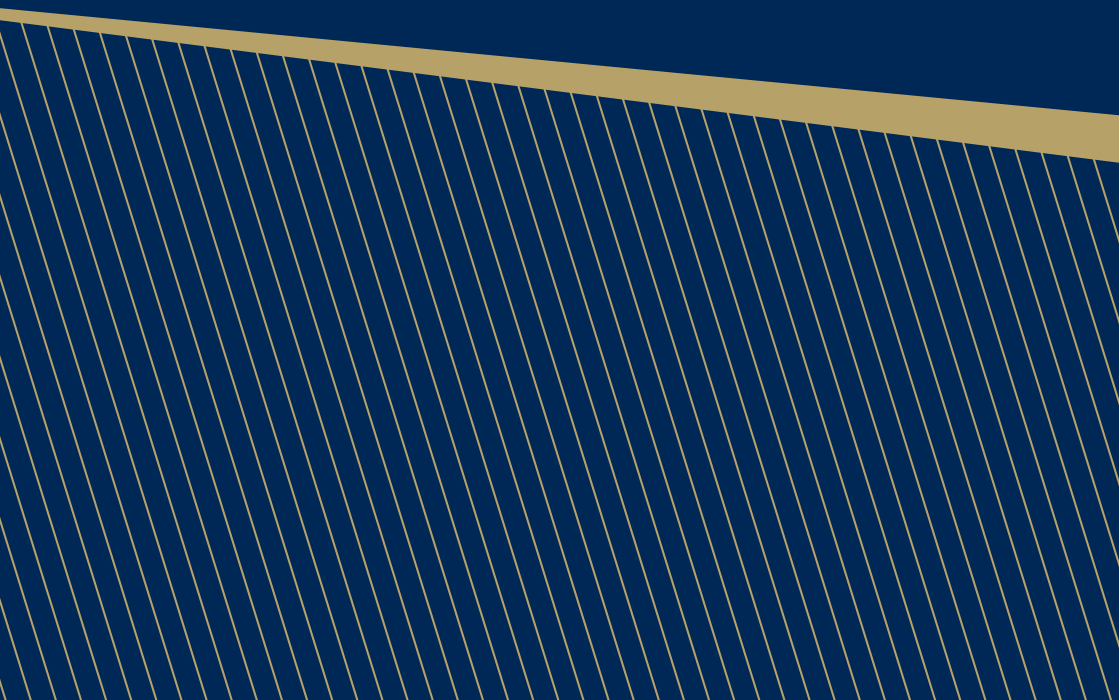


Chapter 5

Bookbuilding and launch



Chapter 5 - Bookbuilding and launch

Initial price thoughts

- R5.1** For a pot deal, any dissemination of tentative pricing information between the announcement of a transaction and the opening of orderbooks (and related issuance of formal price guidance) should:
- (a) be referred to as “initial price talk”; and
 - (b) occur on a public basis (even if not required under applicable law or regulation).
- Pot deals*
September
2015

Offers following domestic customs

- R5.2** When marketing and launching an offer intended to follow a particular domestic market’s customs, any differences with international offer practices should be considered carefully. See R1.3, R4.1(h), R8.3 and A6.
- September*
2015

Taps and increases

- R5.3** An issue intended to be fungible with an issue previously launched by others should not be launched until after the closing date of the earlier issue.

This provision is not capable of disapplication by notice.

- R5.4** When an issue is to be increased before its closing date, each manager should be offered an increase in its underwriting commitment on a pro rata basis.
- September*
2015

- R5.5** Each manager should have the option to accept or decline any increase in its underwriting commitment.
- September*
2015

- R5.6** Any accepting manager should be entitled to a pro-rata increase in fees on the same basis as the original issue.
- September*
2015

Name give-up

- R5.7** For a retention deal, managers of the transaction should not be required to divulge the names of any of their customers showing interest in the transaction, or the level of interest, unless:
- (a) there are compelling reasons for doing so; and
 - (b) the information is given directly to the issuer in confidence.
- Retention deals*
September
2015

- R5.7A** For a pot deal, issuers should be notified of the identities of any investors entered into the orderbook as ‘account X’.
- Pot deals*
February
2017

5.8 Under the laws of some countries such information may be regarded as being confidential and its disclosure may only be made with the prior consent of the customer concerned. *September 2015*

Allocation priorities of issuers

R5.9 Specific issuer allocation interests or priorities (or related broad guidelines), if any, should be obtained at the earliest opportunity, and at least prior to draft allocations being presented to the issuer for discussion. *September 2015*

Bookbuilding duration

R5.10 For a pot deal, orderbooks should be kept open for a minimum of 60 minutes with closing or going subject being announced 15 minutes ahead, unless (in either case) otherwise agreed with the issuer. *Pot deals July 2016*

Documentation availability to investors

R5.11 For debut or infrequent issuers into Europe, the latest version of any offer document should be available upon request to investors at least three days prior to the opening of the orderbook. *September 2015*

R5.12 Notwithstanding the prior publication of any offering materials (notably programme offer documents), direct access to such materials should be arranged, as soon as practicable, for investors placing orders. *September 2015*

Book disclosure

R5.13 For a pot deal, any disclosure of investor demand should: *Pot deals July 2016*

- (a) be agreed by the bookrunners in advance of being made (to help compliance with disclosure being required by law to be clear, fair and not misleading and so being representative of investor demand); and
- (b) occur on a public basis even if not required under applicable law or regulation.

Confirmation of allotment

R5.14 For a retention deal: *Retention deals September 2015*

- (a) managers should be notified of their commitments; and
- (b) allotments should be made, by close of business on the day the transaction is launched. For a pot deal see R6.1.