

New AIM Rules for Companies

On 20 February 2007, the London Stock Exchange published its new AIM Rules which have immediate effect. The principal changes likely to affect you in practice are summarised below.

Prescribed list of information to be disclosed on website

All companies whose securities are admitted to AIM will be required to disclose specified information on their website which must be kept up-to-date. All AIM-listed companies will have a transitional 6 month period (i.e. until 20 August 2007) within which to comply with this requirement and should use the RIS to announce their website address.

The information must be accessible from one part of the website which makes it clear that the disclosure is being made for the purposes of the new AIM rule, although some of the requirements may be satisfied by providing links to other specific parts of the website. The website should indicate the date on which the information was last updated.

The list of information you will have to disclose and periodically update includes:

- directors' details and responsibilities;
- the total number of AIM securities in issue (noting any held as treasury shares);
- the identity and percentage holdings of your "significant shareholders" (i.e. those with a direct or indirect, legal or beneficial interest in at least 3% of any class of your securities listed on AIM as notified to you);
- insofar as you are aware, the percentage of your AIM securities that is "not in public hands" (this may include securities which are held via a "related financial product", e.g. a CFD);
- details of any restrictions on the transfer of your AIM securities which are imposed by non-UK securities laws;
- copies of your most recent admission document and annual, half-yearly and quarterly reports, together with the last 12 months' RIS announcements and circulars;
- your current articles of association or equivalent constitutional documents (and, for overseas companies, a statement that the rights of shareholders may be different from the rights of shareholders of a UK company);
- details of any other exchanges or trading platforms on which you have applied or agreed to have any of your securities admitted or traded; and
- for investing companies, your investment strategy.

Additional matters requiring public announcement

Under the new Rules, any change to the information disclosed (either in an admission document or subsequently) regarding directors' details (including convictions, bankruptcies or involvement with insolvent companies) requires a public announcement, as does any change in the address of the company's website.

Separate rule-book for NOMADs

There are now two sets of AIM Rules: one for AIM companies and another for NOMADs. The new Rules impose an express and ongoing obligation on companies and their NOMADs to maintain regular contact with each other, so that the NOMAD is kept up-to-date with any current or future developments relating to the company. For example, a NOMAD should be kept informed of any proposed changes to the company's board of directors and should receive drafts of any RIS announcements the company is planning to make. A NOMAD is also under an obligation to contact the LSE if it has concerns about the appropriateness of an AIM company post-admission.

LSE's greater disciplinary powers

The new Rules introduce the concept of a "warning notice", which the LSE may issue to a company where there has been a breach of the Rules. The warning notice is private, although the LSE reserves the right to publish, without revealing the identity of the party concerned, details of any warning notices issued. The cap on the fine which may be imposed on an AIM company has been increased from £25,000 to £50,000 per breach.

If you require any further information on any of the changes outlined in this note, please contact Alasdair Steele on 020 7295 3000 or your usual contact at the firm.

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