

2 June 2006



**London**  
**STOCK EXCHANGE**

To: AIM Nominated Advisers

AIM

10 Paternoster Square  
London EC4M 7LS

T +44 (0)20 7797 4404

F +44 (0)20 7920 4787

E [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com)

[www.londonstockexchange.com/aim](http://www.londonstockexchange.com/aim)

## DEPOSITARY RECEIPTS

We are emailing to advise you of the Exchange's current position in relation to the admission of Depositary Receipts as AIM Securities.

We currently intend during this year to issue AIM Rule changes and/or guidance on this issue, however, in the interim we would like each nominated adviser to note what the Exchange considers to be best practice.

Terms used in this email are as defined in the current AIM Rules for Companies (July 2005).

If DRs are to be admitted to AIM, we would expect the following to be observed:

1. Use of DRs The use of DRs will only be considered appropriate in relation to an AIM company incorporated in a jurisdiction which prohibits or unduly restricts the offering or admission of securities outside of that country.
2. Application of AIM Rules The AIM Rules will apply not only to the DRs as AIM Securities but also to the underlying securities.
3. Admission Document disclosures The admission document should contain all additional information that would be required by the following sections of Annex X to the Prospectus Rules:
  - 3.1. section 26 - Information about the issuer of the DRs including, in addition to that information, details of the costs that will be payable to the depositary;
  - 3.2. section 27 - Information about the underlying shares (this replaces the requirement to include information pursuant to sections 4, 7 and 9 of Annex III in respect of those underlying shares);
  - 3.3. section 28 - Information regarding the DRs (save for (i) 28.6 and 28.7 which should not be applicable given paragraph 4.4 below and (ii) 28.10 which must be considered in the light of Rule 32 (free transferability));
  - 3.4. section 31.3 - any additional specific risk factors.

---

#### 4. Depositories

- 4.1. Choice of depositary The depositary (and any subsequent depositary) should be discussed with AIM Regulation at the earliest opportunity, although we would expect that the depositary would be one of the main providers.
  - 4.2. Change in depositary Any change of depositary (or material change to its terms, including costs) should be notified.
  - 4.3. Agreements with depositories An appropriate agreement should be put in place between the AIM company and the depositary but the depositary should not be subject to obligations in respect of the DRs save to the extent necessary to protect the DR holders' rights in relation to the underlying securities.
  - 4.4. Passing on of rights attaching to underlying securities The depositary should hold on trust, or equivalent, for the sole benefit of depositary holders, all rights relating to the underlying securities. All rights that would be due to the holders of the underlying securities must be available and passed on to the DR holders on a per share basis (e.g. voting, dividend rights).
  - 4.5. Costs of depositary The depositary must not in any way make payment to or subsidise the costs of AIM company, the Nomad or any other advisers. All costs of the depositary should be for the account of the AIM company (and not the DR holders) and such costs should be charged on a periodic basis rather than in relation to trading volumes or other variables.
5. Electronic Settlement DRs must be eligible for electronic settlement from admission in the normal way (usually via a depositary interest).

If you have any queries or comments on the above, please contact AIM Regulation: [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com).