

Directorate-General
for Financial Institutions
and Fiscal Matters

Brussels, 19th March 1976

XV/A/3

Amended proposal for a sixth Council Directive
on the coordination of the guarantees required
in Member States for the purpose of protecting
the interests of members of companies and of
third parties as regards the content, checking
and distribution of the prospectus to be published
when securities issued by companies within the
meaning of Article 58 paragraph 2 of the Treaty
are admitted to official stock exchange quotation

The Council of the European Communities

Having regard to the Treaty establishing the European Economic
Community and, in particular, Article 54.3 g. thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Having regard to the Opinion of the Economic and Social Committee,

Whereas the enlargement of the size of the market in which
enterprises operate to the dimensions of the Community involves a parallel
widening of their financial requirements and of the capital markets on which
they must call to satisfy these, and whereas admission to the stock exchanges
of several Member States of transferable securities issued by companies and

other legal persons in public and private law constitutes an important method of access to these capital markets, and whereas furthermore exchange restrictions on the purchase of transferable securities negotiated on the stock exchanges of another Member State have been eliminated as part of the liberalization of capital movements,

Whereas safeguards for the protection of the interests of company members and third parties investing whose savings are sought are required in most of the Member States of enterprises which make public call on savings, sometimes immediately the securities are issued and in any case at the time of their admission to official stock exchange quotation, and whereas these safeguards rest on the requirement that information which is adequate and as objective as possible must be furnished concerning in particular the financial situation of the issuing enterprise and the features of the securities for which quotation is requested and whereas the form under which this information is required usually consists of the publication of a prospectus,

Whereas at the same time the safeguards thus required diverge from one member country to another, both as regards the contents and the layout of the prospectus and the efficacy, methods and timing of the check on the adequacy and sufficiency of the information given, and whereas the effect of these divergencies is not only to make it more difficult for enterprises to obtain admission to the stock exchanges of several Member States but also to hinder the acquisition by savers residing in a Member State of securities quoted on the stock exchanges of the other Member States and thus to inhibit the financing of the enterprises and investment by savers throughout the Community,

Whereas these divergencies should be eliminated by coordinating the rules and regulations without necessarily making them completely uniform, in order to achieve an adequate degree of equivalence in the safeguards offered in each Member State to ensure sufficient and objective information for company members and third parties who are present or potential security holders, and whereas at the same time, taking into account on the one hand the present degree of liberalization of capital movements in the Community and on the

other the fact that a mechanism for checking at the time the securities are issued does not yet exist in all the Member States, it would appear sufficient at present to limit the necessary coordination to the conditions for admission of such securities to official stock exchange quotation,

Whereas the enterprises in the Member States which request the quotation of securities that they issue are all companies or other legal persons in public or private law within the meaning of Article 58(2) of the Treaty so that the coordination of the safeguards which are made compulsory for them in the field of this Directive comes under Article 54.3 g.; and whereas these safeguards, because of their objective character and their nature as rules for the protection of savings and for the proper functioning of the stock exchanges, must necessarily also apply to applications for admission to quotation on a stock exchange in the Community of the securities issued by enterprises of third countries, and whereas the provisions of this Directive must consequently also concern the information required of these undertakings in the form of prospectuses and the checking of this information,

HAS ADOPTED THIS DIRECTIVE:

Section I - General rules and field of application

Article 1

Requirement of issuing a prospectus

1. Member States shall ensure that, before securities are admitted to or introduced for official quotation on a stock exchange situated within their territory, a prospectus checked by an authority appointed for this purpose is published or made available to the public.

2. Notwithstanding the foregoing, securities issued by open-end collective investment undertakings, that is to say investment companies and unit trusts whose securities are issued or have been issued in a continuous fashion or closely spaced tranches and/or are bought back or redeemed directly or indirectly at the request of the holders out of their assets, shall be excluded from the field of application of this Directive.

3. The obligations of this Directive shall not apply either to securities issued by the States or their local authorities.

Article 2

Contents of the prospectus

The prospectus mentioned in Article 1 above must contain all information which, according to the particular nature of the issuer and the securities in question, are necessary to enable investors and their investment advisers to form a well-founded opinion on the net worth, financial situation, results and prospects of the issuer and also on the rights pertaining to the securities for which application for admission is being made.

Article 3

Obligation to follow the schemes of presentation set out in the Schedules

1. In order to achieve the result envisaged in Article 2, Member States shall ensure that the admission prospectus contains, in as easily analysable and comprhensible a form as possible, at least those items of information that are listed in Schedules A, B or C annexed to the present Directive, depending on whether shares, debentures¹ or certificates representing shares are involved. The schemes of presentation in question are applicable in conjunction with the exception options provided for in Articles 4 and 5.

¹ "Debenture" includes debenture stock, loan stock, bonds and any similar securities of a company whether constituting a charge on the assets of the company or not (Translator's note).

2. In the specific cases mentioned in Articles 6-12 the prospectus shall be drawn up in accordance with the indications laid down therein.

3. In cases where certain headings of the Schedules are inappropriate to the issuers' sphere of activity, a prospectus giving equivalent information shall be drawn up by adapting the headings in question.

Article 4

Right to waive publication of a prospectus or certain of its headings

1. Member States may, under conditions determined by them, waive publication of a prospectus drawn up in accordance with the annexed schemes of presentation, or may even provide for complete exemption from the requirement of issuing a prospectus when the application for admission is in respect of the securities detailed below:

- a) securities for which, within a maximum of six months prior to the application for admission, an issue prospectus was drawn up and published in the same Member State (1) in conformity with the provisions of the present Directive and can be held to be equivalent to the European admission prospectus; in such a case, the up-dating of that prospectus may if necessary be called for;
- b) securities already admitted to official quotation on another stock exchange in the same member country, provided that a prospectus has already been published which complies with the present Directive;
- c) shares (including shares having no capital value) allotted, consequent upon the capitalisation of reserves, issue premiums, revaluation surpluses or profits, to holders of shares of the same category already quoted on the same stock exchange;
- d) shares resulting from the conversion of convertible debentures when these convertible debentures and shares of the same category as those offered by way of conversion are already quoted on the same stock exchange;

(1) Does not apply to the German text.

- e) shares issued in connection with the exercise of warrants, when the debentures to which they were attached, as well as shares of the same category as those offered to holders of the warrants, are already quoted on the same stock exchange;
- f) supplementary certificates representing shares issued in exchange for original securities, where there is no increase of capital, when the certificates are already quoted on the same stock exchange;
- g) a number of securities amounting to less than 5 % of the number of securities of the same category already admitted to quotation on the same stock exchange, provided that the aggregate market value of the additional securities does not exceed 500,000 units of account over a period of two years.

2. Where Member States intend to avail themselves of this exemption option, they must notify the Commission, at the latest by the expiry of the time-limit fixed in Article 20(1), of the cases in which they intend to keep this option available and, where appropriate, of the particular provisions they are establishing for the scheme of presentation.

Article 5

Dispensation from the provisions of certain headings in the annexed Schedules

The competent authorities of Member States may, on their own initiative or at the request of the issuer, dispense the latter from publishing certain information laid down in the Schedules when, in the particular circumstances of the issuer concerned:

1. this information is not likely to influence assessment of the net worth, financial position, results and prospects of the issuer;
2. the disclosure of this information would be contrary to the public interest or would be seriously detrimental to the issuer, provided that non-publication is not likely to mislead the public with regard to the facts and circumstances essential for assessment of the securities in question.

Section II - Content of the prospectus in special cases

Article 6

Financial institutions

1. Upon admission to quotation for securities issued by financial institutions, the prospectus must contain at least the items of information specified in Chapters 1, 2, 3, 5 and 6 of Schedules A or B, according as shares or debentures are involved.
2. In addition, it must contain information adapted to the characteristics of the issuers in question and equivalent to that specified in Chapters 4 and 7 of Schedules A or B in accordance with the rules laid down for this purpose by the competent national authorities.
3. It shall be incumbent on Member States to define the financial institutions for which modified schemes for the presentation of prospectuses will be laid down.

The system provided for by this Article for financial institutions may be extended to investment companies and collective investment funds other than those covered in Article 1, to "pure" finance companies (i.e. those engaging in no other activities than assembling capital to make it available to a parent company or a company directly or indirectly affiliated with the parent company) and to "pure" holding companies (i.e. those that do not engage in any other activity than managing a portfolio of transferable securities, licences or patents).

Article 7

Continuous or repeated loan issues by financial institutions

1. In the case of banks, savings banks, credit institutions and mortgage companies which publish their accounts regularly, which within the Community are corporations of public-law status or are subject to public supervision designed to protect savings, and which make continuous or repeated issues,

not less than an average of twice a year, of debentures for which admission to quotation is sought, the complete prospectus drawn up in accordance with the method laid down for financial institutions in Article 6 need only be published every three years. This system may be extended to cover Dutch mortgage companies.

2. Nevertheless, on the occasion of each admission, the publication is required of information concerning, at the least, the signatories of the prospectus, the terms of the loan and conditions of the transaction (Chapters 1 and 2 of the annexed debentures Schedule), together with information concerning any events of importance for assessing the security which have occurred since the date of the latest annual statement of accounts. With regard to the latter, it may be made available to the public at the banks which are acting as paying agents.

In the case of debentures issued by the Italian banks' "special sections" with separate legal personality (cartelle fondiariae and other like securities), the annual accounts of the special sections must be published, and not those of the banks from which they stem.

Article 8

Guaranteed loans

1. In the case of loans covered by a third company's guarantee other than in the form of material security, the prospectus must carry information as specified in the debentures Schedule concerning both companies when the issuing company and the guarantor company are specifically engaged in industry and commerce.

When one of the two companies is a financial institution, that part of the full prospectus which relates to that company shall be drawn up in accordance with the provisions of Article 6.

2. In the case of loans issued by a "pure" finance company, that is to say one engaging in no other activity than assembling capital to make it available to a parent company or to a company directly or indirectly affiliated with it, the prospectus must include, for the guarantor companies, the information specified in the debentures Schedule except for Chapter 2 and, for the issuing company, that is to say the "pure" finance company, the information specified in Chapters 1, 2 and 3 and under items 51 and 61 of the debentures Schedule.

When there is more than one guarantor, the information specified in the Schedule is required from each, but the prospectus may be abridged for the sake of making it easier to read, pursuant to instructions given by the authorities.

3. For group loans, information concerning all the guarantor companies is required in the prospectus. When these are too numerous, however, the authorities shall have discretionary power to allow abridgement of the information required of each.

4. In all cases of guaranteed loans, the guarantee contract must be annexed to the prospectus unless it is too voluminous or difficult for the public to understand. In such a case, the contract must be made available to the public at the premises of the financial intermediaries involved in the application for admission or in the placing of the securities.

Article 9

Convertible loans or loans with warrants attached

1. When the request for admission relates to convertible debentures or to debentures carrying warrants, the prospectus must contain the information specified in the shares Schedule and in Chapter 2 of the debentures Schedule, i.e. information relating to the operation, as well as the subscription or conversion terms.

2. When the issuer of the debentures is a different Company from that which issues the shares, the prospectus must contain the information specified in the debentures Schedule for the first company and that specified in the shares Schedule for the second company.

However, in the event of the issuer of the debentures being a "pure" finance company, the prospectus need contain, in addition to the subscription or conversion terms, only the information specified in the debentures Schedule in the abridged form for the "pure" finance company, i.e. the information specified in Chapters 1, 2 and 3 and under items 51 and 61 of the debentures Schedule.

3. When the currency of the convertible debenture is different from that of the shares, the effects of any changes in currency parities upon the terms of conversion or upon the terms of subscription must be indicated.

Article 10

Admission to stock exchange quotation of securities issued in connection with the merging or splitting up of companies, the transfer of assets or a public exchange offer

1. When the application for admission relates to securities issued in connection with an operation involving the merging or splitting of companies, the transfer of assets or a public exchange offer, and when the operation took place within the last three years, the prospectus shall include, in addition to the information specified in the shares Schedule or in the debentures Schedule as appropriate, the following material which may be inserted or simply annexed:

- the documents presented to the general meeting, including the report of the merger, the valuation criteria and the justification for the exchange ratio;
- the opening balance sheet showing the effects of the operation in question;
- information relating to the financial background of each of the companies involved; this information may be brief for companies which are already quoted.

However, when these documents are too long or difficult for the public to understand, they need not be inserted in or annexed to the prospectus, provided that they are made available to the public at the premises of the financial intermediaries involved in the application for admission or in the placing of the securities.

2. When less than six months before admission to stock exchange quotation equivalent and checked information has been published prior to an operation of the kind referred to in paragraph 1, the competent authorities of Member States may waive publication of a prospectus for admission to quotation, provided that this information is made available to the public at the premises of the financial intermediaries involved in the application for admission or in the placing of the securities.

Article 11

Certificates representing shares

1. When the application for admission relates to certificates representing shares, the prospectus must contain the information specified in the shares Schedule as regards the shares represented, and the information specified in the certificates Schedule.

2. Nevertheless, the authorities may allow the issuer of the certificates to dispense with the publication of details of its financial position provided for in the annexed Schedule, when the issuer is:

- a bank, savings bank, credit institution or mortgage company which is quoted on a stock exchange, which publishes its accounts regularly and which within the Community is a corporation of public-law status or subject to public supervision aimed at safeguarding savings;
- or an interprofessional organisation for the transfer of securities;
- or a trustee institution subject to special regulations for the safe custody of original shares.

Article 12

Issuers in the public sector

1. In connection with the admission to stock exchange quotation of securities issued by corporate bodies under public law which are engaged in industrial, commercial or financial activities, the general rules laid down in this Directive shall apply with only such adaptations as the particularities of these enterprises may require.
2. When these issuers, or the debentures issued by them, are covered, both as to the redemption of the loan and interest payment, by the unconditional and irrevocable guarantee of a Member State, the competent authorities may simplify that part of the prospectus which refers to the issuer and the issuer's financial position, while, at the same time, endeavouring to insist upon the publication of this information in accordance with sound practice as adopted on the international market.

Section III - Arrangements for enforcing the prospectus requirements and for making it publicly available

Article 13

Enforcement of the prospectus requirements

1. Member States shall instruct one or more national authorities, public or private, to supervise the enforcement of the rules in the present Directive and shall notify the Commission of these authorities, giving details of any division of responsibilities among them.
2. The prospectus may not be published, nor may it be made available to the public, before it has been passed by the competent authority as referred to in paragraph 1.
3. The competent authority shall give authorisation for the prospectus to be published or made available to the public only if it is of the opinion that the prospectus satisfies all the requirements of the present Directive, and if it has good reason to believe that it contains no particulars or omissions likely to mislead the public.

4. In order to carry out their task, the authorities appointed shall be endowed with all the necessary competence and powers of supervision. In particular, they must have the power to require the issuer of the securities for which admission to quotation is sought to furnish all the information and to produce all the documents necessary for them to judge whether or not the draft prospectus submitted to them conform to the requirements laid down in the Directive, as well as powers to require the prospectus to be presented in the manner best suited to the characteristics of the issuer and of the securities. They must also be provided with power to check whether an issuer complies with the conditions laid down in the Directive for a partial or total dispensation from some of its requirements.

Article 14

Methods of publishing the prospectus

1. The prospectus for admission to quotation must be published:

- either by insertion in one or more journals with a wide circulation,
- or by making available to the public, free of charge, copies in pamphlet form at the headquarters of the stock exchange or stock exchanges on which the securities are being admitted to quotation and at the offices of the issuer as well as at the premises of the intermediaries involved in the application for admission or in the placing of the securities.

2. These two methods may be combined. In countries where publication of a prospectus in the press is prescribed not all the information specified in the Schedules annexed to the Directive need be published in the press, subject to the following conditions:

- the information prescribed in the annexed Schedules but not published in the press must be made available to the public in pamphlet form;
- this pamphlet must always be accompanied by a reprint of the document published in the press;
- the document published in the press must mention the pamphlet and must state where members of the public may obtain the information document in full.

Finally, the apportionment of the information between the two methods must be carried out in accordance with the standards fixed by law or by the competent authorities and under their control.

3. It must be made compulsory for the prospectuses to be lodged in places and according to procedures laid down by the Member States.

Article 15

Deadlines for publishing the prospectus

1. When shares are admitted to quotation the prospectus must be published or made available to the public at least eight days before the date on which the securities admitted to quotation can be the subject of dealings recorded in the official list. This same eight-day minimum requirement must be respected in the case of issues of convertible debentures or debentures with warrants attached carrying preferential subscription rights for current shareholders. Three days at least must be allowed in the case of issues of debentures, convertible debentures or debentures with warrants which do not carry preferential subscription rights for existing shareholders.

2. Moreover, where the admission of these securities is preceded by negotiation of the subscription rights giving rise to dealings recorded in the official list, the prospectus must be published or made available to the public at least three days before the negotiation opens.

3. In the event of the admission of debentures to quotation coinciding with the public issue, and when certain terms of the issue such as the issue price or the interest rate are only finalised at the last moment, the authorities may confine themselves to insisting upon the publication, at least three days before admission, of a provisional prospectus omitting this information but indicating how it will be made known. This information must be made known to the public not later than the day before dealings commence, by putting out either a complete prospectus or an addendum sheet to the above-mentioned provisional prospectus, or alternatively by a notice in the press referring to the complete prospectus and indicating where it may be procured.

Article 16

Publication of documents other than the prospectus

1. As soon as a checked prospectus is published for securities in connection with their admission to quotation, the bills, posters and documents confined to the announcement of these operations and to an indication of the essential characteristics of the securities must refer to the prospectus and must state where and how the public may procure it.

2. Documents containing more detailed information that are published by or on behalf of the issuer, and in particular the partial or abbreviated prospectus in countries where its issue is allowed by the authorities, must, in the same manner as the complete prospectus, be submitted for checking by the competent authorities, in order that they may verify that these informatory documents, though abbreviated or incomplete, would not be liable to distort the public's assessment of the securities and in order that they may call for amendments to be made, if necessary.

Furthermore, these documents must refer to the complete prospectus and must indicate where and how it may be obtained by the public.

3. Member States shall encourage the publication of abbreviated prospectuses which are clearly presented and easy for the public to understand and which, whilst including only the essential elements of the annexed Schedules, convey an objective impression of the issuer and of the rights attaching to the securities.

4. The company or the financial intermediaries concerned in the placing of the securities or their admission to quotation may not, in this connection, give any information that might affect assessment of the securities if it does not appear in the prospectus or is not common knowledge.

Article 17

New factors

Every important new factor arising between the time when the prospectus is finalised and when dealings commence in the stock market must be notified in a supplement to the prospectus, checked in the same way as the latter and made available by kindred procedures which will be decided by the competent authorities.

Section IV - Procedures for cooperation between Member States
in the application of the Directive

Article 18

Operations affecting several Member States

1. In the case of simultaneous admission to quotation on the stock exchanges of several Member States of the Community, the authorities of the Member States concerned shall establish between themselves all the contacts necessary to coordinate to the maximum the requirements concerning prospectuses in order to avoid a multiplicity of formalities and to accept a single text which would then only need a possible translation and supplement corresponding to the individual requirements of each Member State concerned.
2. In the event of admission to quotation being sought on a stock exchange in one or more Member States for securities which have been admitted to quotation in another Member State for less than six months, the competent authorities of the Member States in which admission is being sought shall make contact with the competent authorities which have already admitted the securities and shall, as far as is possible, exempt the issuer from drawing up a new prospectus subject to any need for updating, translation or the issue of a supplement in accordance with the individual requirements of each Member State concerned.

Article 19

Contact Group

1. A Contact Group shall be set up in the Commission. Its function shall be:
 - a) to facilitate, without prejudice to the provisions of Articles 169 and 170 of the Treaty, harmonized application of the Directive through regular contacts designed to concert approaches to the practical problems connected with its application and, in particular, with the annexed Schedules, about which exchanges of views might be deemed useful;
 - b) to facilitate a concerted approach as regards supplements and improvements to the prospectus which it is permissible for the authorities of Member States to require or recommend at purely national level;
 - c) to advise the Commission, if necessary, on any additions or amendments to be made to the present Directive.
2. The Contact Group shall be composed of representatives of the Member States and of the Commission. The Chairman shall be a representative of the Commission.
3. The Group shall be convened by the Chairman, either on his own initiative, or at the request of one of the members.

Section V - Final Provisions

Article 20

1. Member States shall put into effect, within twelve months of notification to them of the present Directive, all provisions necessary for complying with it and shall inform the Commission immediately of such provisions.

2. The Member States shall communicate to the Commission the texts of subsequent provisions of national law which they adopt in the areas covered by the present Directive.

Article 21

The present Directive is addressed to the Member States.

SCHEDULE A

Scheme of presentation for prospectuses
for the admission of shares to stock exchange quotation

Chapter 1. - Persons or bodies assuming responsibility for the prospectus

11. Name and function of the natural persons, name and registered office of the bodies corporate assuming responsibility for the prospectus or, as the case may be, for certain parts of it. Should they assume responsibility for certain parts of the prospectus only, mention these parts.

12. Declaration by the signatories of the prospectus that, to the best of their knowledge, the data appearing in that part of the prospectus for which they assume responsibility are in accordance with the facts and that there are no omissions likely to affect the bearing of the information.

13. Statement specifying which accounting documents and which information of a financial nature have been checked by the official auditor of the company's accounts, in the case of an auditor from a Member State, or by an authorized official auditor in the case of an auditor from non-member countries.

The capacity (organ established under the "Statutes" or external body) in which the verifications were carried out should be specified, as well as possible reservations. The same rule shall apply to the consolidated accounts contained in the prospectus.

The auditor's certificate shall appear in the prospectus.

Chapter 2. - Information concerning admission to quotation and the securities for which application is being made

21. Nature of the operation (e.g., admission to quotation of securities already marketed; admission to quotation with a view to stock exchange marketing).

22. Information concerning the securities to be admitted to quotation.

221. Indication of the resolutions, authorizations and approvals by virtue of which the securities were created, where these resolutions, authorizations or approvals do not date back more than five years: type of operation and amount thereof. Number of securities created, if predetermined.

222. Concise description of the rights attaching to the securities, inter alia extent of the voting rights, entitlement to share in the profits and to the liquidation surplus, any privileges. Time-limit after which dividends lapse and indication of the party in whose favour this provision operates.

223. Arrangements for transfer of the securities and any restrictions on their free negotiability (e.g., clause establishing approval requirement).

224. Date from which dividends become payable.

225. The stock exchange or exchanges to which admission is or may be applied for.

226. The institutions which, at the time of admission, are the paying agents of the company in the country where the admission occurs.

23. Information concerning issue and placing of securities: should an issue prospectus not have been published and when the issue and the admission to quotation occur at the same time, or when the issue preceded admission to quotation by less than three months, the following items of information shall appear in the admission prospectus. The information provided for in point 23, so far as applicable, shall also be supplied for privately issued securities at the time of their admission to stock exchange quotation.

230. For the securities referred to in point 22, indication of any preferential rights or exclusion of preferential rights for existing shareholders. In the latter case, the reasons for the

exclusion and, in the case of an issue for cash, for the choice of the issue price of the securities, with indication of the beneficiaries of the exclusion.

231. The total amount on offer to the public and the number of securities offered, where applicable by category.

232. If the public offer is being or has been made simultaneously on several markets and if a tranche is being or has been reserved for certain of these, indicate the tranches.

233. The issue or subscription price, distinguishing the par value or the amount placed to capital, the issue premium and the amount of any expenses explicitly charged to the purchaser or subscriber; the methods of payment of the price, inter alia as regards the paying-up of securities which are not fully paid-up.

234. The procedure for exercise of the preferential rights, the negotiability of subscription rights; what happens to unexercised rights.

235. Period during which the issue is or was open and indication of the financial institutions responsible for receiving the public's subscriptions.

236. Methods and time-limits for delivery of the securities, possible creation of scrip.

237. Indication of the persons underwriting or guaranteeing the issue for the issuing company. If the issue is being guaranteed privately by natural persons, this fact is to be indicated without mentioning them by name. Where not all of the issue is underwritten or guaranteed, the portion not covered is to be mentioned.

238. Estimate of the overall amount and/or amount per security of the charges relating to the issue operation, making a distinction at least between the legal and administrative expenses on the one hand, and the overall remuneration of the financial intermediaries on the other (including the underwriting commission or margin, guarantee commission, placing commission).

239. Net proceeds accruing to the company from the issue and planned appropriation of these proceeds (e.g., financing of the investment programme or reinforcement of the company's financial situation).

24. Information concerning admission to quotation.

241. Description of the securities the admission of which is applied for and, inter alia, number or overall par value, exact designation or category, serial numbers where known, coupons attached, etc..

242. If the securities are to be placed by introduction on the stock exchange, the number of securities made available to the market and/or the overall par value and, where applicable, the minimum sale price.

243. If known, the date on which the new securities will be listed.

244. If securities of the same category are already listed on one or more stock exchanges, mention is to be made of this or these stock exchanges and, in so far as the data mentioned below are available, for the last five financial years and for the current financial year as regards the principal stock exchange or stock exchanges:

2441. The number of securities listed or their overall par value.

2442. The volume of transactions by number of the securities and/or their market value.

2443. The adjusted highest and lowest prices, i.e., rendered comparable so as to take account of operations that have occurred in respect of the capital (increase, decrease, splitting, rearrangement). The adjustment formulae utilised are to be indicated).

2444. The adjusted profit per share and the adjusted dividend per share, i.e., rendered comparable so as to take account of operations that have occurred in respect of the capital (increase, decrease, splitting, rearrangement). The adjustment formulae utilised are to be indicated.

245. If securities of the same category are not yet admitted to quotation but are dealt in one or more other markets subject to regulation, in regular operation and recognized and open, the most recent prices on those markets in so far as such publicity is permitted; the market on which these prices were recorded and the source from which they were taken.

246. Public take-over bids or exchange offers involving the company's shares and public exchange offers which have been made by the company during the last financial year and the current financial year, mentioning the conditions of the offer and its result.

25. If, simultaneously or almost simultaneously with the creation of securities for which admission to quotation is being sought, securities of the same nature are subscribed or placed privately or if securities of other categories are created with a view to their public or private placing, details are to be given of the nature of these operations and of the number and characteristics of the securities to which they relate.

Chapter 3. -- Information of a general character about the company

31. Status of the company.

311. Name or style, registered office and, where appropriate, principal administrative establishment, if the latter is different from the registered office.

312. Date of incorporation and, if the life of the company is limited, the date of its expiration.

313. Legislation under which the company operates and legal form which it has adopted in the framework of this legislation.

314. Indication of the company's objects and reference to the Article of the "Statutes" in which they are described.

315. Indications of the places where it is possible to consult the coordinated "Statutes", balance sheets and reports, decisions concerning the appointment and dismissal of members of the company's organs, as well as any other document quoted in the prospectus and accessible to the public, and of the place where the dispatch of the latest company report may be applied for. Places where the prospectuses relating to the operations in respect of issue or admission to quotation performed by the company in the course of the past five years may be consulted by the public.

316. Time-limits for and ways of calling general meetings. Date and place of the next General Meeting, if these are known.

32. Capital.

321. The amount of the capital subscribed and its composition; the part of the subscribed capital still to be paid up, with indication of the number (or the overall par value) and nature of the securities not yet fully paid-up, broken down, where applicable, according to the degree to which they have been paid up.

322. When there is an authorised capital or authority for a contingent capital increase, inter alia in connection with convertible bonds issued or subscription options granted, indicate:

- the amount of this authorised or "contingent" capital and, where appropriate, the duration of the authorisation;
- the categories having a preferential right of subscription for these additional portions of capital;
- the terms and arrangements for the share issue corresponding to these portions.

323. If there exist several categories of securities, whether representing the capital or not, mention their principal characteristics and the number of shares or "parts"¹ issued.

324. Conditions governing changes in the capital and in the respective rights of the various categories of securities, in so far as they depart from the general law.

325. Outline table of changes in the capital covering, in principle, at least the last five years, as well as the most important events prior to that period. Date and concise description of the successive operations changing the capital or its composition (mentioning premiums on issues or assets brought in).

326. Indication of any natural or legal person who directly or indirectly, alone or jointly with other shareholders, in fact controls the company, mentioning the amount of the participation and in any event, in so far as it is common knowledge or known to the company, any holding of 10 % or more of the subscribed capital, mentioning the amount of the participation. "Joint control" means control exercised by two or more companies or persons who have concluded among themselves an agreement which might lead them to adopt a common policy in relation to the company in question.

¹"Parts" give profit-sharing rights but do not represent any capital value (Translator's note).

327. If the prospectus-publishing company belongs to a group of enterprises, a description of the group and of the place it occupies therein.

328. Book value and par value (or accounting par value) of its own securities repurchased or held by the company if these securities are not isolated in the balance sheet; origin and object of this repurchase.

Chapter 4. - Information concerning the company's activity

41. Principal activities of the company.

In the sections where the description of the company's activity is required only for the current financial year and the last financial year and if it is considered that this period is too short to reflect meaningfully the company's development, it is advisable to add indications about the previous financial years. In so far as the company's development within the reference period has been influenced by exceptional events, e.g., an important merger, these events are to be indicated. If possible, the data should be presented in such a way as to enable a comparison to be made of the trend from one financial year to another.

411. Description of the company's principal activities, mentioning the main categories of products manufactured and sold and/or services performed. Indicate important new products and, as far as possible, the proportion of the turnover attributable to new products developed within the last five years.

412. The above description may contain indications concerning the development of the company's relative position in its principal branches of activities, if these indications can be based, as to their significance and comparability, on figures emanating from qualified institutions, and the source given.

413. Breakdown, by principal branches of activities, of the net amount of the turnover in the course of the past five financial years, and, if these figures are significant, the production volumes of the principal products. Any relatively homogeneous activity which contributes more than 15 % to the turnover is considered a branch of activity.

414. Information on the structure of supply sources and markets for the products or services and, if possible, a breakdown of the net amount of the turnover by principal geographical or economic zones.

415. Location, relative size and development of the activities of the company's principal establishments and information about the real estate owned. Any establishment which accounts for more than 10 % of turnover or production is considered to be a principal establishment.

416. For mining, extraction of hydrocarbons, quarrying, etc., description of the deposits, estimate of the economically exploitable reserves and expected period for which they will be exploited, indication of the period and principal conditions of the concessions and the economic conditions of their exploitation, indicating the state of progress of the actual exploitation.

42. Information on the possible effects on the company's activities and profits of:

- a) ownership of industrial property rights (patents, trade marks and designs) or of the use of such held by or assigned to or by the company, in particular in the form of licences, whether exclusive or not, or of contributions to other companies;
- b) industrial, commercial and financial contracts;
- c) manufacturing techniques and specialities.

If this is the case, all that will be required is to describe concisely, and without divulging industrial secrets, the factors which have a particular importance.

43. Information on the research and development policy for new products and processes, the amount of expenditure effected for this purpose over the past five financial years and assessment of the influence of this policy on the operations and profitability of the company.

44. Information on¹ disputes and factors interrupting activities (e.g. strikes, accidents) which have had in the recent past or might have a significant impact on the net worth, financial position or results of the company.

45. Average numbers employed and their trend in the course of the past five financial years (if this trend is significant) with, if possible, a breakdown of persons employed by principal branches.

46. Investments.

461. Description, with figures, of the principal investments, including trade investments acquired, in the course of the past five financial years.

462. General indications concerning the investment programme in course of implementation, including its overall cost, its methods of financing, the nature of the investments, in so far as these indications are necessary for assessing the use of the funds collected in relation to the programme as a whole. By investment programme in course of implementation is meant not only the projects whose execution has already started but, more widely, the whole body of investment projects which are inter-linked to an extent such that the commissioning or profitability of the investments already effected or in course of execution depends on the implementation of all the investment projects constituting the programme.

463. A table showing the sources and utilisation of funds must be supplied, relating to the past five financial years and the current financial year.

¹English text only

Chapter 5. - Information concerning the net worth, financial situation
and results of the company

51. General rules.

511. Comparative table summarizing the balance sheet and the profit and loss account relating to the past five financial years so as to bring out the essential factors, ensuring however that the rearrangement of the published accounts does not affect their informative value.

Where, during the period covering the five financial years mentioned above, events have occurred making comparability of the essential items in the balance sheets and profit and loss accounts impossible, this should be stated.

512. The annual accounts (balance sheet, profit and loss account and annexes) relating to the last two completed financial years as approved by the general meeting of shareholders must be appended. If more than nine months have elapsed since the date on which the last financial year was closed, a recent provisional financial statement must be inserted in the prospectus, or appended to it.

513. Should the annual accounts not be drawn up in conformity with the provisions of Council Directive No..... of¹ and should they not give a faithful reflection of the net worth, financial situation and results of the company, they must be accompanied by explanatory notes and comments; more detailed disclosure in the prospectus may be called for and explicit mention must be made of corrections and amendments in relation to the published accounts.

514. If the company draws up consolidated accounts, the information provided for in Items 511, 512 and 513 shall be given on the basis of the consolidated accounts as well.

¹ O.J. No. C 7 of 28 January, 1972

52. Individual details relating to the enterprises in which the prospectus-publishing company holds at least 10 % of the capital:

- 521. Name, registered office.
- 522. Proportion of capital held.
- 523. Capital subscribed.
- 524. Reserves.
- 525. Result of the last financial year.

These details shall be presented, if possible in the form of a synoptic table in the prospectus, unless they already appear in the annual accounts appended to it.

53. Individual details relating to the companies in which the prospectus-publishing company has a substantial holding likely to influence assessment of its net worth, financial situation or results.

These details must be given, inter alia, for the companies in which the prospectus-publishing company directly or indirectly holds at least 25 % of the capital, or when the value of this holding represents at least 10 % of the paid-up capital of the prospectus-publishing company, or when this holding accounts for at least 10 % of the latter company's earnings.

However, for holdings in companies belonging to third countries, the details provided for in items 531 to 535 need not be given in an individual manner but may be amalgamated with the details provided for in item 54.

In addition to the details mentioned in items 521 to 525, the following indications must be given:

- 531. Field of activity.

532. Value at which the prospectus-publishing company records
the shares or "parts" held.

533. Amount still to be paid up on these shares or "parts" held.

534. Net turnover in the course of the last financial year.

535. Amount of dividends received in the course of the last
financial year in respect of shares or "parts" held.

536. Amount of the prospectus-publishing company's claims
on the company in which it has a substantial holding.

537. Amount of the prospectus-publishing company's debts to
the company in which it has a substantial holding.

538. Amount for which the prospectus-publishing company
guarantees, endorses or secures the commitments of the company
in which it has a substantial holding.

54. Overall information relating to all the enterprises taken together
in which the prospectus-publishing company holds at least 10 % of the
capital and which are not referred to in item 53:

Same details as those provided for in items 532 to 538 but
presented in overall form and broken down as between companies of the country,
companies of other member countries and companies of third countries.

55. When the prospectus comprises consolidated accounts, there shall
be indicated in an annex:

551. The consolidation principles applied and, if applicable,
any exceptions to and deviations from these principles.

The following details are to be indicated, inter alia:

- the selection criteria for the companies included in the consolidation;
- the method(s) of consolidation utilised: overall or proportional integration, placing on an equivalent footing;
- the rates of exchange used for the consolidation of the foreign companies;
- the methods of eliminating profits resulting from transactions among the companies of the group;
- the way in which the stocks were integrated; in particular, explanations must be provided in the event of the non-elimination of the intra-group profit;
- if appropriate, the details relating to the underlying fiscal situation of the group, taking account of timing differences in the payment of corporation tax;
- the definition of the consolidated turnover;
- the scope of the consolidation of the results (total, partial or simplified consolidation);
- the changes which have occurred, in relation to the accounts published for the previous financial year, in the principles set forth above.

552. List of companies included in the consolidation, name and registered office. It may be sufficient to distinguish them by a sign in the list of companies for which details are provided for in item 52.

553. For each of the companies included in the consolidation, other than the prospectus-publishing company:

- the total proportion of third-party interests, if the accounts of this company are consolidated globally;
- the proportion of the consolidation calculated on the basis of the interests, if consolidation has been effected on a pro rata basis.

56. When the company performs a significant proportion of its activities through the intermediary of companies controlled by it and managed as a single unit, the details concerning the activity of the company (Chapter 4), its recent development and its prospects (Chapter 7) must be provided for the whole unit, in addition to concise details for the prospectus-publishing company individually.

Chapter 6. - Administration, Management, Supervision

61. Name, first name, place of residence and function in the company of the following persons, mentioning the principal activities performed by them outside the company when they are significant in relation to the prospectus-publishing company (inter alia, the most significant directorships and important functions in other companies). The activities of significance for the company performed by these same persons in the course of the past five years if they joined the company less than five years ago.

611. Members of the administrative, directing or supervisory organs, as well as the other persons who assume the management of the company at the highest level.

612. General partners in the case of a partnership limited by shares.

613. Founders, if the company has been established for less than five years.

62. Interests of the directors, etc., in the company.

621. Remuneration paid for the last completed financial year under any heading whatsoever, as a charge to overheads or the profit appropriation account, to the administrative, directing or supervisory organs. Overall amount for each category of organ. In addition, the total remuneration paid to the members of these organs of the prospectus-publishing company by all the companies controlled by it and managed as a single unit must be indicated.

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622. Options granted to the members of the administrative, directing or supervisory organs and to the other persons referred to in point 611, with respect to securities of the company: terms and conditions of these options.

623. Information about the nature and extent of the direct or indirect interests of the directors and managers or of the persons they represent in transactions which are unusual by their character or their conditions, effected by the company (such as purchases outside the normal activity, acquisition or disposal of fixed asset items, lease contracts with subsidiaries or persons mentioned above) in the course of the last financial year and during the current financial year. When such unusual transactions were concluded in the course of previous financial years and their effects are still being felt, information on these transactions must also be given.

624. Overall indication of all the loans granted by the company to the persons referred to in point 611, as well as of the guarantees constituted by the company in their favour.

63. Staff benefits.

631. Brief description of the policy followed with regard to staff benefits and more particularly with regard to profit-sharing contracts or supplementary retirement pension contracts; as regards the latter point, steps taken to ensure provision for them.

Description of the special benefits of a contractual character when the probable trend of the charge they represent is likely to exert a marked influence on this category of expenditure.

632. Options granted to the staff on shares in the company.

633. Overall indication of all the loans granted by the company to the staff and of the guarantees constituted in their favour.

64. Name, address, capacity and occupation of the persons responsible for checking the accounts.

Chapter 7. - Recent development and prospects of the company

71. General indications concerning the trend in the company's business since the end of the last financial year and comparison with the corresponding period of the previous financial year. When this information is already available in interim reports, it will suffice to append the said reports to the prospectus made available to the public. The following data are to be supplied, inter alia:

711. The net turnover since the beginning of the financial year.

712. A description of the most significant recent trends in production and stocks.

713. A description of recent trends in costs and selling prices.

714. General information on the state of the order book.

72. Company prospects.

The prospectus must clearly bring out the fact that this part consists of estimates or intentions which might not materialise.

721. Brief indications on the projected investment programme in so far as the company has already made firm decisions on this or has prepared the ground by recent financial operations and where the programme is likely to exert an important influence on the company's future financial policy, particularly its self-financing policy.

722. An estimate concerning the company's commercial and financial prospects may be inserted in the prospectus, provided that it is backed by figures (concerning, for example, the trend of business conditions, of the markets and of the order book, the influence of capital spending by the company and its competitors) and by pointers that are highly likely to prove accurate.

723. If possible, general indications concerning the profit distribution and retention policies which the company contemplates following or proposing to the meeting of shareholders and particularly, if applicable, concerning the policy on the issue of securities in connection with capitalisation of all or part of the reserves or increases in value, and concerning the operation of any dividend equalisation reserve.

SCHEDULE B

Scheme of presentation for prospectuses for the admission to
stock exchange quotation of debentures issued by industrial
or commercial undertakings

Chapter 1. - Persons or bodies assuming responsibility for the prospectus

11. Name and function of the natural persons, name and registered office of the bodies corporate assuming responsibility for the prospectus or, as the case may be, for certain parts of it. Should they assume responsibility for certain parts of the prospectus only, mention these parts.

12. Declaration by the signatories of the prospectus that, to the best of their knowledge, the data appearing in that part of the prospectus for which they assume responsibility are in accordance with the facts and that there are no omissions likely to affect the bearing of the information.

13. Statement specifying which accounting documents and which information of a financial nature have been checked by the official auditor of the company's accounts in the case of an auditor from a Member State, or by an authorized official auditor in the case of an auditor from non-member countries. The capacity (organ established under the "Statutes" or external body) in which the verifications were carried out should be specified, as well as possible reservations. The same rule shall apply to the consolidated accounts contained in the prospectus. The auditor's certificate shall appear in the prospectus.

Chapter 2. - Information concerning the operation

21. Conditions of the loan.

211. The nominal amount of the loan; if this amount is not fixed, a statement to this effect must be made; the nature and the amount of the denominations available and, where appropriate, their number and numbering.

212. The issue and redemption prices and the nominal interest rate; if several interest rates are provided for, an indication of the conditions for changes in the rate. In the event of the securities being issued continuously at a variable price following the trend of the markets, information is to be given, if possible, concerning the limit issue prices applied.

213. The procedures for allocation of any other financial advantages of which account cannot be taken in the yield, for example prizes, share in profits, indexing, etc. and, where applicable, the basis of calculation of the variable factors and the publicity given to these; the probable incidence on yield of a variation of the parameter.

214. Tax withheld at source on the income from securities in the country of origin and/or the country of quotation. Indication as to whether the issuing company assumes responsibility for the withholding of tax at source.

215. Amortization.

2151. The amortization plan for the loan with any possibilities of early redemption at the option of the issuer and/or subscriber and the way in which early redemptions or stock exchange or over-the-counter buying-in will affect the amortization plan; method of operation of any sinking fund.

2152. Amortization procedure: technique of drawing by lot and publicity therefor, repurchase on the stock exchange, repurchase by mutual agreement.

216. The financial institutions which, at the time of admission, are the paying agents of the company in the country where the admission takes place.

217. Currency of the loan. If the loan is denominated in units, of account, the contractual status of these; currency option.

218. Time limits.

2181. Period of the loan and any interim due dates.

2182. The date from which interest becomes payable and the due dates for interest.

2183. The time limit on the validity of claims to interest and repayment of principal.

2184. The procedures and time limits for the delivery of the securities and the creation of scrip, where applicable.

219. Any other factor necessary for the calculation of the yield or for the assessment of the value of the securities. The method of calculating the yield is to be specified.

22. Legal information.

221. Reference to the resolutions, authorizations and approvals by virtue of which the securities were created or which constitute a prior condition for issue or admission to quotation, where these resolutions, authorizations and approvals do not date back more than five years.

222. Nature and scope of the guarantees, sureties and commitments intended to ensure that the loan will be duly serviced as regards both interest and capital repayment. The texts of the contracts relating to such guarantees, sureties and commitments should be accessible to the public. When there are no such sureties, guarantees or commitments this fact must be mentioned.

223. Organization of representation for the body of debenture holders or trusteeships; name or denomination and head office of the representative of the debenture holders, the main conditions of such representation and particularly the conditions under which the representative may be replaced. The texts of the contracts relating to these forms of representation must be accessible to the public.

224. Mention of clauses subordinating the loan to other debts of the company already contracted or to be contracted in the future.

225. The legislation applicable to the securities and the courts competent in the event of litigation.

226. Arrangements for transfer of the securities, registered or bearer, and any restrictions on their negotiability.

23. Information concerning admission of the debentures to quotation.

231. The stock exchange or exchanges on which quotation is or will be applied for.

232. Indication of the persons underwriting or guaranteeing the issue for the issuing company and the extent of their commitments. If the issue is being guaranteed privately by natural persons this fact is to be indicated without mentioning who they are. Where not all of the issue is underwritten or guaranteed, the portion not covered is to be mentioned.

233. The number or global nominal value of the securities for which quotation is sought.

234. If the public offer, issue or admission to quotation takes place simultaneously on the markets of several countries and a tranche is reserved for certain of these markets, an indication of these tranches.

235. If, simultaneously or almost simultaneously with the creation of the securities which are the subject of the public issue or of the admission to quotation, securities of the same nature are subscribed or placed privately or securities of other categories are created with a view to their public or private placing, mention is to be made of the nature of these operations and of the number and characteristics of the securities concerned.

236. If the same debentures are already quoted on one or several stock exchanges, indication of the stock exchange or exchanges.

237. If the securities are not yet admitted to quotation, but are dealt in in one or more other markets subject to regulation, in regular operation and recognized and open, indication of the market or markets concerned.

24. Information concerning the issue, in the case of a prospectus published at the time of issue, or if the issue is concomitant with admission to quotation or if it has taken place within the three months preceding such admission:

241. Any preferential rights and the procedure for exercising them: the negotiability of the rights and what happens to rights not taken up.

242. The amount of the subscription charges which are added to the purchase or subscription price and borne by the subscriber.

243. The procedure for payment of the purchase or subscription price.

244. Except for continuous debenture issues, indication of the period during which the issue is or was open and of any possibilities of early closure.

245. An indication of the financial establishments instructed to receive subscriptions from the public and of the persons responsible for allotment, where applicable, of the loan.

246. Except for continuous debenture issues, indication of the net amount of the issue proceeds.

247. Purpose of the issue and allocation of its proceeds.

Chapter 3. - Information of a general character about the company

31. Status of the company.

311. Name or style, registered office and, where appropriate, principal administrative establishment, if the latter is different from the registered office.

312. Date of incorporation and, if the life of the company is limited, the date of its expiration.

313. Legislation under which the company operates and legal form which it has adopted in the framework of this legislation.

314. Indication of the company's objects and reference to the Article of the "Statutes" in which they are described.

315. Indications of the places where it is possible to consult the coordinated "Statutes", balance sheets and reports, decisions concerning the appointment and dismissal of members of the company's organs, as well as any other document quoted in the prospectus and accessible to the public, and of the place where the dispatch of the latest company report may be applied for. Places where the prospectuses relating to the operations in respect of issue or admission to quotation performed by the company in the course of the past five years may be consulted by the public.

32. Capital.

321. The amount of the capital subscribed and its composition; the part of the subscribed capital still to be paid-up, with indication of the number (or the overall par value) and nature of the securities not yet fully paid-up, broken down, where applicable, according to the degree to which they have been paid-up.

322. In the case of a convertible loan or a loan with warrants attached and when there is an authorised capital or authority for a contingent capital increase, indicate:

- the amount of this authorised or "contingent" capital and, where appropriate, the duration of the authorisation;
- the categories having a preferential right of subscription for these additional portions of capital;
- the terms and arrangements for the share issue corresponding to these portions.

323. Indication of any natural or legal person who directly or indirectly, alone or jointly with other shareholders, in fact controls the company, mentioning the amount of the participation and in any case, in so far as it is common knowledge or known to the company, any holding of 10 % or more of the subscribed capital, mentioning the amount of the participation. "Joint control" means control exercised by two or more companies or persons who have concluded among themselves an agreement which might lead them to adopt a common policy in relation to the company in question.

324. If the prospectus-publishing company belongs to a group of enterprises, a description of the group and of the place it occupies therein.

325. Book value and par value (or accounting par value) of its own securities repurchased or held by the company if these securities are not isolated in the balance sheet; origin and object of this repurchase.

Chapter 4. - Information concerning the company's activity

41. Principal activities of the company.

In the sections where the description of the company's activity is required only for the current financial year and the last financial year and if it is considered that this period is too short to reflect meaningfully the company's development, it is advisable to add indications about the previous financial years. In so far as the company's development within the reference period has been influenced by exceptional events, e.g., an important merger, these events are to be indicated. If possible, the data should be presented in such a way as to enable a comparison to be made of the trend from one financial year to another.

411. Description of the company's principal activities, mentioning the main categories of products manufactured and sold and/or services performed. Indicate important new products and, as far as possible, the proportion of the turnover attributable to new products developed within the last five years.

412. The above description may contain indications concerning the development of the company's relative position in its principal branches of activities, if these indications can be based, as to their significance and comparability, on figures emanating from qualified institutions, and the source given.

413. Breakdown, by principal branches of activities, of the net amount of the turnover in the course of the past five financial years and, if these figures are significant, the production volumes of the principal products. Any relatively homogeneous activity which contributes more than 15 % to the turnover is considered a branch of activity.

414. Information on the structure of supply sources and markets for the products or services and, if possible, breakdown of the net amount of the turnover (by principal geographical or economic zones).

415. Location, relative size and development of the activities of the company's principal establishments, and information as to the real estate owned. Any establishment which accounts for more than 10 % of turnover or production is considered to be a principal establishment.

416. For mining, extraction of hydrocarbons, quarrying, etc., description of the deposits, estimate of the economically exploitable reserves and expected period for which they will be exploited, indication of the period and principal conditions of the concessions and the economic conditions of their exploitation, indicating the state of progress of the actual exploitation.

42. Information on the possible effects on the company's activities and profits of:

- a) ownership of industrial property rights (patents, trade marks and designs) or of the use of such rights held by or assigned to or by the company, in particular in the form of licences, whether exclusive or not, or of contributions to other companies;
- b) industrial, commercial and financial contracts;
- c) manufacturing techniques and specialities.

If this is the case, all that will be required is to describe concisely, and without divulging industrial secrets, the factors which have a particular importance.

43. Information on the research and development policy for new products and processes, the amount of the expenditure effected for this purpose over the past five financial years and assessment of the influence of this policy on the activity and profitability of the company.

44. Information on¹ disputes and factors interrupting activities (e.g. strikes, accidents) which have had in the recent past or might have a significant impact on the net worth, financial position or results of the company.

45. Average numbers employed and their trend in the course of the past five financial years (if this trend is significant) with, if possible, a breakdown of persons employed by principal branches.

46. Investments.

461. Description, with figures, of the principal investments, including trade investments acquired, in the course of the past five financial years.

462. General indications concerning the investment programme in course of implementation, including its overall cost, its methods of financing, the nature of the investments, in so far as these indications are necessary for assessing the use of the funds collected in relation to the programme as a whole. By investment programme in course of implementation is meant not only the projects whose execution has already started but, more widely, the whole body of investment projects which are inter-linked to an extent such that the commissioning or profitability of the investments already effected or in course of execution depends on the implementation of all the investment projects constituting the programme.

463. A table showing the sources and utilisation of funds must be supplied, relating to the past five financial years and the current financial year.

¹English text only.

Chapter 5. - Information concerning the net worth, financial situation and results of the company

51. General rules.

511. Comparative table summarizing the balance sheet and profit and loss account relating to the past five financial years so as to bring out the essential factors, ensuring however that the re-arrangement of the published accounts does not affect their informative value. Where, during the period covering the five financial years mentioned above, events have occurred making comparability of the essential factors in the balance sheets and profit and loss accounts impossible, this should be stated.

512. The annual accounts (balance sheet, profit and loss account and annexes) relating to the last completed financial year as approved by the general meeting of shareholders must be appended. If more than nine months have elapsed since the date on which the last financial year was closed, a recent provisional financial statement must be inserted in the prospectus, or appended to it.

513. Should the annual accounts not be drawn up in conformity with the provisions of Council Directive No of¹, and should they not give a faithful reflection of the net worth, financial situation and results of the company, they must be accompanied by explanatory notes and comments; more detailed disclosure in the prospectus may be called for and explicit mention must be made of corrections and amendments in relation to the published accounts.

514. If the company draws up consolidated accounts, the information provided for in items 511, 512 and 513 shall be given on the basis of the consolidated accounts as well.

¹ O.J. No. C 7 of 28 January 1972.

52. Individual details relating to the enterprises in which the prospectus-publishing company has a substantial holding likely to influence assessment of its net worth, financial situation or results.

These details must be given, inter alia, for enterprises in which the prospectus-publishing company directly or indirectly holds at least 25 % of the capital, or when the value of this holding represents at least 10 % of the paid-up capital of the prospectus-publishing company, or when this holding accounts for at least 10 % of the latter company's earnings.

These details must be submitted if possible in the form of a synoptic table in the prospectus unless they already appear in the annual accounts annexed to it.

521. Name, registered office.

522. Portion of capital held.

523. Capital subscribed.

524. Reserves.

525. Result of the last financial year.

53. Additional individual details regarding subsidiaries and indirect subsidiaries. By subsidiary is meant an enterprise in which the prospectus-publishing company holds shares or "parts" which represent over half that enterprise's subscribed capital or to which is attached a voting power of over 50 %. By indirect subsidiary is meant an enterprise in which the prospectus-publishing company holds directly or through one or more

subsidiaries or indirect subsidiaries shares or "parts" which represent over half that enterprise's subscribed capital or to which is attached a voting power of over 50 %. However, for subsidiaries and indirect subsidiaries located in third countries the details provided for in items 531 to 538 need not be given in an individual manner but may be amalgamated with the details provided for in item 54.

In addition to the details mentioned in items 521 to 525, the following indications are to be given:

531. Field of activity.
 532. Value at which the prospectus-publishing company records the shares or "parts" held.
 533. Amount still to be paid-up on these shares or "parts" held.
 534. Net turnover in the course of the last financial year.
 535. Amount of dividends received in the course of the last financial year in respect of shares or "parts" held.
 536. Amount of the prospectus-publishing company's claims on the subsidiary or indirect subsidiary.
 537. Amount of the prospectus-publishing company's debts to the subsidiary or indirect subsidiary.
 538. Amount for which the prospectus-publishing company guarantees, endorses or secures the commitments of the subsidiary or indirect subsidiary.
54. Overall information relating to all enterprises referred to in item 52 and not referred to in item 53:

Same details as those provided for in items 532 to 538 but presented in overall form and broken down as between companies of the country, companies of other member countries and companies of third countries.

55. When the prospectus comprises consolidated accounts, there shall be indicated in an annex:

551. The consolidation principles applied and, if applicable, any exceptions to and deviations from these principles.

The following details are to be indicated, inter alia:

- the selection criteria for the companies included in the consolidation;
- the method(s) of consolidation utilised: overall or proportional integration, placing on an equivalent footing;
- the rates of exchange used for the consolidation of the foreign companies;
- the methods of eliminating profits resulting from transactions among the companies of the group;
- the way in which the stocks were integrated; in particular, explanations must be provided in the event of the non-elimination of the intra-group profit;
- if appropriate, the details relating to the underlying fiscal situation of the group, taking account of timing differences in the payment of corporation tax;
- the definition of the consolidated turnover;
- the scope of the consolidation of the results (total, partial or simplified consolidation);
- the changes which have occurred, in relation to the accounts published for the previous financial year, in the principles set forth above.

552. List of companies included in the consolidation, name and registered office. It may be sufficient to distinguish them by a sign in the list of companies for which details are provided for in item 52.

553. For each of the companies included in the consolidation, other than the prospectus-publishing company:

- the total proportion of third-party interests, if the accounts of this company are consolidated globally;
- the proportion of the consolidation calculated on the basis of the interests, if consolidation has been effected on a pro rata basis.

56. When the company performs a significant proportion of its activities through the intermediary of companies controlled by it and managed as a single unit, the details concerning the activity of the company (Chapter 4), its recent development and its prospects (Chapter 7) must be provided for the whole unit in addition to concise details for the prospectus-publishing company individually.

Chapter 6. - Administration, Management, Supervision

61. Name, first name, place of residence and function in the company of the following persons, mentioning the principal activities performed by them outside the company when they are significant in relation to the prospectus-publishing company (inter alia, the most significant directorships and important functions in other companies). The activities of significance for the company performed by these same persons in the course of the past five years if they joined the company less than five years ago.

611. Members of the administrative, directing or supervisory organs, as well as the other persons who assume the management of the company at the highest level.

612. General partners in the case of a partnership limited by shares.

613. Founders, if the company has been established for less than five years.

62. Interests of the directors, etc., in the company.

621. Remuneration paid for the last completed financial year under any heading whatsoever, as a charge to overheads or the profit appropriation account, to the administrative, directing or supervisory organs. Overall amount for each category of organ. In addition, the total remuneration paid to the members of these organs of the prospectus-publishing company by all the companies controlled by it and managed as a single unit must be indicated.

622. Information about the nature and extent of the direct or indirect interests of the directors and managers or of the persons they represent in transactions which are unusual by their character or their conditions, effected by the company (such as purchases outside the normal activity, acquisition or disposal of fixed asset items, lease contracts with subsidiaries or persons mentioned above) in the course of the last financial year and during the current financial year. When such unusual transactions were concluded in the course of previous financial years and their effects are still being felt, information on these transactions must also be given.

623. Overall indication of all the loans granted by the company to the persons referred to in point 611, as well as of the guarantees constituted by the company in their favour.

63. Staff benefits.

631. Brief description of the policy followed with regard to staff benefits and more particularly with regard to profit-sharing contracts or supplementary retirement pension contracts; as regards the latter point, steps taken to ensure provision for them.

Description of the special benefits of a contractual character when the probable trend of the charge they represent is likely to exert a marked influence on this category of expenditure.

632. Overall indication of all the loans granted by the company to the staff and of the guarantees constituted in their favour.

64. Name, address, capacity and occupation of the persons responsible for checking the accounts.

Chapter 7. - Recent development and prospects of the company

71. General indications concerning the trend in the company's business since the end of the last financial year and comparison with the corresponding period of the previous financial year. When this information is already available in interim reports, it will suffice to append the said reports to the prospectus made available to the public. The following data are to be supplied, inter alia:

711. The net turnover since the beginning of the financial year.

712. A description of the most significant recent trends in production and stocks.

713. A description of recent trends in costs and selling prices.

714. General information on the state of the order book.

72. Company prospects.

The prospectus must clearly bring out the fact that this part consists of estimates or intentions which might not materialise.

721. Brief indications on the projected investment programme in so far as the company has already made firm decisions on this or has prepared the ground by recent financial operations and where the programme is likely to exert an important influence on the company's future financial policy, particularly its self-financing policy.

722. An estimate concerning the company's commercial and financial prospects may be inserted in the prospectus, provided that it is backed by figures (concerning, for example, the trend of business conditions, of the markets and of the order book, the influence of capital spending by the company and its competitors) and by pointers that are highly likely to prove accurate.

723. If possible, general indications concerning the profit distribution and retention policies which the company contemplates following or proposing to the meeting of shareholders and particularly, if applicable, concerning the policy on the issue of securities in connection with capitalisation of all or part of the reserves or increases in value, and concerning the operation of any dividend equalisation reserve.

SCHEDULE C

Scheme of presentation for prospectuses for the admission
to stock exchange quotation of certificates representing shares

Chapter 1. - Information on the issuer of the certificates

11. Name or style, registered office and, where appropriate, principal establishment if this is different from the registered office.
12. Date of incorporation and, if the life of the company is limited, date of its expiration.
13. Legislation under which the company operates and legal form which it has adopted in the framework of this legislation.
14. The amount of the authorized capital, if appropriate, and the amount of the capital subscribed and its composition; the part of the subscribed capital still to be paid-up with an indication of the number (or the overall par value) and nature of the securities not yet fully paid-up, broken down, where applicable, according to the degree to which they have been paid-up.
15. Indication of the chief holders of the capital.
16. Name, first name, place of residence and function in the company of the members of the administrative, directing or supervisory organs as well as of the other persons who assume the management of the company at the highest level and of the persons entrusted with checking the accounts.
17. Objects of the company. If the issue of certificates representing shares is not the only object of the company, the features of its other activities must be set out, those having a purely trustee character being dealt with separately.
18. Annual accounts (balance sheet, profit and loss account and annexes) for the last completed financial year.

Chapter 2. - Information on the certificates themselves

21. Legal status. The issue terms must be inserted in the prospectus, with mention of the date and place of their publication.

211. Exercise and benefit of the rights attaching to the original securities, particularly as regards voting rights - conditions on which the company issuing the certificates may exercise these rights, and measures envisaged to obtain the instructions of the certificate holders - and the right to share in the profit and liquidation surplus.

212. Bank or other guarantees attached to the certificates and intended to underwrite the issuer's obligations, possibility of obtaining the conversion of the certificates into original securities and procedure for such conversion.

22. The amount of the commission and costs to be borne by the holder of the securities in connection with:

221. the issue of the certificates,

222. the payment of the coupons,

223. the creation of additional certificates,

224. the exchange of the certificates for original securities.

23. Negotiability of the securities:

231. Stock exchanges on which quotation is or will be applied for. If it is indicated that other markets will be organized, specify on whose initiative and responsibility.

232. Any restrictions on the free negotiability of the securities.

24. Supplementary information for admission to quotation:

241. If the securities are to be placed by introduction on a stock exchange: the number of securities made available to the market and/or the overall par value; the minimum sale price, if such a price is fixed.

242. Date on which the new securities will be quoted if this is known.

25. Indications of the tax arrangements with regard to any imposts and taxes to be borne by the holders and levied in the countries where the certificates are issued.

26. Competent courts in the event of litigation.