

## GUIDANCE NOTE:

# ADMISSION OF A NEW CLASS OF EQUITY SECURITY

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### 1. INTRODUCTION

NEX Exchange recognises that dual share structures can play a role in supporting companies seeking to scale-up their capital. In this regard, securities such as preference shares or shares with differentiated voting rights are supported on the NEX Exchange Growth Market.

This note sets out further guidance to Rule 62 (*admission of a new class of securities*) of the NEX Exchange Growth Market Rules for Issuers (the “**Rules**”) and the relevant documentation that NEX Exchange considers necessary to facilitate the admission of a new class of equity securities by an existing **Issuer**.

Terms in bold in this note shall have the same meanings as set out in the Rules.

### 2. PROCESS AND RELEVANT DOCUMENTATION

An **Issuer** that is proposing to admit a new class of equity security must obtain the consent of its shareholders at a general meeting.

An explanatory circular must be sent to the shareholders of the **Issuer** containing all the information reasonably necessary for shareholders to evaluate the proposed new share class and exercise their voting rights at the general meeting.

The circular should include a description of the **Issuer**, use of proceeds, terms and conditions attaching to the shares and any risk factors. Information set out in an Issuer’s admission document, audited accounts, and regulatory announcements may be incorporated by reference.

The explanatory circular must be submitted to NEX Exchange at least ten business days ahead of the intended date of **admission**.

At least two business days prior to the intended date of **admission**, the following must be submitted to NEX Exchange:

- a signed and completed admission agreement;
- a signed declaration from the **NEX Exchange Corporate Adviser** in the form set out in the schedule to this note;
- the application fee;
- confirmation from a least one market maker that it has agreed to register in the **Issuer’s** new equity securities and of the proposed opening price on **admission**; and
- confirmation that any applicable minimum subscription has been reached and that, subject to **admission**, the securities have been unconditionally allotted.

NEX Exchange

31.05.2017

## SCHEDULE

### Declaration by NEX Exchange Corporate Adviser Admission of Shares

Name of Issuer ("Issuer")

NEX Exchange Corporate Adviser ("NEX Exchange Corporate Adviser")

We, the Issuer's NEX Exchange Corporate Adviser, declare to NEX Exchange Limited (NEX Exchange) that:

- i. we are acting within the extent of our authorisation as a NEX Exchange Corporate Adviser, are not precluded by material conflict of interest (for which a derogation has not been obtained), and comply with paragraphs 40 and 41 of the Corporate Adviser Handbook;
- ii. to the best of our knowledge, having made due and careful enquiry, the Issuer's new class of securities to be admitted to the NEX Exchange Growth Market complies with the NEX Exchange Rules for Issuers and is otherwise suitable for admission to the NEX Exchange Growth Market;
- iii. we have complied with the requirements imposed by financial crime and money laundering legislation (including regulations such as the Money Laundering Regulations) and consent to NEX Exchange relying upon our "customer due diligence measures" in relation to the Issuer and all other "beneficial owners" (within the meaning of the clauses 5 and 6 of the Money Laundering Regulations);
- iv. we confirm that the Issuer and the Issuer's new class of securities to be admitted to the NEX Exchange Growth Market comply with the requirements of Rule 2 (Eligibility criteria) of the NEX Exchange Growth Market Rules for Issuers and that the Issuer has complied with the admission and continuing obligations of the NEX Exchange Growth Market;
- v. we confirm that we have provided advice and guidance to the directors in relation to the continuing obligations of the Issuer under the NEX Exchange Growth Market Rules

for Issuers and as to the Issuer's obligations under the terms of the new class of securities.

- vi. we have made due and careful enquiry concerning the directors' assessment of the Issuer's working capital and its ability to meet any coupon due on the securities to be admitted.

Signed by a duly authorised officer (e.g. Director) for and behalf of [full legal name of the NEX Exchange Corporate Adviser]

Signed:		Print name:	
Job title:		Date:	