

AQSE Growth Market

APEX – Rule Book and Guidance

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Introduction

The purpose of this document is to set out the rules of the Apex segment of the AQSE Growth Market and to provide guidance on the application process and ongoing eligibility.

Apex is aimed at more established companies executing on clear growth strategies.

Companies that qualify for Apex will recognise that active engagement with the investment community is essential and will be open to greater investment engagement and participating in new and innovative initiatives facilitated by AQSE that support the function of the market, access to capital and liquidity for growth companies.

If you have any questions regarding the information in this document, or would like to discuss an application, please contact agseregulation@quis.eu

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Definitions

<i>Access</i>	a segment of the <i>AQSE Growth Market</i> ;
<i>accounting standards</i>	(1) the International Financial Reporting Standards; (2) UK GAAP; or (3) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country <i>issuers</i> . If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002, the financial statements shall be restated in accordance with that regulation;
<i>admission document</i>	a document produced pursuant to the rules of the <i>Access</i> segment of the <i>AQSE Growth Market</i> ;
<i>admitted or admission</i>	the admission of the <i>issuer's securities</i> to trading on the <i>AQSE Growth Market</i> ;
<i>announce or announced</i>	the submission of information to an <i>RIS</i> for publication;
<i>Apex</i>	a segment of the <i>AQSE Growth Market</i> ;
<i>applicant or applicants</i>	a company applying for <i>admission</i> to <i>Apex</i> ;
<i>AQSE Corporate Adviser</i>	a <i>person</i> approved by the <i>Exchange</i> pursuant to the <i>AQSE Corporate Adviser Handbook</i> ;
<i>application announcement</i>	an <i>announcement</i> containing key details of the <i>applicant</i> and the <i>admission</i> in the prescribed template set out by the <i>Exchange</i> , which can be downloaded from the <i>AQSE website</i> ;
<i>application fee</i>	the fee payable for an application for <i>admission</i> in such amount as set out in the fee schedule published on the <i>AQSE website</i> ;
<i>AQSE Growth Market</i>	the multilateral trading facility operated by the <i>Exchange</i> that is registered as an SME growth market in accordance with article 33 of MiFID;
<i>AQSE website</i>	www.aquis.eu/aquis-stock-exchange ;
<i>Aquis Stock Exchange Disciplinary & Appeals Procedures</i>	the handbook of that name published by the <i>Exchange</i> ;
<i>associate</i>	(1) in relation to an individual: (a) that individual's spouse, civil partner or child (together the "individual's family");

- (b) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme or an *employees' share scheme* which does not, in either case, have the effect of conferring benefits on *persons*, all or most of whom are *related parties*);
- (c) any company in whose *securities* the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:
 - (i) to exercise or control the exercise of 30 per cent or more of the votes able to be cast at general meetings on all, or substantially all, matters; or
 - (ii) to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;
- (d) any partnership whether a limited partnership or limited liability partnership in which the individual or any member or members (taken together) of the individual's family are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they hold or control or would on the fulfilment of the condition or the occurrence of the contingency be able to hold or control:
 - (i) a voting interest greater than 30 per cent in the partnership; or
 - (ii) at least 30 per cent of the partnership.

For the purpose of paragraph (c), if more than one *director* of the *issuer*, its *parent undertaking* or any of its *subsidiary undertakings* is interested in the *securities* of another company, then the interests of those *directors* and their *associates* will be aggregated when determining whether that company is an *associate* of the *director*.

- (2) in relation to a company;
 - (a) any other company which is its *subsidiary undertaking* or *parent undertaking* or fellow *subsidiary undertaking* of the *parent undertaking*;
 - (b) any company whose *directors* are accustomed to act in accordance with the directions or instruction of an issuer's *substantial shareholder* or *person* exercising significant influences;
 - (c) any company in the capital of which the *substantial shareholder* or *person* exercising significant influence and any other company under paragraph (a) or (b) above taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) able to exercise power of the type described in paragraph (1)(c)(i) or (ii) of this definition;

<i>business days</i>	any day where the <i>Exchange</i> is open which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday;
<i>class</i>	<i>securities</i> with identical rights and which form a single issue or issues;
<i>constitution</i>	memorandum and articles of association or equivalent constitutional document;
<i>controlling shareholder</i>	means any <i>person</i> who exercises or controls on their own or together with any <i>person</i> with whom they are acting in concert, 30 per cent or more of the votes able to be cast on all matters at general meetings of the <i>issuer</i> ;
<i>director</i>	in accordance with section 417(1)(a) of the Companies Act 2006, a <i>person</i> occupying in relation to it the position of a director (by whatever name called);
<i>DTR</i>	The Disclosure Guidance and Transparency Rules sourcebook published by the <i>FCA</i> ;
<i>employees' share scheme</i>	as defined in section 1166 of the Companies Act 2006;
<i>Exchange</i>	the Aquis Stock Exchange Limited;
<i>fast-track applicant</i>	(1) an <i>issuer</i> admitted to trading on <i>Access</i> that satisfies the eligibility criteria set out in rule 6.2; or (2) a company that has a <i>class</i> of <i>securities</i> admitted to trading on a <i>qualifying market</i> that satisfies the eligibility criteria set out in Chapter 2 (Eligibility for Admission) of these rules and has not been held in breach of the admission and continuing obligations of the <i>qualifying market</i> on which its <i>securities</i> are traded;
<i>FCA</i>	the Financial Conduct Authority;
<i>FSMA</i>	the Financial Services and Markets Act 2000;
<i>fundamental change</i>	a transaction or series of transactions by an <i>issuer</i> or a <i>subsidiary undertaking</i> of the <i>issuer</i> that: <ul style="list-style-type: none"> (a) will change the strategic direction or nature of the business of the <i>issuer</i> or the <i>issuer's group</i>; or (b) result in the business of the <i>issuer</i> or the <i>issuer's group</i> being part of a different industry sector; or (c) result in the <i>issuer</i> or the <i>issuer's group</i> dealing with fundamentally different suppliers and end users;
<i>group</i>	as defined in section 421 of the <i>FSMA</i> ;
<i>growth prospectus</i>	an EU Growth Prospectus drawn up in accordance drawn up in accordance with the <i>Prospectus Rules</i> ;

<i>holding company</i>	as defined in section 1159(1) of the Companies Act 2006;
<i>independent shareholders</i>	any <i>person</i> entitled to vote on the election of <i>directors</i> of an <i>issuer</i> that is not a <i>controlling shareholder</i> of the <i>issuer</i> ;
<i>inside information</i>	as defined in section 7 of the <i>Market Abuse Regulation</i> ;
<i>issuer</i>	a company that has a <i>class</i> of <i>securities</i> admitted to trading on the <i>AQSE Growth Market</i> ;
<i>issuer agreement</i>	an agreement between the <i>issuer</i> and the <i>Exchange</i> in the form published by the <i>Exchange</i> on the <i>AQSE website</i> ;
<i>issuer fees</i>	the fees charged by the <i>Exchange</i> to an <i>issuer</i> in respect of <i>admission</i> and trading as set out in the price list published by the <i>Exchange</i> from time to time;
<i>Listing Rules</i>	The Listing Rules published by the <i>FCA</i> ;
<i>Market Abuse Regulation</i>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation), as applied in the UK;
<i>market maker</i>	a <i>member firm</i> who (otherwise than in his capacity as the operator of a regulated collective investment scheme) holds himself out as able and willing to enter into transactions of sale and purchase in securities at prices determined by him generally and continuously rather than in respect of each particular transaction;
<i>market notice</i>	a regulatory notice published by the <i>Exchange</i> ;
<i>member firm</i>	a partnership, corporation, legal entity or sole practitioner admitted currently to <i>Exchange</i> membership;
<i>MiFID</i>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending by the European Parliament and Council Directive of 9 December 2002 on insurance mediation (No 2002/92/EC) and the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
<i>not in public hands</i>	as defined in rule 2.12;
<i>parent undertaking</i>	as defined in section 1162 of the Companies Act 2006;
<i>person</i>	(in accordance with the Interpretation Act 1978) any person, including a body of persons corporate or unincorporate (that is, a natural person, a legal person and, for example, a partnership);

<i>persons closely associated</i>	as defined at article 3(26) of the <i>Market Abuse Regulation</i> ;
<i>persons discharging managerial responsibility</i>	as defined at article 3(25) of the <i>Market Abuse Regulation</i> ;
<i>placing</i>	a marketing of <i>securities</i> already in issue but not <i>admitted</i> or not yet in issue, to specified <i>persons</i> or clients of the <i>issuer's</i> broker or any securities house assisting in the placing, which does not involve an offer to the public;
<i>PR Regulation</i>	Regulation number 2019/980 of the European Commission;
<i>prospectus</i>	a prospectus other than a <i>growth prospectus</i> drawn up in accordance with the <i>Prospectus Rules</i> ;
<i>Prospectus Rules</i>	The Prospectus Regulation Rules sourcebook published by the <i>FCA</i> ;
<i>publicly available</i>	available on the <i>issuer's</i> website free of charge;
<i>qualifying market</i>	a market whose name appears on the document entitled "Qualifying Markets" published on the <i>AQSE website</i> ;
<i>regulatory information</i>	all information which an <i>issuer</i> is required to disclose under: <ul style="list-style-type: none"> (a) these <i>rules</i>; (b) the <i>DTR</i> (as applicable); or (c) articles 17 to 19 of the <i>Market Abuse Regulation</i>;
<i>related party or related parties</i>	<ul style="list-style-type: none"> (1) a <i>person</i> who is (or was within the 12 months before the date of the <i>related party transaction</i>) a <i>substantial shareholder</i>; (2) a <i>person</i> who is (or was within the 12 months before the date of the <i>related party transaction</i>) a <i>director</i> or <i>shadow director</i> of the <i>issuer</i> or of any other company which is (and, if he has ceased to be such, was while he was a <i>director</i> or <i>shadow director</i> of such other company) its <i>subsidiary undertaking</i> or <i>parent undertaking</i> or a fellow <i>subsidiary undertaking</i> of its <i>parent undertaking</i>; (3) a <i>person</i> exercising significant influence over the <i>issuer</i>; or (4) an <i>associate</i> of a <i>related party</i> referred to in paragraph (1),(2) or (3) above;
<i>related party transaction</i>	<ul style="list-style-type: none"> (1) a transaction (other than a transaction in the ordinary course of business) between an <i>issuer</i> or its <i>subsidiary undertaking</i> and a <i>related party</i>; or (2) an arrangement (other than an arrangement in the ordinary course of business) pursuant to which an <i>issuer</i> and a <i>related party</i> each invests in, or provides finance to, another undertaking or asset; or (3) any other similar transaction or arrangement (other than a transaction in the ordinary course of business) between an <i>issuer</i> and any other <i>person</i> the purpose and effect of which is to benefit a <i>related party</i>; and

(4) not a transaction of the kind referred to at LR11, Annex I of the *Listing Rules*;

In assessing whether a transaction is in the ordinary course of business, regard should be had to the size and incidence of the transaction and also whether the terms and conditions of the transaction are unusual;

<i>reverse takeover</i>	as defined in rule 3.6;
<i>RIS</i>	a <i>person</i> approved by the <i>FCA</i> under section 89P of <i>FSMA</i> that appears on the list of primary information providers published on the <i>FCA</i> 's website;
<i>securities</i>	shares in the share capital of the company, including stock and preference shares;
<i>securities application form</i>	a form containing key information about the <i>issuer</i> and the <i>securities</i> to be <i>admitted</i> in the prescribed format, which can be downloaded from the <i>AQSE website</i> ;
<i>SME Growth Market</i>	a multilateral trading facility that is registered as an SME growth market in accordance with article 33 of MiFID;
<i>subsidiary undertaking</i>	as defined in section 1162 of the Companies Act 2006;
<i>substantial shareholder</i>	means any <i>person</i> who is entitled to exercise, or to control the exercise of, 10 per cent or more of the votes able to be cast on all or substantially all matters at general meetings of the <i>issuer</i> ;
<i>treasury shares</i>	shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006;

1. The Application Process

This chapter provides guidance as to how an *applicant* may apply for *admission* where the *applicant* is not a *fast-track applicant*.

1.1. Engagement of an AQSE Corporate Adviser

An *applicant* intending to submit an application must appoint and retain a *AQSE Corporate Adviser*.

The *AQSE Corporate Adviser's* role is to manage the application process and to provide advice on the ongoing obligations once the *applicant* is *admitted*. The *AQSE Corporate Adviser* is required to confirm to the *Exchange* that the *applicant* is suitable for *admission*.

A list of *AQSE Corporate Adviser* firms can be found on the *AQSE website*.

If an *applicant* has not yet engaged an *AQSE Corporate Adviser*, the Business Development team at the *Exchange* can offer guidance regarding the role of an *AQSE Corporate Adviser* and advise on the process of identifying and engaging a suitable firm. The Business Development team can be contacted at AQSEBusinessDevelopment@aquis.eu

1.2. Pre-application discussion

An *applicant's AQSE Corporate Adviser* is encouraged to contact the *Exchange* at an early stage to discuss the application.

Although the terms and details of an *admission* will often evolve as the transaction progresses, early engagement with the *Exchange* will help to reduce the risk of any unexpected issues or delays with regards to suitability.

An *applicant's AQSE Corporate Adviser* is encouraged to submit a pre-application form on behalf of the *applicant* to the *Exchange* ahead of a formal application. A template pre-application form is available on the *AQSE website*.

The form provides for the *AQSE Corporate Adviser* to submit information to the *Exchange* relevant to the *applicant's* suitability for *admission*, and to raise any matters which they consider might complicate or adversely impact an application. Information to be provided includes the *applicant's* structure, business model, *directors* and *substantial shareholders*.

The *Exchange* will ask to meet with the *applicant's* executive management to understand the *applicant's* objectives in seeking *admission* to *Apex* and to discuss the *applicant's* growth strategy, business plan, investment research strategy and the skills and experience of its board.

	<p>The process gives the <i>Exchange</i>, the <i>applicant</i> and its <i>AQSE Corporate Adviser</i> an opportunity to consider and resolve any likely issues before beginning the formal application process.</p> <p>The <i>Exchange</i> will not formally approve an <i>applicant</i> at this stage and there is no guarantee that a subsequent application will be successful.</p>
1.3. Method of application	<p>An <i>AQSE Corporate Adviser</i> may apply for <i>admission</i> on behalf of an <i>applicant</i> by submitting:</p> <ol style="list-style-type: none"> (1) no later than 10 <i>business days</i> before the target <i>admission date</i>; <ol style="list-style-type: none"> (a) an <i>application announcement</i>; and (b) the <i>application fee</i>. (2) no later than four <i>business days</i> before the target <i>admission date</i>; <ol style="list-style-type: none"> (a) a <i>growth prospectus</i> approved by the <i>FCA</i>; (b) if an update or revisions are required to the <i>application announcement</i> previously submitted, a revised <i>application announcement</i>; (c) an <i>issuer agreement</i> executed by the <i>applicant</i>; and (d) a <i>suitability declaration</i> executed by the <i>applicant's AQSE Corporate Adviser</i>; (3) no later than midday the <i>business day</i> before the target <i>admission date</i>; <ol style="list-style-type: none"> (a) a completed <i>securities application form</i>; (b) written confirmation that at least two <i>market makers</i> have agreed to register in the <i>applicant's securities</i>; and (c) the <i>issuer fees</i>. <p>For a <i>fast-track applicant</i> please refer to the procedure set out at rule 6.2 and 6.3.</p>
1.4. Processing time for applications	From receipt of an <i>application announcement</i> , the admission process will normally take a minimum of 10 <i>business days</i> .
1.5. Application Announcement	The <i>application announcement</i> (and any subsequent revision) will be published on the <i>AQSE website</i> and <i>announced</i> at 07.00 the next <i>business day</i> following its submission to the <i>Exchange</i> .
1.6. Enquiries	During the application process, the <i>Exchange</i> may make enquiries of the <i>applicant</i> , its advisers or other regulators and request any additional information which it considers appropriate in determining the <i>applicant's</i> suitability for <i>admission</i> .
1.7. Admission Decision	Approval for <i>admission</i> is granted by the Primary Markets Approval Committee of the <i>Exchange</i> .

	The <i>Exchange</i> may refuse an application if, in its opinion, the <i>admission</i> would be detrimental to investors' interests or the integrity of the <i>AQSE Growth Market</i> .
1.8. Admission	The <i>Exchange</i> will confirm admission by means of a <i>market notice</i> released by <i>RIS</i> at 07.00 on the first day of trading.

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2. Eligibility for Admission

To be eligible for admission to *Apex*, an *issuer* must meet the following eligibility rules:

2.1. Incorporation	<p>An <i>applicant</i> must be:</p> <ol style="list-style-type: none"> (1) duly incorporated or otherwise validly established according to the relevant laws of its place of incorporation or establishment; (2) operating in conformity with its <i>constitution</i>;
2.2. Validity and Transferability	<p>To be <i>admitted</i>, the <i>securities</i> must:</p> <ol style="list-style-type: none"> (1) conform with the law of the <i>applicant's</i> place of incorporation; (2) be duly authorised according to the requirements of the <i>applicant's constitution</i>; (3) have any necessary statutory or other consents; (4) be fully paid and free from all liens and free from any restriction on the right of transfer (except any restriction imposed for failure to comply with a notice under section 793 of the Companies Act 2006 (Notice by company requiring information about interests in its shares)).
2.3. Whole class to be admitted	<p>An application for the <i>admission</i> of <i>securities</i> of any <i>class</i> must:</p> <ol style="list-style-type: none"> (1) if no <i>securities</i> of that <i>class</i> are already <i>admitted</i>, relate to all <i>securities</i> of that <i>class</i>, issued or proposed to be issued; or (2) if <i>securities</i> of that <i>class</i> are already <i>admitted</i>, relate to all further <i>securities</i> of that <i>class</i>, issued or proposed to be issued.
2.4. Settlement	<p>An <i>applicant</i> must ensure that appropriate arrangements are in place for the electronic settlement of its <i>securities</i>.</p>
2.5. Growth Prospectus	<p>If an <i>applicant</i> does not have any <i>securities</i> already <i>admitted</i> or is not a <i>fast-track applicant</i>, the <i>applicant</i> must publish a <i>growth prospectus</i> or <i>prospectus</i> approved by the <i>FCA</i> in relation to the <i>securities</i> to be <i>admitted</i>.</p>
2.6. Appointment of an AQSE Corporate Adviser	<p>An <i>applicant</i> must appoint and retain at all times an <i>AQSE Corporate Adviser</i> to advise the <i>applicant</i> on the rules and regulations that will apply to the <i>applicant</i>.</p>
2.7. Corporate Governance	<p>An <i>issuer</i> must as far as possible adopt the principles and standards set down in either the Quoted Companies Alliance's corporate governance code or the UK Corporate Governance Code.</p> <p>Where an <i>issuer</i> has not complied fully with the provisions of the code it has adopted, the <i>issuer</i> must satisfy the <i>Exchange</i> the reasons for non-compliance are appropriate because of its size or particular circumstances.</p>

2.8. Disclosure of Regulatory Information	An <i>applicant</i> must engage and use the services of an <i>RIS</i> for the disclosure of <i>regulatory information</i> and <i>announcements</i> to the public.
2.9. Trading history	<p>An <i>applicant</i> must have published or filed historical financial information that:</p> <ul style="list-style-type: none"> (1) covers at least two financial years prior to the <i>admission</i>; and (2) includes the consolidated accounts for the <i>applicant</i> and all its <i>subsidiary undertakings</i>. <p>The historic financial information must have been audited in accordance with the standards acceptable under Section 5 of Annex 24 of the <i>PR Regulation</i>.</p>
2.10. Market Capitalisation	The expected aggregate market value of an <i>applicant's securities</i> (excluding <i>treasury shares</i>) to be <i>admitted</i> must be at least £10,000,000.
2.11. Market Makers	An <i>applicant</i> must have at least two <i>market makers</i> registered to make a market in the <i>applicant's securities</i> from <i>admission</i> .
2.12. Securities in public hands	<p>An <i>applicant</i> must have distributed to the public a sufficient number of <i>securities</i> of the <i>class</i> to be <i>admitted</i> no later than the time of <i>admission</i>.</p> <p>A sufficient number of <i>securities</i> will be taken to have been distributed to the public when 25 per cent of the <i>securities</i> for which the application for <i>admission</i> has been made are in <i>public hands</i> and the <i>securities</i> are distributed amongst no fewer than 25 <i>persons</i>.</p> <p><i>Treasury shares</i> are not to be taken into consideration when calculating the number of <i>securities</i> of the <i>class</i>.</p> <p><i>Securities</i> of an <i>issuer</i> are not in <i>public hands</i> if they are:</p> <ul style="list-style-type: none"> (1) held, directly or indirectly by: <ul style="list-style-type: none"> (a) a <i>director</i> of the <i>applicant</i> or of any of its <i>subsidiary undertakings</i>; or (b) an <i>associate</i> of a <i>director</i> of the <i>applicant</i> or of any of its <i>subsidiary undertakings</i>; or (c) the trustees of any <i>employees' share scheme</i> or pension fund established for the benefit of any <i>directors</i> and <i>employees</i> of the <i>applicant</i> and its <i>subsidiary undertakings</i>; or (d) any <i>person</i> who under any agreement has a right to nominate a <i>person</i> to the board of <i>directors</i> of the <i>applicant</i>; or (e) any <i>person</i> or <i>persons</i> in the same <i>group</i> or <i>persons</i> acting in concert who have an interest in 10 per cent or more of the <i>securities</i> of the relevant <i>class</i>;

(2) subject to a lock-up period of more than 180 calendar days.

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3. Continuing Obligations

In addition to the eligibility criteria set out in Chapter 2 of these rules, to maintain *admission to Apex*, an *issuer* must comply with the following continuing obligations:

3.1. Early Consultation with the Exchange	<p>An <i>issuer</i> and/or its <i>AQSE Corporate Adviser</i> should consult with the <i>Exchange</i> at the earliest possible stage if it:</p> <ul style="list-style-type: none">(1) is in doubt about how the rules apply in a particular situation; or(2) considers that it may be necessary for the <i>Exchange</i> to dispense with or modify a rule. <p>Submissions to dispense with or modify a rule should be made by the <i>AQSE Corporate Adviser</i> in writing other than in circumstances of exceptional urgency.</p>
3.2. Cooperating with AQSE Corporate Adviser	<p>An <i>issuer</i> must retain an <i>AQSE Corporate Adviser</i> at all times and cooperate with it by providing it with all information it may reasonably request for the purpose of carrying out its responsibilities as an <i>AQSE Corporate Adviser</i>.</p>
3.3. Procedures, Systems and Controls	<p>An <i>issuer</i> must take reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations under these rules and to ensure that its <i>directors</i> understand their responsibilities and obligations as <i>directors</i>.</p>
3.4. Provision of information	<p>An <i>issuer</i> must provide to the <i>Exchange</i> as soon as possible:</p> <ul style="list-style-type: none">(1) any information that the <i>Exchange</i> considers appropriate to protect investors or ensure the smooth operation of the market; and(2) any other information or explanation that the <i>Exchange</i> may reasonably require to verify whether these rules are being and have been complied with.
3.5. Integrity	<p>An <i>issuer</i> must act with integrity towards the holders and potential holders of its <i>securities</i> and avoid impairing the reputation and integrity of the <i>Exchange</i>.</p>
3.6. Reverse Takeovers	<p>A <i>reverse takeover</i> is a transaction, whether effected by way of a direct acquisition by the <i>issuer</i> or a <i>subsidiary undertaking</i> of the <i>issuer</i>, or an acquisition by a new <i>holding company</i> of the <i>issuer</i>, of a business, a company or assets which in substance results in a <i>fundamental change</i> to the business of the <i>issuer</i> or the <i>issuer's group</i> or in a change in the majority of the board or voting control of the <i>issuer</i>.</p> <p>An <i>issuer</i> must ensure that any agreement effecting a <i>reverse takeover</i> is conditional on shareholder approval.</p> <p>On <i>announcement</i> of a <i>reverse takeover</i>, trading in the <i>issuer's securities</i> will be suspended until:</p>

	<p>(1) the publication of <i>growth prospectus</i> or <i>prospectus</i> (or an <i>admission document</i> if seeking admission to <i>Access</i>) in respect of the <i>issuer</i> as enlarged by the <i>reverse takeover</i>; or</p> <p>(2) the <i>Exchange</i> is satisfied that sufficient publicly available information is in the market about the <i>reverse takeover</i> such that an informed assessment can be made as to the financial position and prospects of the <i>issuer</i> as enlarged by the <i>reverse takeover</i>.</p> <p>The <i>issuer's admission</i> will be cancelled when it completes a <i>reverse takeover</i> and it must re-apply to the <i>Exchange</i> should it wish to be <i>admitted</i> as enlarged by the <i>reverse takeover</i>.</p>
3.7. Disposals	<p>An <i>issuer</i> must on a disposal of a business, a company or assets which in substance results in a <i>fundamental change</i> of the <i>issuer</i> or the <i>issuer's group</i>:</p> <p>(1) send an explanatory circular to its shareholders and obtain their prior approval in a general meeting for the transaction; and</p> <p>(2) ensure that any agreement effecting the transaction is conditional on that approval being obtained.</p> <p>On completion of the disposal, trading in the <i>issuer's securities</i> will be transferred to <i>Access</i> if it no longer satisfies the <i>Apex</i> eligibility criteria set out in Chapter 2 of these rules.</p>
3.8. Corporate Actions	<p>An <i>issuer</i> must inform the <i>Exchange</i> of the timetable of any corporate action affecting the <i>securities</i> in advance of any <i>announcement</i> of such action.</p>
3.9. Admission of further securities	<p>An <i>issuer</i> seeking the <i>admission</i> of new <i>shares</i> or <i>convertible securities</i> of a <i>class</i> already <i>admitted</i> must submit to the <i>Exchange</i> a <i>securities application form</i> at least three <i>business days</i> prior to the expected date of <i>admission</i>.</p>
3.10. Issuer fees	<p>An <i>issuer</i> must pay the <i>issuer fees</i> when due.</p>

4. Disclosure and Transparency Obligations

To maintain *admission* to *Apex*, an *issuer* must comply with the following disclosure and transparency obligations:

4.1. Market Abuse Regulation	An <i>issuer</i> must comply with: (1) the <i>Market Abuse Regulation</i> , as applied to an <i>issuer</i> of <i>securities admitted</i> to an <i>SME growth market</i> ; (2) Chapter 2 of the <i>DTR</i> regarding the disclosure and control of inside information by issuers; and (3) Chapter 3 of the <i>DTR</i> regarding transactions by <i>persons discharging managerial responsibility</i> and <i>persons closely associated</i> to them.
4.2. Misleading information not to be published	An <i>issuer</i> must take all reasonable care to ensure that any information it <i>announces</i> is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.
4.3. Annual financial reports	<p>An <i>issuer</i> must <i>announce</i> and make public its annual financial report at the latest six months after the end of each financial year and ensure it remains <i>publicly available</i> for at least five years.</p> <p>The annual financial report must be prepared in accordance with an appropriate <i>accounting standards</i> and include an audit report.</p> <p><u>Modified audit report</u> Where the <i>audit report</i> has been modified in relation to the <i>issuer's</i> status as a going concern, the <i>issuer</i> must thereafter <i>announce</i> interim management statements in respect of the first and third quarters of its financial year and another statement by its management in the second six month period of its financial year (commencing with the first such quarter to end after the announcement of the <i>issuer's</i> annual financial report to which the modified audit report relates) until an audit report without modification is published in respect of a subsequent financial period.</p> <p>The interim management statement must be <i>announced</i> as soon as possible and no later than one month after the end of the relevant period, and contain the following information: (1) an explanation of the impact of any material events, transactions or developments that have taken place during the relevant period; and (2) a general description of the financial position and performance of the <i>issuer</i> during the relevant period.</p> <p><u>Corporate Governance</u> Where an <i>issuer</i> has not complied fully with the provisions or principles of the corporate governance code it has adopted, the <i>issuer's</i> annual financial report must include a statement explaining that it has:</p>

	<ul style="list-style-type: none"> (1) not complied with all relevant provisions or principles of its corporate governance code throughout the accounting period; (2) those provisions or principles it has not complied with; and (3) the reasons for non-compliance.
4.4. Half-yearly financial report	<p>An <i>issuer</i> must <i>announce</i> and make public a half-yearly financial report within three months of the first six months of each financial year and ensure it remains <i>publicly available</i> for at least five years.</p> <p>The half-yearly financial report should be prepared using <i>accounting standards</i> consistent with the <i>issuer's</i> annual financial report.</p> <p>The half-yearly financial report must state whether or not it has been audited or reviewed by auditors, and if so, the audit report or review report must be reproduced in full.</p>
4.5. Resignation or change of AQSE Corporate Adviser	<p>An <i>issuer</i> must notify the <i>Exchange</i> and <i>announce</i> the appointment, resignation or dismissal of its <i>AQSE Corporate Adviser</i>.</p>
4.6. Related Party Transactions	<p>If an <i>issuer</i> enters into a <i>related party transaction</i>, the <i>issuer</i> must release an <i>announcement</i> that contains;</p> <ul style="list-style-type: none"> (1) details of the transaction, including the name of the <i>related party</i>; (2) a description of the business carried on by, or using, the net assets the subject of the <i>related party transaction</i>; (3) the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration); (4) the value of the gross assets the subject of the <i>related party transaction</i>; (5) the profits attributable to the assets the subject of the <i>related party transaction</i>; (6) the effect of the <i>related party transaction</i> on the <i>issuer</i> including any benefits which are expected to accrue to the company as a result of the transaction; (7) for a disposal, the application of the sale proceeds; (8) for a disposal, if securities are to form part of the consideration received, a statement whether the securities are to be sold or retained; and (9) details of the nature and extent of the <i>related party's</i> interest in the <i>related party transaction</i>.
4.7. Vote Holder and Issuer Notification	<p>An <i>issuer</i> must comply with its obligations under Chapter 5 (Vote Holder and Issuer Notification Rules) of the <i>DTR</i>, as applicable.</p>

<p>4.8. Change to Capital Structure</p>	<p>An <i>issuer</i> must announce as soon as possible the following information relating to its capital:</p> <ol style="list-style-type: none"> (1) any proposed change in its capital structure, save that an announcement of a new issue may be delayed while marketing or underwriting is in progress; (2) any redemption of <i>securities</i> including details of the number of <i>securities</i> redeemed and the number of <i>securities</i> of that <i>class</i> outstanding following the redemption; (3) the results of any new issue of <i>securities</i> or a public offering of existing <i>securities</i>.
<p>4.9. Placings</p>	<p>An <i>issuer</i> must provide to the <i>Exchange</i> the next <i>business day</i> after the <i>announcement</i> of a <i>placing</i>, details of the allocation policy (such as principles, objectives, criteria, investor types), the pricing and the process in respect of the <i>placing</i>.</p> <p>Guidance: The purposes of this rule is to allow the <i>Exchange</i> and the <i>issuer</i> to consider and discuss the impact of the <i>placing</i> on the liquidity of the <i>issuer's securities</i>.</p>
<p>4.10. Board changes and directors' details</p>	<p>An <i>issuer</i> must <i>announce</i> any change to its board including:</p> <ol style="list-style-type: none"> (1) the appointment of a new <i>director</i> stating the appointees name and whether the position is executive, non-executive or chairman and the nature of any specific function or responsibility of the position; (2) the resignation, removal or retirement of a <i>director</i> (unless the <i>director</i> retires by rotation and is re-appointed at a general meeting of the <i>issuer's</i> shareholders); and (3) the effective date of the change if it is not with immediate effect; <p>as soon as possible and in any event within three <i>business days</i> of such change.</p> <p>In respect of the appointment of a new director, the <i>announcement</i> should also include the following information:</p> <ol style="list-style-type: none"> (1) details of all directorships held by the director in any other company at any time in the previous five years, indicating whether or not he is still a director; (2) any unspent convictions in relation to indictable offences; (3) details of any receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where the director was an executive director at the time of, or within the 12 months preceding, such events; (4) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where the director was a partner at the time of, or within the 12 months preceding, such events;

	<p>(5) details of receiverships of any asset of such <i>person</i> or of a partnership of which the director was a partner at the time of, or within the 12 months preceding, such event; and</p> <p>(6) details of any public criticisms of the director by statutory or regulatory authorities (including designated professional bodies) and whether the director has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.</p> <p>If no information is required to be disclosed, the <i>announcement</i> should state this fact.</p>
4.11. Shareholder Resolutions	An <i>issuer</i> must <i>announce</i> within three <i>business days</i> of a general meeting all the resolutions passed by the shareholders other than resolutions concerning ordinary business passed at an annual general meeting.
4.12. Change of Name	An <i>issuer</i> which changes its name must, as soon as possible: <ul style="list-style-type: none"> (1) <i>announce</i> the change, stating the date on which it has taken effect; (2) inform the <i>Exchange</i> in writing of the change; and (3) where the <i>issuer</i> is incorporated in the United Kingdom, send the <i>Exchange</i> a copy of the revised certificate of incorporation issued by the Registrar of Companies.
4.13. Change of accounting date	<p>An <i>issuer</i> must <i>announce</i> as soon as possible:</p> <ul style="list-style-type: none"> (1) any change in its accounting reference date; and (2) the new accounting reference date. <p>An <i>issuer</i> must prepare and publish a second half-yearly report in accordance with rule 4.4 if the effect of the change in the accounting reference date is to extend the accounting period to more than 14 months.</p> <p>The second half-yearly report must be prepared and published in respect of either:</p> <ul style="list-style-type: none"> (1) the period up to the old accounting reference date; or (2) the period up to a date not more than six months prior to the new accounting reference date.
4.14. Exchange requirement to publish information	<p>The <i>Exchange</i> may, at any time, require an <i>issuer</i> to <i>announce</i> such information in such form and within such time limits as it considers appropriate to protect investors or to ensure the smooth operation of the market.</p> <p>If an <i>issuer</i> fails to comply with a requirement under this rule, the <i>Exchange</i> may itself <i>announce</i> the information (after giving the <i>issuer</i> an opportunity to make representations as to why it should not be <i>announced</i>).</p>

4.15. Website

An *issuer* must maintain a website from *admission* ensuring that the following minimum categories of information are made *publicly available*, free of charge and kept up to date:

- (1) the name of its *AQSE Corporate Adviser* and other professional advisers;
- (2) its place of incorporation (including the company legislation to which the *issuer* is subject);
- (3) its *constitution*;
- (4) its directors and biographical details;
- (5) the corporate governance code to which the *issuer* has had adopted and, where the *issuer* has departed from the provisions or principles of the code, a statement explaining that:
 - (a) it has not complied with all relevant provisions or principles of its corporate governance code;
 - (b) those provisions or principles it has not complied with; and
 - (c) the reasons for non-compliance.
- (6) in respect of the *admitted securities*:
 - (a) the number of *securities* in issue and the percentage of *securities* that are in public hands pursuant to rule 2.12;
 - (b) the particulars of any outstanding instruments issued by the *issuer* convertible into, or conferring a right to subscribe for, the *admitted securities*, and the amount and percentage of immediate dilution assuming full exercise of rights of conversion, and
 - (c) a list of the shareholders holding more than five per cent of the *issuer's* share capital or voting rights and the percentage held by such shareholders;
 - (d) any restrictions on their transfer;
 - (e) details of the exchanges or trading platforms on which they are admitted to trading;
- (7) its *announcements* for the previous 5 years;
- (8) its published annual reports for the previous 5 years;
- (9) its published interim financial results for the previous 5 years;
- (10) the *admission document*, *growth prospectus* or *prospectus* relied on for *admission*; and
- (11) circulars sent to shareholders for the previous 5 years.

5. Suspending, cancelling and restoring trading and admission

5.1. Suspending trading by the Exchange	<p>The <i>Exchange</i> may suspend, with effect from such time as it may determine, the trading of any <i>securities</i> if the smooth operation of the market is, or may be, temporarily jeopardised or it is necessary to protect investors.</p> <p>An <i>issuer</i> that has the trading in its <i>securities</i> suspended must continue to comply with these rules.</p> <p>If the <i>Exchange</i> suspends the trading of any <i>securities</i>, it may impose such conditions on the procedure for lifting the suspension as it considers appropriate.</p> <p>Examples of when the <i>Exchange</i> may suspend the trading of <i>securities</i> include (but are not limited to) situations where it appears to the <i>Exchange</i> that:</p> <ol style="list-style-type: none">(1) the <i>issuer</i> has failed to meet its continuing obligations for <i>admission</i>; or(2) the <i>issuer</i> has failed to publish financial information in accordance with these rules; or(3) the <i>issuer</i> is unable to assess accurately its financial position and inform the market accordingly; or(4) there is insufficient information in the market about a proposed transaction; or(5) the <i>issuer</i> has not retained an <i>AQSE Corporate Adviser</i>; or(6) the <i>issuer's securities</i> have been suspended elsewhere; or(7) the <i>issuer</i> has appointed administrators or receivers.
5.2. Withdrawal by the Exchange	<p>The <i>Exchange</i> may withdraw the <i>issuer's securities</i> from <i>admission</i> if it satisfied that there are special circumstances that preclude normal regular dealings in them.</p> <p>Examples of when the <i>Exchange</i> may withdraw include (but are not limited to) situations where it appears to the <i>Exchange</i> that:</p> <ol style="list-style-type: none">(1) the <i>issuer</i> no longer complies with the rules of the <i>Exchange</i> and there is no prospect of remedy, or(2) trading in the <i>securities'</i> have been suspended for more than six months.
5.3. Issuer request for suspension or withdrawal	<p>A request by an <i>issuer</i> to suspend or withdraw its <i>securities</i> from trading must be in writing and include a clear explanation of the background and reasons for the request.</p> <p>The <i>Exchange</i> will not suspend the trading of <i>securities</i> to fix its price at a particular level.</p> <p>An <i>issuer</i> that applies to withdraw its <i>securities</i> from <i>admission</i></p>

must:

- (1) send a circular to the holders of the *securities* setting out the reasons for the withdrawal, why the withdrawal is in the best interests of the holders of the *securities*, any alternative arrangements for dealings in the *securities*, and any other information reasonably required to assess the circumstances surrounding the withdrawal;
- (2) obtain the approval of a resolution for the withdrawal from:
 - (a) a majority of not less than 75 per cent of the votes attaching to the *securities* voted on the resolutions; and
 - (b) where an *issuer* has a *controlling shareholder*, a majority of the votes attaching to the *securities* of *independent shareholders* voted on the resolution;
- (3) announce the intention to withdraw the *securities*, giving at least 20 *business days* notice of the intended date of withdrawal.

An *issuer* is not required to send a circular and obtain approval of a resolution for the withdrawal in accordance with this rule if:

- (1) the *issuer* has announced that all conditions in relation to a takeover offer for its *securities* admitted to trading have been satisfied, including a condition for acceptances of at least 75 per cent, or
- (2) the *issuer* has made an application for the admission of its *securities* to, or has the *securities* traded on, another market of equivalent regulatory standing (including a *qualifying market*); or
- (3) the withdrawal is a result of:
 - (a) a takeover or restructuring of the *issuer* effected by a scheme of arrangement under Part 26 of the Companies Act 2006,
 - (b) an administration or liquidation of the *issuer* pursuant to a court order under the Insolvency Act 1986,
 - (c) the appointment of an administrator under paragraphs 14 (appointment by holder of floating charge) or 22 (appointment by company or *directors*) of Schedule B1 to the Insolvency Act 1986,
 - (d) a resolution for winding up being passed under section 84 of the Insolvency Act 1986,
 - (e) the appointment of a provisional liquidator by the court under section 135 of the Insolvency Act 1986,
 - (f) a company voluntary arrangement pursuant to Part 1 of the Insolvency Act 1986, subject to the time limits for the challenge of decisions made set out in Part 1 of the Insolvency Act 1986 having expired,

- (g) statutory winding up or reconstruction measures in relation to an overseas *issuer* under equivalent overseas legislation having similar effect to those set out in (a) to (f) above, or
- (h) the financial position of the *issuer* being so precarious that there is no reasonable prospect the *issuer* will avoid going into formal insolvency proceedings and the *issuer* has *announced* that fact.

5.4. Restoring to trading

The *Exchange* may restore the trading of any *securities* that have been suspended if it considers that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors.

The *Exchange* may restore trading in an *issuer's securities* even though an *issuer* does not request it.

An *issuer* may request the restoration of trading in the *issuer's securities*. Such request should be made sufficiently in advance of the time and date the *issuer* wishes the *securities* to be restored. A request to restore trading with effect from market open should be made with sufficient time in advance for the *Exchange* to consider and deal with the request.

The *Exchange* may refuse any such request if it is not satisfied that the smooth operation of the market is no longer jeopardised or if the suspension is no longer required to protect investors.

The *Exchange* may require documentary evidence that the events that lead to the suspension are no longer current (for example, financial reports have been published or an appropriate announcement has been made) to process the request.

Even if restoration is required urgently, it will normally take up to 30 minutes to be effected.

The *Exchange* will *announce* the restoration by *market notice*.

6. Apex constituent review and fast-track

<p>6.1. Periodic review of Apex constituents</p>	<p>The constituents of <i>Apex</i> are reviewed by the <i>Exchange</i> in June each year. The review is based on the data at market close on the Tuesday before the first Friday of June.</p> <p>An <i>issuer</i> will remain eligible for <i>Apex</i> if it satisfies rules 2.11 (market makers) and 2.12 (securities in public hands) at the time of the review and the average of the aggregate market value of all its <i>admitted securities</i> at market close for the three months prior to the review was no less than £10 million.</p> <p>An <i>issuer</i> that is determined by the <i>Exchange</i> to no longer be eligible for <i>Apex</i> will be transferred to the <i>Access</i> segment of the <i>AQSE Growth Market</i>.</p> <p>Any constituent changes to <i>Apex</i> will be implemented after market close on the third Friday of June (i.e. effective the following Monday) and <i>announced by market notice</i>.</p>
<p>6.2. Fast-track applicants transferring from Access</p>	<p>An <i>issuer</i> with <i>securities admitted</i> to trading on <i>Access</i> may apply to the <i>Exchange</i> to transfer its <i>admission</i> to <i>Apex</i> were:</p> <ol style="list-style-type: none">(1) it has been <i>admitted</i> to <i>Access</i> for a period of no less than 12 months;(2) the <i>issuer</i> satisfies the <i>Apex</i> eligibility criteria set out in Chapter 2 of these rules; and(3) the aggregate market value of all its <i>admitted securities</i> at market close for the three months prior to the application was no less than £10 million. <p>The request for transfer must include confirmation by the <i>issuer's AQSE Corporate Adviser</i> that the eligibility criteria set out in Chapter 2 of these rules has been satisfied.</p>
<p>6.3. Fast-track applicants admitted to a qualifying market</p>	<p>An <i>AQSE Corporate Adviser</i> may apply for <i>admission</i> on behalf of a <i>fast-track applicant</i> admitted to a <i>qualifying market</i> by submitting:</p> <ol style="list-style-type: none">(4) no later than 10 <i>business days</i> before the target <i>admission date</i>;<ol style="list-style-type: none">(a) an <i>application announcement</i>; and(b) the <i>application fee</i>.(5) no later than four <i>business days</i> before the target <i>admission date</i>;<ol style="list-style-type: none">(a) an <i>issuer agreement</i> executed by the <i>applicant</i>; and(b) a <i>suitability declaration</i> executed by the <i>applicant's AQSE Corporate Adviser</i>;(6) no later than midday the <i>business day</i> before the target <i>admission date</i>;<ol style="list-style-type: none">(a) a completed <i>securities application form</i>;(b) written confirmation that at least two <i>market makers</i> have agreed to register in the <i>applicant's securities</i>; and

(c) the *issuer fees*.

Consulation Proof

7. Investigations, Sanctions and Discipline

7.1. Disciplinary process and appeals	The <i>Exchange</i> may take disciplinary action against an <i>issuer</i> that has breached its responsibilities under these rules in accordance with the <i>Aquis Stock Exchange Disciplinary & Appeals Procedures</i> .
7.2. Sanctions	Where an <i>issuer</i> has found to have breached its responsibilities under these rules, the <i>Exchange</i> may impose the following disciplinary sanctions: <ul style="list-style-type: none">(1) a private reprimand;(2) a public censure;(3) a fine of up to £100,000;(4) withdrawal of the <i>issuer's securities</i> from <i>admission</i>; and(5) publish the fact that it has been censured, fined or withdrawn and the reasons for that action.
7.3. Disclosure	The <i>Exchange</i> may disclose information within its possession: <ul style="list-style-type: none">(1) to cooperate with <i>persons</i> responsible for the investigation or prosecution of financial crime or other offences;(2) to carry out its regulatory functions including for the purpose of bringing or defending legal proceedings; or(3) otherwise with the consent of the <i>issuer</i> or its <i>AQSE Corporate Adviser</i>, or insofar as required or permitted by law.