likely future developments.

(ii) Interim Management Statement

Under DTR 4.3, the interim management statement must be made public twice a year (during the first six-month period of the financial year and the second six-month period). A statement must be made in the period between ten weeks after the commencement of the relevant half of the financial year and six weeks before the end of that half year. The interim management statement must provide:

- (a) an explanation of material events and transactions that have taken place during the relevant six month period and their impact on the financial position of the Company and its controlled undertakings; and
- (b) a general description of the financial position and performance of the Company and its controlled undertakings during the relevant period.

Unlike under the Hong Kong Listing Rules, there is no separate express requirement in CA 2006, the London Listing Rules or DTRs for a Mineral Company to include in its interim and annual reports details of its exploration, development and mining production activities and a summary of expenditure incurred on these activities during the period under review. In practice, however, this information may be found in both the annual report and the interim management statements due to the above general disclosure requirements.

Waivers granted

Having regard to the Company's existing reporting requirements and practices and commensurate protections in the U.K. noted above (in particular, the requirements of CA 2006 and the DTRs), the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 18.14 and 18.16 of the Hong Kong Listing Rules.

STATEMENTS ON RESOURCES AND/OR RESERVES

Applicable Hong Kong rules

Rule 18.18 of the Hong Kong Listing Rules provides that any data on resources and/or reserves presented by a "Mineral Company" in (among others) listing documents, circulars or annual reports must be presented in tables in a manner readily understandable to a non-technical person. Rule 18.19 states that all statements referring to resources and/or reserves contained in a circular relating to a relevant notifiable transaction must be substantiated in a "Competent Person's Report" which must form part of the document. In all other cases, statements referring to resources and/or reserves must be substantiated by the issuer's internal experts. Rules 18.20 to 18.27 of the Hong Kong Listing Rules set out the requirements applicable to "Competent Persons" and "Competent Evaluators".

Rule 18.28 of the Hong Kong Listing Rules states that in addition to satisfying Chapter 13 of the Hong Kong Listing Rules, a "Mineral Company" exploring for and/or extracting mineral resources and reserves must also satisfy Rules 18.29 and 18.30. Rule 18.29 states that a "Mineral Company" must disclose information on mineral resources, reserves and/or exploration results in compliance

with certain prescribed standards. Rule 18.30 of the Hong Kong Listing Rules states that a “Mineral Company” must ensure that any estimates of mineral reserves disclosed are supported by a pre-feasibility study and that sensitivity analyses to higher and lower prices are supplied for forecast valuations of reserves and profit forecasts.

Rules 18.31 to 18.33 of the Hong Kong Listing Rules set out the disclosure requirements for a “Mineral Company” that extracts petroleum resources and reserves. Rule 18.34 states that a “Mineral Company” must ensure that any valuation of its mineral assets is prepared pursuant to certain standards and that the Competent Evaluator states clearly the basis of valuation, relevant assumptions and the reason why a particular method of valuation is considered most appropriate.

Applicable U.K. rules

A listed mineral company (as defined in the FCA Handbook) undertaking a transaction covered by Rule 10 of the London Listing Rules (Significant transactions: Premium listing) that involves significant mineral resources must include a Mineral Expert’s Report (also known as a Competent Person’s Report) in the circular. A glossary of the technical terms used in the Mineral Expert’s Report is also required. The FCA may modify these information requirements if the information would not provide significant additional information.

The Mineral Expert’s Report should be prepared in accordance with the recommendations in the European Securities and Markets Authority’s Recommendations no. 809/2004 (as updated in 2013). It should include:

- (a) details of the reserves;
- (b) the expected period of working of those reserves;
- (c) an indication of the periods and main terms of any licences or concessions and the economic conditions for working those licences or concessions;
- (d) indications of the progress of actual working; and
- (e) an explanation of any exceptional factors that have influenced (a) to (d) above.

The content of a Mineral Expert’s Report must be agreed with the competent authority and should be dated no more than six months before the date of the circular. In exceptional and limited circumstances, the Financial Conduct Authority may consider a Mineral Expert’s Report that is between six and 12 months old but in such a case the Financial Conduct Authority should be consulted at an early stage and a company would need to ensure that it is not misleading to shareholders if it includes a report which includes materially different information. In all other cases statements should always be substantiated by the issuer’s internal experts.

Waivers granted

The Hong Kong Stock Exchange has (as disclosed in this section) granted waivers and/or modifications in relation to a number of Hong Kong Listing Rules requirements otherwise applicable to transactions for the purposes of which listing documents (or circulars containing a

Competent Person's Report) are typically required (including, without limitation, waivers under Chapters 7, 14 and 14A, and corresponding modification of Chapter 11). Additionally, as indicated above, the Hong Kong Stock Exchange has granted a waiver from strict compliance with Rules 18.14 and 18.16 of the Hong Kong Listing Rules on the basis of the commensurate protections in the U.K. and the Company's reporting requirements as a company having a premium listing on LSE. As such, and on the same basis, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 18.18 to 18.34 of the Hong Kong Listing Rules.

DEBT SECURITIES

As detailed above in the paragraph "Options, Warrants and Similar Rights", the Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the application to the Company of Chapter 27 of the Hong Kong Listing Rules with the effect that Chapter 27 shall only apply to the extent the relevant options, warrants or similar rights are listed or to be listed on the Hong Kong Stock Exchange.

CONVERTIBLE DEBT SECURITIES

Chapter 28 of the Hong Kong Listing Rules governs the issuance of convertible debt securities. The Company has applied for, and the Hong Kong Stock Exchange has granted, a modification to the application to the Company of Chapter 28 of the Hong Kong Listing Rules, so that the Chapter shall only apply to convertible debt securities listed on the Hong Kong Stock Exchange. While there are no rules in the U.K. specifically comparable to Chapter 28 of the Hong Kong Listing Rules, investors are sufficiently protected as the Company is already subject to various broadly similar rules and regulations in the U.K. and full compliance with Chapter 28 would be unduly onerous on the Company.

Rule 28.01 of the Hong Kong Listing Rules requires that all convertible debt securities must, prior to the issue thereof, be approved by the Hong Kong Stock Exchange and the Hong Kong Stock Exchange should be consulted at the earliest opportunity as to the requirements which will apply.

A description of the relevant provisions of the London Listing Rules is set out below.

Under Rule 3.4 of the London Listing Rules, the Financial Conduct Authority must approve the admission of any convertible securities. In addition, under the London Listing Rules, an issuer must, when issuing convertible bonds give consideration to the following:

- (a) the constitutional documents of the issuer of the underlying shares;
- (b) the corporate law of the share issuer;
- (c) the additional disclosure requirements of the stock exchange on which the bonds are to be listed, in respect of the underlying shares; and
- (d) the listing rules of the stock exchange on which the underlying shares are listed.

Prior to issuing convertible bonds, the issuer must consider its share capital requirements and its ability to allot shares such as:

- (a) there being no restriction under the issuer's articles;
- (b) there is sufficient headroom in its allotted capital so that upon conversion sufficient shares may be issued; and
- (c) the pre-emptive rights of existing shareholders are complied with.

Rule 28.02 of the Hong Kong Listing Rules requires all convertible debt securities which are convertible into new equity securities or outstanding securities of an issuer or a group for which a listing is to be sought to comply with both the requirements applicable to the debt securities for which listing is sought and with the requirements applicable to the underlying equity securities to which such convertible debt securities relate. In the event of any conflict or inconsistency between the various requirements, those applicable to such equity securities shall prevail.

Under Appendix 3.1, Annexes IV, V, IX, XIII and Items 4.2.1 and 4.2.2 of Annex XII to the Prospectus Rules, all convertible debt securities which are convertible into new equity securities or outstanding securities of the issuer or a group for which a listing is to be sought must comply with the requirements applicable to debt securities (Appendix 3, Annexes IV, V, IX and XIII to the Prospectus Rules). These disclosure requirements are supplemented by disclosure requirements relating to the underlying shares. These supplemental disclosure requirements are at Items 4.2.1 and 4.2.2, Annex XII, of Appendix 3 to the Prospectus Rules. They require only the following very limited information to be included in the prospectus on the underlying shares:

- (a) exercise price of the shares; and
- (b) statement setting out the type of the shares and details of where information on the shares can be obtained (e.g. information on past/present performance and volatility of the shares, name of the issuer of the shares and security identity code for the shares).

There appear to be no supplementary requirements to disclose information in the prospectus in respect of the issuer of the underlying shares.

Rule 28.05 of the Hong Kong Listing Rules requires any alterations in the terms of convertible debt securities after issue to be approved by the Hong Kong Stock Exchange.

Under Rule 6.1.10 of the DTR, an issuer of securities other than shares admitted to trading on a regulated market must disclose to the public without delay any changes in the rights of holders of securities other than shares, including changes in the terms and conditions of such securities which could indirectly affect those rights, resulting in particular from a change in loan terms or in interest rates.

CODE ON CORPORATE GOVERNANCE PRACTICES

Appendix 14 to the Hong Kong Listing Rules sets out principles of good corporate governance for listed issuers, and has two levels of recommendations, being (a) code provisions; and (b) recommended best practices. Issuers are expected to comply with, but may choose to deviate from, the code provisions. A listed issuer may also devise its own code on corporate governance practices on such terms as it may consider appropriate. The Hong Kong Governance Code adopts a comply or explain mechanism, so that if the issuer deviates from its code provisions, it must explain these actions in the annual report and in any interim financial reports. Issuers are encouraged to give reasons for deviations from the recommended best practices, but this is not mandatory.

The U.K. Governance Code is broadly similar to the Hong Kong Governance Code. The U.K. Governance Code sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and transparency and relations with shareholders with the aim of facilitating prudent management and delivering long-term success. These standards of good practice are set out in the U.K. Governance Code in the form of main principles, supporting principles and more specific code provisions. All companies with a premium listing of equity shares on the LSE are required under the London Listing Rules to report on how they have applied the main principles of the U.K. Governance Code in their annual financial report and listed companies are obliged to either confirm that they have complied with the provisions of the U.K. Governance Code throughout the relevant accounting period or, where they have not, to provide an explanation and state the period for which such non-compliance continued.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Appendix 14 to the Hong Kong Listing Rules in its entirety on the basis that the requirements for a company listed on the LSE are substantially similar to those for a company listed on the Hong Kong Stock Exchange.

A description of the Hong Kong Governance Code and the relevant corresponding provisions under the U.K. Governance Code are set out below.

A. Directors

A.1 — The board

Under the Hong Kong Governance Code, an issuer should be headed by an effective board which should assume responsibility for its leadership and control and be collectively responsible for promoting its success by directing and supervising the issuer's affairs. Directors should take decisions objectively in the best interests of the issuer.

Under the U.K. Governance Code, every company should be headed by an effective board which is collectively responsible for the long-term success of the company and which meets sufficiently regularly to discharge its duties effectively. There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of

decision. The chairman is responsible for leadership of the board and ensuring its effectiveness on all aspects of its role. As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy. Non-executive directors are responsible for scrutinising the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance.

A.2 — Chairman and Chief Executive Officer

Under the Hong Kong Governance Code, there are two key aspects of the management of every issuer, being the management of the board and the day-to-day management of business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual. The roles of chairman and chief executive officer should not be performed by the same individual.

Under the U.K. Governance Code, there should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision. Chairman and chief executive roles should not be performed by the same individual and the division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the board.

A.3 — Board composition

Under the Hong Kong Governance Code, the board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the issuer's business. The board should ensure that changes to its composition can be managed without undue disruption. It should include a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is a strong independent element on the board, which can effectively exercise independent judgement. Non-executive directors should be of sufficient calibre and number for their views to carry weight.

Under the U.K. Governance Code, the board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively. The board should be of sufficient size that the requirements of the business can be met and that changes to the board's composition and that of its committees can be managed without undue disruption, and should not be so large as to be unwieldy. The board should include an appropriate combination of executive and non-executive directors (and, in particular, independent non-executive directors, who must be expressively identified as such by the board in the company's annual report) such that no individual or small group of individuals can dominate the board's decision taking. The value of ensuring that committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account in deciding chairmanship and membership of committees. No one other than the committee chairman and members is entitled to be present at a meeting of the nomination, audit or remuneration committee, but others may attend at the invitation of the relevant committee.

A.4 — Appointments, re-election and removal

Under the Hong Kong Governance Code, there should be a formal, considered and transparent procedure for the appointment of new directors. There should be plans in place for orderly succession for appointments. All directors should be subject to re-election at regular intervals. Issuers must explain the reasons for the resignation or removal of any director.

Under the U.K. Governance Code, there should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance and all directors of FTSE 350 companies should be subject to annual election by shareholders (non-executive directors who have served longer than nine years should also be subject to annual re-election). The names of directors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable shareholders to take an informed decision on their election. When proposing that a director be re-elected, the chairman should confirm to shareholders that, following formal performance evaluation, the individual's performance continues to be effective and to demonstrate commitment to their role.

A.5 — Nomination Committee

Under the Hong Kong Governance Code, issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

Under the U.K. Governance Code, issuers should have a nomination committee which should lead the process for board appointments and make recommendations to the board. A majority of members of the nomination committee should be independent non-executive directors. The chairman or an independent non-executive director should chair the committee, but the chairman should not chair the nomination committee when it is dealing with the appointment of a successor to the chairmanship.

A.6 — Responsibilities of directors

Under the Hong Kong Governance Code, every director must always know his responsibilities as a director of the issuer and its conduct, business activities and development. Given the essential unitary nature of the board, non-executive directors have the same duties of care and skill and fiduciary duties as executive directors.

Under the U.K. Governance Code, all directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge and should be able to allocate sufficient time to the company to discharge their responsibilities effectively. The chairman should ensure that the directors continually update their skills and the knowledge and familiarity with the company required to fulfil their role both on the board and on board committees. The company should provide the necessary resources for developing and updating its directors' knowledge and capabilities.

A.7 — Supply of and access to information

Under the Hong Kong Governance Code, directors should be provided in a timely manner with appropriate information in the form and quality to enable them to make an informed decision and perform their duties and responsibilities.

Under the U.K. Governance Code, the chairman should take responsibility to ensure that the directors receive accurate, timely and clear information. Management has an obligation to provide such information but directors should seek clarification or amplification where necessary.

B. Remuneration of directors and senior management

B.1 — Level and make-up of remuneration and disclosure

Under the Hong Kong Governance Code, the issuer should disclose its directors' remuneration policy and other remuneration related matters. The procedure for setting policy on executive directors' remuneration and all directors' remuneration packages should be formal and transparent. Remuneration levels should be sufficient to attract and retain directors to run the company successfully, without paying more than necessary. No director should be involved in deciding his own remuneration.

Under the U.K. Governance Code, levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the company successfully, but a company should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance on a basis that is stretching and designed to promote the long-term success of the company. There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration and care should be taken to recognise and avoid conflicts of interest. The chairman should ensure that the company maintains contact as required with its principal shareholders about remuneration.

C. Accountability and audit

C.1 — Financial reporting

Under the Hong Kong Governance Code, the board should present a balanced, clear and comprehensible assessment of the company's performance, position and prospects.

Under the U.K. Governance Code, the board should take responsibility for preparing financial statements and present a fair, balanced and understandable assessment of the company's financial position and prospects, which provides the information necessary for shareholders to assess the company's performance, business model and strategy. The board's responsibility extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements. The board should establish arrangements that will enable it to ensure that the information presented is fair, balanced and understandable.

C.2 — Internal controls

Under the Hong Kong Governance Code, the board should ensure that the issuer maintains sound and effective internal controls to safeguard shareholders' investment and the issuer's assets.

Under the U.K. Governance Code, the board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems which should be reviewed, at least, annually.

C.3 — Audit committee

Under the Hong Kong Governance Code, the board should establish formal and transparent arrangements to consider how it will apply financial reporting and internal control principles and maintain an appropriate relationship with the issuer's auditors. The audit committee established under the Hong Kong Listing Rules should have clear terms of reference.

Under the U.K. Governance Code, the board should establish formal and transparent arrangements for considering how it will apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditors, including establishing an audit committee comprised of at least three independent non-executive directors. FTSE 350 companies should put the external audit contract out to tender at least every ten years.

D. Delegation by the Board

D.1 — Management functions

Under the Hong Kong Governance Code, the issuer should have a formal schedule of matters specifically reserved for board approval. The board should give clear directions to management on the matters that must be approved by it before decisions are made on the issuer's behalf.

Under the U.K. Governance Code, the board should meet sufficiently regularly to discharge its duties effectively and there should be a formal schedule of matters specifically reserved for its decision. The annual report of the company should include a statement of how the board operates, including a high level statement of which types of decisions are to be taken by the board and which are to be delegated to management.

D.2 — Board committees

Under the Hong Kong Governance Code, board committees should be formed with specific written terms of reference which deal clearly with their authority and duties. Such terms of reference should be made available (for example by placing them on the company's website).

Under the U.K. Governance Code, the terms of reference of the nomination, audit and remuneration committees, explaining their role and the authority delegated to them by the board are to be made available (for example by placing the information on a website that is maintained by or on behalf of the company).

D.3 — Corporate Governance Functions

Under the Hong Kong Governance Code, the terms of reference of the board (or a committee or committees performing this function) should include at least to: (a) develop and review an issuer's policies and practices on corporate governance and make recommendations to the board; (b) review and monitor the training and continuous professional development of directors and senior management; (c) review and monitor the issuer's policies and practices on compliance with legal and regulatory requirements; (d) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and (e) review the issuer's compliance with the code and disclosure in the Corporate Governance Report. The board should be responsible for performing such duties or it may delegate the responsibility to a committee or committees.

The U.K Governance Code does not contain an equivalent provision.

E. Communications with shareholders

E.1 — Effective communication

Under the Hong Kong Governance Code, the board should be responsible for maintaining an on-going dialogue with shareholders and, in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.

Under the U.K. Governance Code, there should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place and should keep in touch with shareholder opinion in whatever ways are most practical and efficient. The board should use the annual general meeting to communicate with investors and to encourage their participation. The chairman should arrange for the chairman of the audit, remuneration and nomination committee to be available to answer questions at the annual general meeting and for all directors to attend.

E.2 — Voting by poll

Under the Hong Kong Governance Code, the issuer should ensure that shareholders are familiar with the detailed procedures for conducting a poll.

The U.K. Governance Code does not contain an equivalent provision.

F. Company Secretary

Under the Hong Kong Governance Code, the company secretary plays an important role in supporting the board by ensuring good information flow within the board and that board policy and procedures are followed. The company secretary is responsible for advising the board through the chairman and/or the chief executive on governance matters and should also facilitate induction and professional development of directors.

Under the U.K. Governance Code, a company secretary's responsibilities include ensuring good information flows within the board and its committees and between senior management and non-executive directors, as well as facilitating induction and assisting with professional development as required. A company secretary should also be responsible for advising the board through the chairman on all governance matters.

DISCLOSURE OF FINANCIAL INFORMATION

Appendix 16 to the Hong Kong Listing Rules sets out the minimum financial information that an issuer shall include in, inter alia, its annual reports, interim reports, preliminary announcements of full-year results and preliminary announcements of interim results. Rule 19.44 of the Hong Kong Listing Rules provides that the Stock Exchange will be prepared to agree to such modification to Appendix 16 as it considers appropriate in a particular case in the context of a secondary listing.

The Company is currently required to publish, among others: (a) its annual financial statements prepared in accordance with International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee (**IFRIC**) of the IASB, as adopted by the European Union and audited in accordance with applicable law and International Standards on Auditing (U.K. and Ireland); (b) its interim report prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" as adopted by the European Union and the DTR and reported on in accordance with International Standard on Review Engagements (U.K. and Ireland) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Auditing Practices Board for use in the United Kingdom; and (c) its quarterly production report for each quarter of the financial year, which include the requirements of the disclosure provisions in DTR 4.3.4 and DTR 4.3.5.

The Company considers that it would be unduly onerous if it were to include information required under Appendix 16 to the Hong Kong Listing Rules in its annual and interim reports which it is not required under IFRS. The Company has therefore applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with certain content requirements in Appendix 16 for annual reports and interim reports.

The following items are those that if the Company had not obtained the waiver referred to above, would have to be included in an annual report under Appendix 16 but which is not required to be included in its annual reports according to the U.K. rules:

- (a) There is no reconciliation between IFRS and HKFRS contemplated (Rule 2(6) 2.1 of Appendix 16). Based on a comparison of HKFRS and IFRS in issue and applicable to the years included in the financial statements, there are no material differences between these sets of standards as applied to the Company.
- (b) Analysis of tax between Hong Kong and overseas as required by Rule 4(1)(c) of Appendix 16 is not required under IFRS. As the Company is not expected to generate any taxable revenues in Hong Kong, no taxes are expected to be levied. Furthermore, the Company currently discloses the tax charge for each jurisdiction in which it operates and the Company believes that such disclosures as required by the Hong Kong Listing Rules would not provide any further useful information to readers of the financial statements than that which is currently disclosed.

- (c) IFRS does not require an ageing analysis of current liabilities in the form set out in Rule 4(2)(c) of Appendix 16. In the financial statements as part of the financial instruments disclosures, an analysis of gross accounts payable and receivable by maturity is provided as follows: (i) on demand or within a period not exceeding one year; (ii) less than three months; (iii) within a period of more than three months but not exceeding one year; (iv) within a period of more than one year but not exceeding five years; and (v) within a period of more than five years. The Company believes that this disclosure is sufficient to meet the requirements of the Hong Kong Listing Rules.
- (d) The presentation of balance sheet is different under IFRS and as such “net current assets (liabilities)” (Rule 4(2)(d) of Appendix 16) and “total assets less current liabilities” (Rule 4(2)(e) of Appendix 16) is not shown on the face of the balance sheet. On the basis that the Company’s financial statements are compliant with the requirements of IFRS and the London Listing Rules which do not require or recommend such disclosure, the presentation of the Company’s balance sheet allows for these measures to be easily derived should a user require this information. In addition, the disclosure provided in the financial statements relating to financial instruments provides alternative disclosures in respect of net current assets (liabilities).
- (e) Rule 22 of Appendix 16 requires a statement of the loan and borrowings indebtedness as at the end of the period reported on showing, as regards bank loans and overdrafts, the aggregate amounts repayable: (i) on demand or within a period not exceeding one year; (ii) within a period of more than one year but not exceeding two years; (iii) within a period of more than two years but not exceeding five years; and (iv) within a period of more than five years. Analysis of indebtedness is different under IFRS. The Company under IFRS rules and industry practice in the U.K. discloses this information as: (i) on demand or within a period not exceeding one year; (ii) less than three months; (iii) within a period of more than three months but not exceeding one year; (iv) within a period of more than one year but not exceeding five years; and (v) within a period of more than five years, within its financial instruments disclosures in the financial statements. A waiver from further analysing the indebtedness into a category of more than one year but not exceeding two years is sought as the current disclosures are compliant with IFRS and U.K. industry practice. The Company also believes that based on the long term of its current indebtedness profile that a further category would not provide any further useful information to readers of the financial statements than that which is currently disclosed.
- (f) Rule 25 of Appendix 16 requires an analysis of the five highest paid individuals’ emoluments. Alternative disclosures are disclosed in the Company’s annual report as required under CA 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and IFRS. The Company considers that such information provides sufficient information in respect of Rule 25 of Appendix 16.
- (g) The disclosures required under the Tenth Schedule of the Companies Ordinance, Section 128 (details of subsidiaries), 129 (details of investments), 129A (details of ultimate holding company), 129D (contents of the directors’ report), 161 (directors’ remuneration), 161A (corresponding figures), 161B (loans to company officers), 162 (directors’ interests in contracts) and 162A (management contracts) (references to Schedules and Section numbers of the Companies Ordinance refer to the Companies Ordinance as in force then). The Company complies with the relevant corresponding requirements under the U.K. law and thus, the Company considers that such information provides sufficient information in respect of the aforementioned items under the Company Ordinance.

- (h) Information in respect of the Company's major customers and suppliers (Rule 31 of Appendix 16). The Company currently complies with the disclosure requirements under IFRS and believes that these disclosures give sufficient details.
- (i) Rule 34 of Appendix 16 requires the inclusion of a corporate governance report as set out in Appendix 23 to the Hong Kong Listing Rules. As alternative disclosure, the Company includes a corporate governance report prepared in accordance with the U.K. Governance Code which provides sufficient information.

The following item is the one that if the Company had not obtained the waiver referred to above, would have to be included in an interim report under Appendix 16 but which is not required to be included in its interim reports according to the U.K. rules:

- (a) Rule 44 of Appendix 16 requires a confirmation whether the Company meets the code provisions set out in Appendix 14 to the Hong Kong Listing Rules during the first six months of the financial year and considered reasons for any deviations from the code provisions. The Company prepares its corporate governance report in accordance with the U.K. Governance Code which requires annual reporting and considers that annual reporting provides sufficient information as to its governance.

As the Company has been granted a waiver from compliance with all the Rules to which Appendix 16 is relevant, including Rules 13.47 and 13.48 and Chapters 14 and 14A of the Hong Kong Listing Rules (in relation to which see above as applicable), the Company has requested, and the Hong Kong Stock Exchange has provided, confirmation that Appendix 16 will not be applicable to the Company except in circumstances which require a prospectus to be issued in Hong Kong (subject to any waivers that may be sought and granted at the relevant time).

PRACTICE NOTE 5 OF THE HONG KONG LISTING RULES

Paragraphs 41(1) and 45 of Appendix 1A, paragraphs 34 and 38 of Appendix 1B, paragraph 49 of Appendix 1C, paragraphs 30 and 34 of Appendix 1F and paragraph 12 and 13 of Appendix 16 to the Hong Kong Listing Rules require issuers to disclose, in certain listing documents and annual and interim reports, details of substantial shareholders' and certain other persons' interests and short positions in the shares and underlying shares of the issuer and directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the issuer and any associated corporation, as recorded in the registers required to be kept under Sections 336 and 352 of the SFO. Practice Note 5 of the Hong Kong Listing Rules sets out what and how details of such interests should be set out in the relevant disclosure.

Because the Company has been granted waivers from Rules 13.47 and 13.48 of the Hong Kong Listing Rules and exemption from compliance with all of the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12), the Hong Kong Stock Exchange has confirmed that Practice Note 5 is inapplicable to the Company. In addition, the Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraphs 41(1) and 45 of Appendix 1A, paragraphs 34 and 38 of Appendix 1B, paragraph 49 of Appendix 1C, paragraphs 30 and 34 of Appendix 1F and paragraphs 12 and 13 of Appendix 16 to

the Hong Kong Listing Rules on the basis that it has included in the Listing Document, and will include in its relevant shareholder communications after Listing, such interests as are notified to it under the DTR in lieu of information disclosed in Part XV of the SFO.

Furthermore, the Company is subject to DTR 5 which ensures that companies whose shares are traded are made aware of the identity of the beneficial owners of their shares and therefore who controls voting rights in the company. The basic obligation under DTR 5 (there are certain exemptions) is for a person to notify an issuer of the percentage of voting rights he holds as a shareholder (or holds or is deemed to hold through his direct or indirect holding of financial instruments) if the percentage of those voting rights reaches, exceeds or falls below 3 per cent., or any 1 per cent. threshold above 3 per cent. up to 100 per cent.

PRACTICE NOTE 15 OF THE HONG KONG LISTING RULES AND RELATED MATTERS

Practice Note 15 of the Hong Kong Listing Rules sets out the principles which the Hong Kong Stock Exchange applies when considering proposals submitted by a listed issuer to effect a separate listing of any of its subsidiaries.

In the U.K., there are no specific rules which exclusively govern the spin-off of assets of an issuer for separate listing. Nevertheless, spin-off proposals will be tested against the “class tests” as described in the paragraph “Notifiable Transactions and Connected Transactions” above. As such, a spin-off proposal will potentially be subject to shareholder approval if any applicable percentage ratios from the “class tests” is 25 per cent. or more. In addition, if a spin-off proposal involves a substantial shareholder of the listed issuer, it may also be subject to the related party transactions regime of the U.K., details of which are described in the paragraph “Notifiable Transactions and Connected Transactions” above. Under the U.K. rules, assured entitlement in the shares of the spun-off company is not required to be given to the existing shareholders of the issuer. It is noted that the Company has not effected a separate listing of any of its subsidiaries in the three years preceding the date of the Listing Document.

The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the provisions of Practice Note 15 with respect to any spin-off listings of any of its subsidiaries on any stock exchange that it may decide to undertake from time to time (including, among others, a waiver from the restrictions on undertaking a spin-off listing within three years following the Company’s listing on the Hong Kong Stock Exchange), on the basis that the Company will:

- (a) observe the principle set out in paragraph 3(c) of Practice Note 15 that, after the spin-off listing, the Company would retain a sufficient level of operations and sufficient assets to support the Company’s separate listing status;
- (b) observe the principles set out in paragraphs 3(d)(i) to (iv) of Practice Note 15 relating to clear delineation of business between the Company and the spun-off entity, ability of the spun-off entity to function independently of the Company, clear commercial benefits to both the Company and the spun-off entity in the spin-off, and no adverse impact on the interests of the Company’s Shareholders resulting from the spin-off; and

- (c) in the announcement to be issued by the Company pursuant to Rule 13.09(1) of the Hong Kong Listing Rules disclosing the spin-off proposal; (a) confirm that the Company would retain a sufficient level of operations and sufficient assets to support the separate listing status; and (b) explain how the Company is able to meet the principles set out in paragraphs 3(d)(i) to (iv) of Practice Note 15.

B. FOREIGN LAWS AND REGULATIONS

The Company is incorporated in England and Wales and is subject to regulations regarding shareholders' rights and protections and directors' powers in England and Wales which are not materially different from those in Hong Kong.

C. CONSTITUTIONAL DOCUMENTS

The discussion below provides information about certain provisions of the Company's Articles of Association.

ARTICLES OF ASSOCIATION

The Articles, which were adopted by a special resolution of the Company passed on 14 May 2010, include provisions to the following effect:

(a) Voting rights

Subject to the provisions of the Companies Acts, to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any General Meeting every member who is present in person and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote on a show of hands and every member present in person or by proxy has one vote on a poll for each share of which he is the holder.

No member is, unless the Board otherwise determines, entitled to vote at a General Meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a member in respect of a share held by him unless and until all calls or other sums presently due and payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) have been paid to the Company.

(b) Disclosure of interests in shares

If a member, or any other person appearing to be interested in shares (within the meaning of Part 22 of CA 2006) held by that member, fails to provide the required information in response to a Section 793 CA 2006 notice within 14 days from the service of the notice, the following sanctions apply unless the Board otherwise determines:

- (i) loss of the right to be present or to vote at General Meetings or at any separate meeting of the holders of that class of shares or on any poll to exercise any other right conferred by membership in relation to such a meeting or poll; and

(ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:

(A) withholding of dividends or other money payable in respect of the shares; and

(B) no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

(c) *Dividends*

(i) Declaration of dividends

Subject to the provisions of the Companies Acts and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. Subject to the Board's discretion to provide otherwise, dividends will be declared and paid in U.S. Dollars.

(ii) Interim dividends

Subject to the provisions of the Companies Acts, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those with preferential rights.

(iii) Entitlement to dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but no amount paid up on a share in advance of the date on which a call is payable shall be treated for the purposes of the Articles as paid up on the share. Subject as aforesaid, all dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, it shall rank for dividend accordingly.

(iv) Calls or debts may be deducted from dividends

The Board may deduct from any dividend or other money payable to any person on or in respect of a share all such sums as may be due from him to the Company on account of calls or otherwise in relation to the shares of the Company.

(v) Distribution *in specie*

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid-up shares or debentures of any other company, or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks fit. In particular, the Board may:

(A) issue fractional certificates (or ignore fractions);

(B) fix the value for distribution of such assets or any part thereof and determine that cash payments may be made to any members on the footing of the value so fixed, in order to adjust the rights of members; and

(C) vest any such assets in trustees on trust for the persons entitled to the dividend.

(vi) Dividends not to bear interest

Unless otherwise provided by the rights attached to the share, no dividend or other moneys payable by the Company or in respect of a share shall bear interest as against the Company.

(vii) Method of payment

The Company may pay any dividend, interest or other sum payable in respect of a share in cash or by direct debit, bank transfer, cheque, dividend warrant, or money order or by any other method (including by electronic media) as the Board may consider appropriate and may send the same by post or other delivery service (or by such other means offered by the Company as the member or persons entitled to it may agree in writing) to the registered address (or in the case of a depositary, subject to the approval of the Board, such persons and addresses as the depositary may require) of the member or person entitled to it (or, if two or more persons are holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the member or otherwise by operation of law, to the registered address of such of those persons as is first named in the Company's register) or to such person and such address as such member or person or persons may direct in writing.

Every cheque, warrant, order or other form of payment is sent at the risk of the person entitled to the money represented by it, shall (where relevant) be crossed in accordance with the Cheques Act 1992 and shall be made payable to the person or persons entitled, or to such other person as the person or persons entitled may direct in writing. Payment of the

cheque, warrant, order or other form of payment shall be a good discharge to the Company. If any such cheque, warrant, order or other form of payment has or shall be alleged to have been lost, stolen or destroyed, the Board may, at the request of the person entitled thereto, issue a replacement cheque or warrant or order or make payment in some other form, subject to compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Board may think fit.

Any joint holder or other person jointly entitled to a share may give an effective receipt for any dividend or other moneys payable in respect of such share.

The Board may, at its discretion, make provisions to enable a depositary and/or any member, as the Board shall from time to time determine, to receive duly declared dividends in a currency or currencies other than U.S. Dollars. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such rate or rates and the payment thereof shall be on such terms and conditions as the Board may in its absolute discretion determine.

Reference to “in writing” includes the use of communications by electronic means and/or by means of a website.

(viii) Uncashed dividends

If cheques, warrants or orders for dividends or other sums payable in respect of a share sent by the Company to the person entitled thereto are returned to the Company or left uncashed on two consecutive occasions or, following one occasion, reasonable enquiries have failed to establish any new address to be used for the purpose of sending such payments, the Company shall not be obliged to send any dividends or other moneys payable in respect of that share due to that person until he notifies the Company of an address to be used for the purpose.

(ix) Unclaimed dividends and waiver of dividends

All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall (if the Board so resolves) be forfeited and shall cease to remain owing by the Company.

The waiver in whole or in part of any dividend on any share shall be effective only if such waiver is in writing (whether or not executed as a deed) signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) or authenticated in accordance with the Articles and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

(d) *Division of assets on a winding-up*

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members, but if any division is resolved otherwise than in accordance with such rights, the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to Section 110 of the Insolvency Act 1986. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees on such trusts for the benefit of the members as it with the like sanction shall determine, but no member shall be compelled to accept any assets on which there is a liability.

(e) *Transfer of shares*

Subject to such of the restrictions of the Articles as may be applicable, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register in respect of it.

(f) *Right to refuse registration*

The Board may, in its absolute discretion, refuse to register any transfer of a share (or renunciation of a renounceable letter of allotment) unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of only one class of shares;
- (iii) it is in favour of a single transferee or not more than four joint transferees;
- (iv) it is duly stamped (if so required); and
- (v) it is delivered for registration to the registered office of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so,

provided that the Board shall exercise its power to disapprove the transfer of shares in such a manner that does not disturb the market in those shares, and provided that the Board shall not refuse to register any transfer or renunciation of partly paid shares which are listed on the London Stock Exchange or any other regulated market on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

Transfers of shares will not be registered where the sanctions for failure to disclose an interest in shares referred to at (b) above have been triggered.

If the Board refuses to register a transfer of a share it must, as soon as possible and in any event within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee giving reasons for the refusal. Any instrument of transfer which the Board refuses to register shall (except in the case of suspected or actual fraud) be returned to the person depositing it. All instruments of transfer which are registered may be retained by the Company.

(g) *Variation of rights*

If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to go into liquidation) may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate General Meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise).

(h) *Class meetings*

All the provisions in the Articles as to General Meetings shall mutatis mutandis apply to every meeting of the holders of any class of shares. The Board may convene a meeting of the holders of any class of shares whenever it thinks fit on fourteen clear days' notice without any conditions needing to be satisfied and whether or not the business to be transacted involves a variation or abrogation of class rights. The quorum at every such meeting shall be not less than two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the class. Every holder of shares of the class, present in person or by proxy, may demand a poll. Each such holder shall on a poll be entitled to one vote for every share of the class held by the holder. If a meeting is adjourned for any reason, including a lack of quorum, the adjourned meeting can be held less than 10 clear days after the original meeting. If at any adjourned meeting of such holders such quorum as aforesaid is not present, not less than one person holding shares of the class who is present in person or by proxy shall be a quorum.

(i) *Deemed variation*

Subject to the terms of issue of or rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking *pari passu* in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued, or by the reduction of the capital paid up on such shares or by the purchase or redemption by the Company of its own shares in accordance with the provisions of the Companies Acts and the Articles.

(j) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the provisions of the Companies Acts, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board shall restrict the borrowings of the Company and shall exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (as far as it can in relation to its subsidiary undertakings) that the aggregate principal amount outstanding in respect of any moneys borrowed by the Group does not at any time, without previous sanction of an ordinary resolution of the Company, exceed US\$5,000,000,000.

(k) *Alteration of share capital*

The Company in General Meeting may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and
- (iv) subject to the provisions of the Companies Acts, subdivide its shares or any of them into shares of smaller amount, and may by such resolution determine that, as between the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

(l) *Allotment of shares*

Subject to the provisions of the Companies Acts relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, the Directors may allot shares in the Company and grant rights to subscribe for, or to convert any security into shares to such persons, at such times and on such terms, including as to the ability of such persons to assign their rights to be issued such shares, as they think proper.

(m) *Power to attach rights*

Subject to the provisions of the Companies Acts and to any special rights for the time being attached to any existing shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other special rights or restrictions whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine.

(n) *Remuneration of Directors*

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £250,000 per Director per annum, or £1,500,000 in aggregate per annum or such other sum as the Company in General Meeting by ordinary resolution shall from time to time determine). Such sum (unless otherwise directed by the resolution of the Company by which it is voted) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally (except that in such event any Director holding office for less than the whole of the relevant period in respect of which the fees are paid shall only rank in such division in proportion to the time during such period for which he holds office). Any fees payable pursuant to the Articles shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provisions of the Articles and shall accrue from day to day.

(o) *Expenses*

Each Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or General Meetings or separate meetings of the holders of any class of shares or debentures of the Company. The Company may also, subject to the provisions of the Companies Acts, fund a Director's expenditure on defending proceedings relating to his position as a Director of the Company or in any other way connected to the Company's business and may do anything to enable a director to avoid incurring such expenditure.

(p) *Additional remuneration*

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may from time to time determine.

(q) *Remuneration of Executive Directors*

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with the provisions of the Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or in lieu of any fee payable to him for his services as Director pursuant to the Articles.

(r) *Pensions and other benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for, or to institute and maintain any institution, association, society, club, trust, other establishment or profit-sharing, share incentive, share purchase or employees' share scheme calculated to advance the interests of the Company or to benefit any person who is or has at any time been a Director or employee of the Company or any company which is a holding company or a subsidiary undertaking of or allied to or associated with the Company or any such holding company or subsidiary undertaking or any predecessor in business of the Company or of any such holding company or subsidiary undertaking, and for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him. For such purpose the Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the provisions of the Companies Acts, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the aforesaid matters. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under the Articles and shall not be obliged to account for it to the Company.

(s) *Director's interests*

Subject to the provisions of the Companies Acts, the Board shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Authorisation of a matter under the Articles shall be effective only if:

- (i) the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Board may approve;

- (ii) any requirement as to the quorum at the meeting of the Board at which the matter is considered is met without counting the Director in question and any other interested Director (together the “**Interested Directors**”); and
- (iii) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

Any authorisation of a matter under the Articles shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. Any such authorisation shall be subject to such conditions or limitations as the Board may determine, and may be terminated by the Board at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation. A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Board under the Articles and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

(t) *Interested Director not to vote or count for quorum*

Subject to a limited number of exceptions, a Director may not vote on, or be counted in the quorum in relation to, any resolution in respect of any contract, arrangement, transaction or any other proposal in which he (or a person connected with him) has an interest. Any vote of a Director in respect of a matter where he is not entitled to vote shall be disregarded.

(u) *Director’s interest in own appointment*

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company (or any body corporate in which the Company is interested), the proposals may be divided and a separate resolution considered in relation to each Director. In such case each Director (if not otherwise debarred from voting under the Articles), shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment or the fixing or variation of the terms thereof.

(v) *Chairman’s ruling conclusive on a Director’s interest*

If any question arises at any meeting as to whether any interest of Director (other than the Chairman) prevents him from voting or being counted in the quorum, such question shall be referred to the Chairman of the meeting. The Chairman’s ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed to the Board.

(w) *Number of Directors and share qualification*

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be not more than 12 or less than two. At least one Director shall be a natural person.

A Director shall not be required to hold any shares of the Company.

(x) *Director's appointment and retirement by rotation*

Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the Articles. Any Director so appointed shall retire at the Annual General Meeting next following such appointment and shall not be taken into account in determining the number of Directors who are to retire by rotation (if applicable) at such meeting.

Each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was elected or last re-elected by the Company. Each Director (other than the Chairman and any Director holding an executive office) shall retire at each Annual General Meeting following the ninth anniversary of the date on which he was elected by the Company.

(y) *Untraced shareholders*

Subject to the Articles, the Company may sell at the best price reasonably obtainable any shares in the Company registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to dispose of such shares. During the 12 year period the Company must have paid at least three cash dividends on the shares and no cash dividend payable on the shares must have been claimed by the member by any means. Until the Company can account to the member or other person entitled to such shares, the net proceeds of sale may either be employed in the business of the Company or invested in whatever investments the Board sees fit, in either case at the discretion of the Board. No interest shall be payable to the member or other person in respect of such proceeds.

(z) *Non-United Kingdom shareholders*

There are no limitations in the Articles on the rights of non-United Kingdom shareholders to hold, or to exercise voting rights attached to, the Ordinary Shares. However, non-United Kingdom shareholders are not entitled to receive notices of general meetings unless permitted by the Board in its absolute discretion to an address to which notice or documents may be sent by electronic means and/or by means of a website, or if they have given an address in the United Kingdom to which such notices may be sent.

(aa) *Meetings*

An Annual General Meeting shall be held in each period of six months beginning with the day following the Company's accounting reference date, at such time and place as the Board may determine, in accordance with Section 336 CA 2006.

(bb) Notice of General Meetings

An Annual General Meeting shall be convened by not less than 21 clear days' notice in writing. All other General Meetings shall be convened by not less than 21 clear days' notice in writing unless the following conditions are met:

- (i) a special resolution authorising the calling of General Meetings on 14 days' clear notice has been passed at an immediately preceding General Meeting or a subsequent General Meeting; and
- (ii) the Company offers a facility to vote or appoint a proxy by electronic means, in which case such General Meeting can be convened by not less than 14 days' clear notice.

Subject to the provisions of the Companies Acts, and notwithstanding that it is convened by shorter notice than that specified in the Articles, a General Meeting shall be deemed to have been duly convened if it is so agreed:

- (i) in the case of an Annual General Meeting, by all the members entitled to attend and vote at the meeting; and
- (ii) in the case of any other General Meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

The notice shall specify:

- (A) whether the meeting is an Annual General Meeting or any other General Meeting;
- (B) the place, the date and the time of the meeting;
- (C) the general nature of the business to be dealt with;
- (D) if the meeting is convened to consider a special or extraordinary resolution, the intention to propose the resolution as such;
- (E) the address of the website which contains the information required by Section 311A CA 2006;
- (F) a statement that the right to vote at the meeting is determined by reference to the register and of a time, not more than forty eight hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting;
- (G) a statement of the procedures for members to be able to attend and vote at the meeting, including the date by which they must comply;
- (H) a statement of the right of members to ask questions at meetings;

- (I) details of proxy appointment forms;
- (J) details of any facilities to be provided by the Company to allow members to vote in advance of the meeting or by electronic means; and
- (K) with reasonable prominence, that a member is entitled to appoint one or more proxies to exercise all or any of his rights to attend and to speak and to vote (subject to the Articles), and that a proxy need not also be a member.

The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), and to the Directors.

In relation to General Meetings, references to notice “in writing” shall include notice in electronic means and/or by means of a website.

(cc) Omission to send notice

Subject to the provisions of the Companies Acts, the accidental omission to give or send notice of meeting or, in cases where it is intended that it be sent out with the notice, an appointment of proxy to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

(dd) Quorum

No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Two persons entitled to attend and to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

(ee) If quorum not present

If within five minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a General Meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to such day and such time and place as the Chairman (or, in default, the Board) may determine provided that the adjourned meeting shall be held not less than 10 clear days after the original General Meeting. If at such adjourned meeting a quorum is not present within five minutes from the time appointed for holding the meeting, one person entitled to vote on the business to be transacted, being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

(ff) *Chairman*

The Chairman of the Board shall preside as Chairman at every General Meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the meeting, or shall be unwilling to act as Chairman, the Deputy Chairman (if any) of the Board shall if present and willing to act preside as Chairman at such meeting. If no Chairman or Deputy Chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be Chairman if willing to act. If there be no Director present and willing to act, a member may be elected to be Chairman by a resolution of the Company passed at the meeting.

(gg) *Directors and other persons may attend and speak*

A Director (and any other person invited by the Chairman to do so) shall, notwithstanding that he is not a member, be entitled to attend and speak at any General Meeting and at any separate meeting of the holders of any class of shares of the Company.

(hh) *Power to adjourn*

The Chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. However, without prejudice to any other power which he may have under the Articles or at common law, the Chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

(ii) *Notice of adjourned meeting*

Where a meeting is adjourned indefinitely, the Board shall fix the time and place for the adjourned meeting. Whenever a meeting is adjourned for 14 days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, shall be given in the same manner as in the case of an original meeting.

Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting.

(jj) *Business of adjourned meeting*

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

(kk) *Accommodation of members and security arrangements*

The Board may, for the purpose of controlling the level of attendance and ensuring the safety of those attending at any place specified for the holding of a General Meeting, from time to time make such arrangements as the Board shall in its absolute discretion consider to be appropriate and may from time to time vary any such arrangements or make new arrangements in place thereof. The entitlement of any member or proxy to attend a General Meeting at such place shall be subject to any such arrangements as may be for the time being approved by the Board. In the case of any meeting to which such arrangements apply, the Board may, when specifying the place of the meeting:

- (i) direct that the meeting shall be held at a place specified in the notice at which the Chairman of the meeting shall preside (the “**Principal Place**”); and
- (ii) make arrangements for simultaneous attendance and participation at other places by members otherwise entitled to attend the General Meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places, provided that persons attending at the Principal Place and at any of such other places, shall be able to see, and hear and be seen and heard by, persons attending at the Principal Place and at any of such other places, by any means.

Such arrangements for simultaneous attendance may include arrangements for controlling the level of attendance in any manner aforesaid at any of such other places, provided that they shall operate so that any such excluded members as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of the Articles any such meeting shall be treated as being held and taking place at the Principal Place.

The Board may direct that any person wishing to attend any meeting should provide such evidence of identity and submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to refuse entry to any meeting to any person who fails to provide such evidence of identity or to submit to such searches or to otherwise comply with such security arrangements or restrictions.

(ll) *Method of voting*

At any General Meeting, a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (A) the Chairman of the meeting; or
- (B) not less than five members present in person or by proxy and entitled to vote at the meeting;
or

- (C) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (D) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

At General Meetings, resolutions shall be put to the vote by the Chairman and there shall be no requirement for the resolution to be proposed or seconded by any person.

(mm) *Indemnity of officers*

Subject to the provisions of the Companies Acts and rules made by the U.K. Listing Authority, but without prejudice to any indemnity to which he may otherwise be entitled, every Director, alternate Director, Secretary or other officer of the Company (except the auditors of the Company) shall be entitled to be indemnified out of the assets of the Company against any liability incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, provided that the relevant Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause the relevant Article, or any element of it, to be treated as void under the Companies Acts or rules made by the U.K. Listing Authority. Where a Director or officer is indemnified against any liability in accordance with this Article, such indemnity shall extend to all costs, charges, losses, expenses and liabilities incurred by him in relation thereto.

(nn) *CREST*

Any shares in the Company may be issued, held, registered, converted to, transferred or otherwise dealt with in uncertificated form and converted from uncertificated form to certificated form in accordance with the CREST Regulations and practices instituted by CREST Co. Any provisions of the Articles shall not apply to any uncertificated shares to the extent such provisions are inconsistent with:

- (i) the holding of shares in uncertificated form;
- (ii) the transfer of the title to shares by means of a relevant system; or
- (iii) any provision of the CREST Regulations.

Subject to the CREST Regulations and facilities and requirements of the relevant system, the Board may, in its absolute discretion, determine the manner in which conversion of certificated shares into uncertificated shares may be made.

The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.