

CONSULTATION ON PROPOSED AMENDMENTS TO THE NEX EXCHANGE GROWTH MARKET RULES FOR ISSUERS

INTRODUCTION

NEX Exchange is pleased to announce that the NEX Exchange Growth Market (the **Growth Market**) has been designated as an “SME Growth Market”. The SME Growth Market designation is a new market category introduced as part of the Markets in Financial Instruments Directive II (2014/65/EU) (**MiFID II**).

This notice sets out the proposed changes to the Growth Market Rules for Issuers (the **Rules**) to reflect the new requirements to which the Growth Market will now be subject as a designated SME Growth Market.

Issuers and corporate advisers are encouraged to review this notice together with the full text of the proposed changes, and to provide any feedback at the earliest opportunity, and in any event by close of business on 4 January 2019. We also welcome feedback from other market participants and interested parties. Feedback may be submitted by email to regulation@nexexchange.com.

A marked-up version of the Rules incorporating the proposed changes is available on the NEX Exchange website at www.nexexchange.com/resources/consultations.

SUMMARY OF MATERIAL CHANGES

Securities already traded on another SME growth market

To comply with the provisions of MiFID II applicable to SME Growth Markets, the Rules shall be amended to provide that, notwithstanding any other provision of the Rules, the following rules shall not apply to issuers whose securities were first admitted to trading on another SME growth market (such as AIM) and remain admitted to that market:

- Rules 32 to 35 (Price-sensitive information)
- Rule 37 (Standards of disclosure)
- Rule 42 (Interests in securities)
- Rules 44 to 50 (Financial reporting)
- Rule 54 (Transactions)
- Rule 55 (Related party transactions)
- Rules 68 to 71 (Administration and management)
- Rules 74 and 75 (Other requirements)

Market Abuse Regulation

Rule 71 (Administration and Management) shall be amended to expressly refer to the Market Abuse Regulation (**MAR**) and to further clarify the systems and procedures that issuers, persons discharging managerial responsibility (**PDMRs**) and persons closely associated with PDMRs must have in place to comply with the provisions of MAR.

Further, Appendix 3 to the Rules shall be amended to align the form for notification of PDMR transactions with the form prescribed by MAR, and to modify the glossary to align the meaning of certain terms used in the Rules with their definitions in MAR.

Storage of regulatory information

Rules 10 and 75 shall be amended to ensure regulatory announcements, annual reports, and any other information disclosed pursuant to article 17 of MAR remains available on issuers' websites for a period of at least five years from publication.

Fast-track applicants from non-SME growth markets

Appendix 2 to the Rules shall be amended to require fast-track applicants from non-SME growth markets to include a prescribed statement in their admission announcement which clarifies that any historic admission document referred to, and/or the admission announcement itself, are to be treated as the admission document for the purposes of admission to the Growth Market and that it has not been approved or reviewed by NEX Exchange or the Financial Conduct Authority.