

GUIDANCE NOTE:

ADMISSION OF A NEW CLASS OF EQUITY SECURITY

1. INTRODUCTION

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

This note sets out further guidance to Rule 58 (*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.

SCHEDULE

Declaration by NEX Exchange Corporate Adviser

Issuer (“Issuer”)

Full name of Issuer		
Type of entity (corporate, trust, etc)		
Location of business (full operating address)		
Registered office in country of incorporation		
Registered number, if any (or appropriate)		
Relevant company registry or regulated market listing authority		
Directors (or equivalent)	Name	Date of birth
Principal beneficial owners (over 25%)	Name	Date of birth

NEX Exchange Corporate Adviser (“NEX Exchange Corporate Adviser”)

Full name of NEX Exchange Corporate Adviser:	
FCA reference number:	

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

- a. 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;
- b. to the best of our knowledge, having made due and careful enquiry, the class of securities to be admitted to the NEX Exchange Growth Market comply with the requirements set down in the NEX Exchange Rules for Issuers and are otherwise suitable for admission to the NEX Exchange Growth Market; and
- c. if applicable, having agreed the assumptions and sensitivities and having made due and careful enquiry concerning the assessment of the Issuer's working capital, we confirm in our opinion that the Issuer directors have a proper basis for concluding that the working capital available to the Issuer is sufficient for period of at least twelve months following admission.

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:	