B. Transactions Effected in the United States

All transactions in Relevant U.K. Securities effected in the United States shall comply with Rules 10b–6, 10b–7, and 10b–8.

C. Transactions Effected in the United Kingdom

1. All transactions in Relevant U.K. Securities during the Covered Period for the Qualified U.K. Security that are effected in the United Kingdom shall be conducted in compliance with U.K. law. For purposes of these exemptions, "Covered Period for the Qualified U.K. Security'' means: (i) in the case of a rights distribution, the period commencing when the subscription price is determined and continuing until the completion or abandonment of the distribution in the United States, and (ii) in the case of any other distribution, the period commencing three business days in London before the price is determined and continuing until the completion or abandonment of the distribution in the United States; provided, however, that the Covered Period for the Qualified U.K. Security shall not commence with respect to any Relevant Party until such person becomes a distribution participant.

2. All transactions in Relevant U.K. Securities during the Covered Period for the Qualified U.K. Security effected in the United Kingdom shall be effected on or reported to the Exchange, LIFFE or SFA.

3. Disclosure of Trading Activities.

a. The inside front cover page of the offering materials used in the offer and sale in the United States of a Qualified U.K. Security shall prominently display a statement in substantially the following form, subject to appropriate modification where circumstances require. Such statement shall be in capital letters, printed in bold-face roman type at least as large as ten-point modern type and at least two points leaded:

IN CONNECTION WITH THIS OFFERING, CERTAIN PERSONS MAY ENGAGE IN TRANSACTIONS FOR THEIR OWN ACCOUNTS OR FOR THE ACCOUNTS OF OTHERS IN (IDENTIFY RELEVANT U.K. SECURITIES) PURSUANT TO EXEMPTIONS FROM RULES 10b-6, 10b-7, AND 10b-8 UNDER THE SECURITIES EXCHANGE ACT OF 1934. SEE "[IDENTIFY SECTION OF OFFERING MATERIALS THAT DESCRIBES THE TRANSACTIONS TO BE EFFECTED]."

b. In addition, there shall be included in the identified section of the offering materials a comprehensive description of the activities that may be undertaken by the Relevant Parties in the Relevant U.K. Securities during the distribution.

4. Recordkeeping and Reporting.

a. Each Relevant Party shall provide to the Exchange the information described in paragraph I.C.4.b. below with respect to its transactions in Relevant U.K. Securities in the United Kingdom; *provided, however,* that in the case of a distribution made pursuant to rights, such information is only required to be reported to the Exchange during the period or periods commencing at any time during the Covered Period for the Qualified U.K. Security that the rights exercise price does not represent a discount of at least 10 percent from the then current market price of

the security underlying the rights and continuing until (a) the end of the Covered Period for the Qualified U.K. Security or (b) until the rights exercise price represents a discount of at least 12 percent from the then current market price of the security underlying the rights.³

b. When required pursuant to paragraph I.C.4.a. above, the Relevant Parties will provide the following information to the Exchange in a Comma Delimited ASCII (American Standard Code for Information Interchange) format including a common record layout acceptable to the Exchange and the Division, with respect to transactions in Relevant U.K. Securities during the Covered Period for the Qualified U.K. Security:

(i) name of the security, date, time (of execution and reporting, where available to the Relevant Party), price, and volume of each transaction; *provided, however,* that no information regarding a customer transaction nased be provided unless such transaction has a value of £200,000 or more (currently \$310,000);

(ii) the exchange or inter-dealer quotation system on which the transaction was effected, if any;

(iii) an indication whether such transaction was for a proprietary account or the account of a customer, *provided that* any transaction effected by an underwriter for a customer account for which it has exercised discretionary authority shall be reported as a discretionary customer trade; and

(iv) the identity of the counterparty to the transaction.

c. The Exchange and the Relevant Parties shall keep all documents produced or prepared pursuant to paragraph I.C.4.b. for a period of not less than two years.

d. Upon the request of the Division, the Exchange shall transmit the information provided by the Relevant Parties pursuant to paragraph I.C.4.b. above to the Division within 30 days of the request.

e. If the information required to be produced in paragraph I.C.4.b. above is not available from the Exchange upon the request of the Division the information shall be provided by each Relevant Party, with respect to their own reportable transactions, and be made available to the Division at its office in Washington, D.C. within 30 days of the request. The Division will notify the Exchange that it has received information pursuant to this paragraph, and upon appropriate request, will provide the Exchange the information submitted by the Exchange's member firms or their affiliates.

f. Representatives of a Relevant Party will be made available (in person at the office of the Division or by telephone) to respond to inquires of the Division relating to its records.

D. Transactions Effected in Significant Markets

All transactions in Relevant U.K. Securities in a Significant Market shall be effected in accordance with the requirements of Rules

10b-6, 10b-7, and 10b-8 or by other available exemptions. For purposes of these exemptions, "Significant Market" means any securities market(s) in a single country other than the United States or the United Kingdom, the Channel Islands, the Isle of Man, or the Republic of Ireland to which a U.K. Issuer has applied for listing or obtaining a quotation for the Qualified U.K. Security and been accepted, if during the Reference Period for the Qualified U.K. Security the volume in such Qualified U.K. Security, as published by the relevant FFRA in such securities market is 10 percent or more of the aggregate world-wide trading volume in that securities as published by all FFRAs in such Significant Markets, in the United King, the Channel Islands, the Isle of Man, the Republic of Ireland, and U.S. securities markets.

E. General Conditions

1. For purposes of these exemptions, a two business day cooling-off period shall apply under Rule 10b-6(a)(4) (xi) and (xii) in the United States and each Significant Market, provided that trading in Relevant U.K. Securities in Significant Markets shall be subject to the exemptive relief then available in such market, if any, or the record maintenance and record production requirements contained in *Letter regarding Application of Cooling-Off Periods Under Rule 10b-6 to Distributions of Foreign Securities* (April 4, 1994).

2. The lead underwriter or the global coordinator or equivalent person shall promptly, but in any event before the commencement of the Covered Period for the Qualified U.K. Securities, provide a written notice ("Notice") to the Division and the Exchange containing the following information: (i) the name of the issuer and the Qualified U.K. Security; (ii) whether the Qualified U.K. Security is a FT-SE 100 component security or information with respect to the market capitalization and the average daily trading volume of the Qualified U.K. Security to be distributed; (iii) the identity of the Significant Markets where the Qualified U.K. Security trades; (iv) if the Notice is for more than one entity, the identity of all underwriters and selling group members relying on these exemptions; 4 and (v) a statement that the Relevant Parties are aware of the terms and conditions of these exemptions.

3. Any person who fails to comply with the conditions of the exemptions, including a failure to provide requested information, would not be permitted to rely on the exemptions in future distributions. Upon a showing of good cause, however, the Commission or the Division may determine that it is not necessary under the circumstances that the exemption be denied.

II. Distributions of Certain SEAQ International Securities

On the basis of your representations and the FACTS presented, the Commission hereby grants exemptions from Rules 10b-6, 10b-7, and 10b-8 under the Exchange Act to

³ For purposes of these exemptions, unless stated otherwise, the "current market price" for a Qualified U.K. Security shall be the closing midprice at the end of the mandatory quote period for the day on SEAQ.

⁴ Supplemental Notices shall be provided or underwriters and selling group members identified after a Notice has been submitted.