in the United States of a qualified UK 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 ACCOUNT OF OTHERS IN [IDENTIFY RELEVANT UK 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) 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 UK securities during the distribution.

4. Record-keeping and reporting

4.1 Each relevant party shall provide to the Exchange the information required in paragraph A4.2 with respect to its transactions in relevant UK securities in the UK: *provided*, that in the case of a rights issue, information is only required to be reported to the Exchange during the period or periods commencing at any time the covered period for the qualified UK security that the rights exercise price does not represent a discount of at least 10 per cent from the then current market price of the security underlying the rights and continuing until (i) the end of the covered period for the qualified UK security or (ii) until the rights exercise price represents a discount of at least 12 per cent from the then current market price of the security underlying the rights.1

4.2 When required pursuant to paragraph A4.1, 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 during the covered period in relevant UK securities during the covered period for the qualified UK security:

(a) the name of the security, date, time (of execution and also trade reported or transaction reported, as the case may be, where available to the relevant party), price and volume of each transaction: *provided*, that no information regarding a customer transaction shall be provided unless the transaction has a value of £200,000 (currently \$31,000) or more:

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

(c) an indication whether the transaction was for a proprietary account or the account of a customer: *provided*, that a transaction effected by a relevant party for a customer account for which it has exercised discretionary authority shall be reported as a Discretionary Customer Trade; and

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

4.3 The Exchange and the relevant parties shall keep all documents produced or prepared pursuant to paragraph A4.2 for a period of not less than two years.

4.4 Upon the request of the Division, the Exchange shall transmit the information provided by the relevant parties pursuant to paragraph A4.2 within 30 days to the Division.

4.5 If the information required to be produced pursuant to paragraph A4.2 is not available from the Exchange, the relevant parties shall upon request provide this information to the Division (at its offices in Washington DC) within 30 days, with respect to their own reportable transaction. The Division will notify the Exchange that it has received information pursuant to this paragraph and upon request will provide the Exchange the information submitted by the Exchange's member firms or their affiliates.

4.6 Representatives of a relevant party shall be available to respond to inquiries of the Exchange or the Division (in person at the offices of the Division or by telephone) relating to its records.

5. Transaction effected in significant markets

5.1 All transactions in relevant UK securities in a significant market shall be effected in accordance with rules 10b-6, 10b-7 and 10b-8, or other available exemptions. For purposes of this exemption, the term "significant market" means any securities market in a country other than the United States or the British Isles to which a UK issuer has applied for listing or obtaining a quotation for the qualified UK security and been accepted, if during the reference period for the qualified UK security the volume in such qualified UK security, as published by the relevant FFRA in such securities market, is 10 per cent or more of the aggregate worldwide trading volume in that security as published by all FFRAs in such significant markets, in the British Isles and the US securities markets.

6. General conditions

6.1 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. Each significant market shall be subject to the exemptive relief then available in such market, if any, or the record maintenance and record production requirement in *Letter regarding Application of Cooling-off Periods Under Rules 10b–6 to Distributions of Foreign Securities* (April 4, 1994).

6.2 The lead underwriter, global coordinator or equivalent person shall promptly but in any event before the commencement of the covered period for the qualified UK securities and within such time limitations as are prescribed by the Exchange, provide written notice ("Notice") to the Exchange and the Division containing the following information:

(a) the name of the issuer and the qualified UK security;

(b) whether the qualified UK security is FT–SE 100 component security or

information about the market capitalisation and the world-wide average daily trading volume of the qualified UK security to be distributed;

(c) the identity of the significant market where the qualified UK security trades;

(d) if the Notice is for more than one entity, the identity of all underwriters and selling group members relying on these exemptions;¹ and

B. Certain SEAQ International securities.1. Securities

1.1 The security being distributed ("qualified SEAQ International security") must be:

(a) a "qualified German security" as defined in Securities Exchange Act Release No 33022 (6 October 1993);

(b) a "qualified French security" as defined in Securities Exchange Act Release No 34176 (7 June 1994); or

(c) a security that qualifies for exemption pursuant to Securities Exchange Act Release No 33137 (3 November 1993).

1.2 A "relevant SEAQ international security" is a qualified SEAQ International security or a security of the same class and series as or a right to purchase the qualified SEAQ International security.

2. Transaction effected in the United States.

2.1.Transaction in relevant SEAQ International securities effected in the United States shall comply with rules 10b–6, 10b– 7 and 10b–8, [unless otherwise excepted or exempted from the operation of these rules.]

3. Transactions effected in the UK.

3.1 Transactions in relevant SEAQ International securities during the covered period for the qualified SEAQ International security in the principal market effected in the UK shall be conducted in compliance with UK law. For the purposes of this exemption, the term "covered period for the qualified SEAQ International security' means; (i) in the case of a rights issue, 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 the principal market before the price is determined and continuing until the completion or abandonment of the distribution in the United States: provided, that the covered period for the qualified SEAQ International security shall not start with respect to any relevant party until such person becomes a distribution participant.

3.2 All transactions in relevant SEAQ International securities during the covered period for the qualified SEAQ International security effected in the UK shall be effected on or reported to the Exchange, LIFFE or SFA.

3.3 Disclosure of trading activities.(a) The inside cover page of the offering materials used in the offer and sale in the United States of a qualified SEAQ International security shall prominently

¹For the purposes of this exemption, unless stated otherwise, the current market price for a qualified UK security shall be the closing mid-price at the end of the mandatory quote period for the day on SEAQ.

¹ Supplemental Notices shall be made for underwriters and selling group members identified after a Notice has been filed.