



SHAREHOLDERS' PRE-EMPTION RIGHTS AND VENDOR PLACINGS

The Investment Committee's guidelines on shareholders' pre-emption rights, issued on 29 April 1987, were superseded by the Stock Exchange Pre-emption Group guidelines issued on 21 October 1987 except in respect of the last paragraph which refers to vendor placings in the following terms:-

"It is also considered that in the related matter of vendor placings shareholders are entitled to expect a right of claw-back for any issues of significant size which are offered at more than a very modest discount to market price. Members of ABI will therefore expect that issues involving more than 10% of issued equity share capital or a discount greater than 5% will be placed on a basis which leaves existing shareholders with a right to claw-back their pro rata share of the issue if they so wish."

The Pre-emption Group's Guidelines are available together with the Pre-emption Statement forms 1 and 2 from the Stock Exchange Quotations Department, London, EC2 (telephone (020) 7588 2355). The Group also reviews the operation of the guidelines annually and makes a report to the market which is also available from the Quotations Department.

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