AIM NOTICE

5 August 2026

LONDON STOCK EXCHANGE

AIM NOTICE 64

For the attention of all AIM market participants

FFEDBACK ON AIM NOTICE 62 AND CONFIRMATION OF CHANGES TO THE AIM RULES FOR COMPANIES AND AIM DISCIPLINARY PROCEDURES AND APPEALS HANDBOOK

1. INTRODUCTION

On 4 June 2026, London Stock Exchange plc (the "**Exchange**") published AIM Notice 62 which set out proposed changes to the AIM Rules for Companies (the "**AIM Rules**") and the AIM Disciplinary Procedures and Appeals Handbook (the "**Handbook**"). The consultation closed on 2 July 2026.

This Notice provides feedback on the consultation and confirms the implementation of the changes to the AIM Rules and Handbook.

2. FEEDBACK ON RESPONSES RECEIVED ON AIM NOTICE 62

The Exchange received 30 responses to the consultation, and we would like to thank respondents for their feedback.

Responses to the consultation have been overwhelmingly supportive of the proposed rule changes and, as a result, we propose to implement all the proposed changes with some minor amendments. An updated version of the AIM Rules is attached to this notice in mark-up with any further changes made to the AIM Rules since the draft published on 4 June 2026 highlighted in yellow. We are not making any amendments to the proposed changes to the Handbook since the draft published on 4 June 2026.

We provide below clarification on specific subjects requested by some respondents as well as highlighting any material changes.

Working Capital Statement

Over 75% of respondents supported the removal of the working capital statement in the admission document and replacing this with the proposed disclosure requirements. We would note:

- As regards the meaning of "reasonable opinion" of a director, the normal usage of this term applies (i.e. this is an objective test).

- Reference to PRM 8.2.1R, in Schedule Two of the AIM Rules is intended to ensure that where an applicant chooses to include forward-looking statements, they have the benefit of the protected forward-looking statements liability regime.

Expanding Accepted Accounting Standards

Over 90% of respondents approved the proposed changes for permitting UK GAAP. We would note that an applicant's nominated adviser can approach AIM Regulation on a case-by-case basis in respect of other local accounting standards (as set out in the guidance note to AIM Rules 18 and 19) based on considerations such as the relevant accounting framework, the availability and quality of disclosure, and whether there are any material differences to IAS.

Permitting Incorporation by Reference

100% of respondents supported the proposal to permit incorporation by reference. We would note:

- As stated in AIM Rule 4, documents incorporated by reference must remain available for so long as the AIM admission document is required to be available.

- The purpose of the rule change is to provide flexibility and, accordingly, we do not propose to prescribe an exhaustive list of information that may be incorporated by reference. Rather a reasonable assessment can be made by an AIM company, with the support of its nominated adviser, as to whether incorporation by reference is appropriate.

Capital Access Window

Over 95% of respondents supported the introduction of a Capital Access Window. We would note:

- The Exchange is not prescribing a fixed minimum or maximum period as we expect AIM companies to want to have their shares restored to trading as soon as possible, and so in practice, the Capital Access window is likely to be a short duration.

- The Exchange will consider requests via an AIM company's nominated adviser on a case-by-case basis

- Whilst we consider that the availability of Capital Access Windows will make it easier for AIM companies to access a broader range of investors, noting the purpose of this change, we do not consider it is appropriate to limit an AIM company's fundraising by prescribing that it must include retail participation.

- As is the case when an AIM company's shares are suspended from trading in all other scenarios, its obligations under MAR and the AIM Rules continue to apply during a Capital Access Window.

Acquisitions, Fundamental Change and Class Tests

Over 90% of respondents were supportive of the changes to AIM Rule 14. We would note:

- Defining “fundamental change” is not considered necessary, noting we have provided guidance to the rule which importantly will enable a consideration of the facts of each transaction.

- Whilst we consider it would be rare for an acquisition to constitute a fundamental change of business where the class tests do not exceed 100%, in response to comments from certain respondents, we have amended AIM Rule 14 so that reference to a breach of the class tests is moved to the guidance to AIM Rule 14 to support a consideration of a fundamental change of business.

- In relation to class tests calculations, we do not consider it is consistent with our principles-based rulebook to set out worked examples of every conceivable scenario. Rather, the nominated adviser has the expertise to support an AIM company in considering the class tests based on its specific circumstances. Further, nominated advisers have the ability to consult with AIM Regulation on a case-specific basis.

- The profits test continues to provide an important indicator for related party transactions, particularly for emerging and growing companies, and so is being retained for that purpose.

Substantial Transactions and Shareholder Approval

Over 90% of respondents were supportive of the changes to AIM Rule 12. We would note:

- The Exchange has not proposed a mandatory shareholder approval requirement solely by reference to a transaction exceeding 100% in any of the class tests, as this would undermine the intention of providing a proportionate approach.

- Rather, we think a more proportionate approach is that:

    - The AIM company, via its nominated adviser, consults the Exchange in relation to a substantial transaction which: is not a fundamental change of business; where the result of the class tests exceeds 100%; and it is not proposing to seek shareholder approval; and

    - In such circumstances the Exchange will consider matters on a case-by-case basis after discussion with the nominated adviser regarding the nature of the transaction.

AIM Rule 13 – Non-Standard Remuneration

87% of respondents were supportive of the rule change that dispenses with the need for consultation with the nominated adviser for non-standard remuneration of directors and rather the matter rests with the Board’s consideration in accordance with its corporate governance arrangements.

We have made a change to delete references to PDMRs within the definition of related party, recognising some respondents’ comments that this potentially leads to a very wide definition of “related party” and a wider definition than under the Listing Rules.

We would also note:

- We have included guidance as to what constitutes standard remuneration.

- The guidance regarding non-standard remuneration remains subject to the normal parameters and requirements of AIM Rule 13, including:

    - the 5% class test threshold;

    - consideration by the AIM company of the terms of remuneration in accordance with its corporate governance arrangements; and

    - the fair and reasonable statement from independent directors of the AIM company in the transaction notification. Where there are no independent directors to provide a fair and reasonable statement in relation to non-standard remuneration, the AIM company should seek shareholder approval or the AIM company's nominated adviser should contact AIM Regulation.

- We consider that a nominated adviser with its corporate finance experience can take a view as to whether the arrangements contain reasonable commercial protections. We have left this to the reasonable view of the nominated adviser because we believe that to be more prescriptive would undermine the flexibility that the rule changes are seeking to provide. Where the nominated adviser cannot reasonably satisfy itself, the AIM company will be required to seek shareholder approval.

- We recognise that given the profits test will continue to apply to related party transactions, the majority of transactions with a related party where there is a loss-making business will be caught by AIM Rule 13. We consider this is in line with the protective principles of this rule although AIM Regulation will continue to consider submissions from an AIM company's nominated adviser on a case-by-case basis where they consider the class test results anomalous.

- We recognise that many AIM company directors may also be directors of other companies. However, in line with the principal protection afforded by AIM Rule 13, where two companies are transacting with each other which have a common director (and one or both is an AIM company), we continue to consider that it is appropriate for AIM Rule 13 to apply.

Special Voting Shares

90% of respondents were supportive of this proposed change. We would note:

- The Exchange has not mandated a fixed time limit or sunset period as we consider that investors will naturally be considering and making their own determination on the terms of the special shares when making their investment decision.

- This approach ensures the flexibility required by founder-led and growth companies, whilst ensuring that investors can make informed decisions through disclosure of the share structure at admission.

Corporate Governance Disclosures

Over 70% of respondents supported the objective of moving away from an overly procedural corporate governance approach and the “comply or explain” model. The market feedback has been overwhelming that the current “comply or explain” regime against a recognised code has become a “comply only” regime and companies do not feel they have agency in practice to explain their approach to governance.

As noted in AIM Notice 62, the Exchange considers that good corporate governance is an important aspect of the market framework for AIM companies and their investors. We also recognise the important role the QCA plays in providing support to companies to facilitate meaningful engagement between companies and their shareholders. AIM companies will also have the support of their nominated adviser in considering their corporate governance arrangements.

The AIM Rule changes seek to ensure that AIM companies have the flexibility to adopt governance arrangements that are appropriate to their size, stage of development and circumstances, enabling them to use a recognised code as a framework for those arrangements. This approach will provide investors with the disclosure to inform their investment decision based on the AIM company’s approach to corporate governance.

We provide the following clarification requested and address comments made by some respondents:

- Based on our engagement with the market, consistent disclosure was considered an important feature of a company’s corporate governance. This has the benefit of retaining flexibility for companies to adopt and disclose arrangements specific to their individual needs, whilst informing an investors view of a company’s corporate governance. Accordingly, the items of disclosure required under the new AIM Rule 26 are based on feedback from investors as to what they considered was important;

- Importantly, in a buyer beware model, investors take responsibility for considering an AIM company’s approach to corporate governance. Accordingly, disclosure approach will enable AIM companies and investors to better engage with each other. Further, AIM companies will be aware that investors views on the AIM company’s corporate governance arrangements are likely to inform their investment decision, thereby anchoring the importance of corporate governance for the AIM company.

- To address respondents’ comments, we have made a change to clarify that an AIM company disclosure is focused on how the director remuneration and incentives generally are structured, and not the terms of the remuneration or incentives.

Proxy Advisor Engagement

Over 95% of respondents were supportive of the proposed change. We would note:

- Whilst the changes we have put in place are designed to empower AIM companies, as we set out in AIM Notice 62, the broader concerns regarding proxy advisor reporting are not within the Exchange's remit or powers to address. Nevertheless, we will continue our engagement with the FCA and FRC in relation to this matter and we consider that the data we will collect through the use of this rule by AIM companies will support these discussions.

- We received little comment on whether this should be mandatory and accordingly, we will keep this under review.

Third Party Commentary and the Right to Reply

Over 90% of respondents supported giving AIM companies the ability to voluntarily respond to third party commentary. As stated in AIM Notice 62, we would reiterate, that the guidance to AIM Rule 26 makes it clear that AIM companies should not feel obliged to respond, or that an AIM company's decision not to respond should not be interpreted negatively or construed as acceptance of any such commentary.

Express Market Admission Route

Over 95% of respondents supported the introduction of the Express Market admission route.

However, the Exchange notes that the proposed Express Market admission route, as consulted on, is not considered to be consistent with the FCA rules made pursuant to Public Offers and Admission to Trading Regulations 2024 ("**POATRs**") where IOSCO jurisdiction is not linked to the definition of "specified markets" contained within the FCA Handbook Glossary.

The Exchange is proposing to retain the definitions of an **Express Market** and **express applicant** as originally consulted upon, together with the proposed eligibility criteria for express applicants.

Where the Express Market is included within the FCA's definition of "specified markets" and the applicant is seeking to admit to trading securities of the same class that are already admitted to trading on such an Express Market, the eligible express applicant will **<u>not</u>** be required to produce an AIM admission document.

However, where the relevant **express applicant**:

- is admitted to an **Express Market** that does not fall within the definition of "specified markets" within the Market Conduct Sourcebook and FCA Handbook Glossary (and we note that the FCA maintains a list of third-country markets considered to be equivalent to a UK regulated market in accordance with article 2a of UK EMIR); or

- the securities an **express applicant** is seeking to admit to trading on AIM are not of the same class that are already admitted to trading on such an **Express Market**,

it will be required to prepare some limited information for a simplified AIM admission document pursuant to Schedule Two, Part Two which only requires the inclusion of:

- the information required under Regulation 23 of POATRs; and
- the AIM "buyer beware" wording.

This revised approach is intended to preserve the policy objective of the Express Market admission route, by recognising the existing public market scrutiny and ongoing disclosure obligations applicable to applicants admitted to markets in IOSCO jurisdictions, while also ensuring that the AIM admission framework operates within the FCA rules made pursuant to POATRs. We consider that this revised approach continues to be in line with our objective to reduce unnecessary friction for eligible international applicants, while maintaining appropriate information for investors. Importantly, it enables a broad range of international companies to benefit from the Express Market route.

Separately, we are not making any substantial changes to the eligibility requirements as we consider these are important qualitative criteria. However, in light of some respondents' comments, we will be reducing the length of admission to an express market from 4 years to 3 years as this is considered by respondents to be a more reasonable timeframe.

Nominated adviser expertise and AIM Rule 11

Over 80% of respondents were supportive of the changes to AIM Rule 11. We would note:

- AIM Rule 11 is no longer a disclosure rule and as the guidance to the rule makes clear, UK MAR provides the general ongoing disclosure obligation for quoted companies across all UK markets, including AIM.

- Seeking the view of the nominated adviser on whether a change or development has market impact is considered to be valuable, to support the AIM company's consideration of UK MAR.

- The nominated adviser is not responsible for an AIM company's compliance with its disclosure obligations. This position has not changed, as the AIM company has always been primarily responsible for its disclosure obligations under the AIM Rules and UK MAR.

Handbook

The Exchange received no material comments in relation to the minor changes to the Handbook.

3. IMPLEMENTATION OF NEW RULES

The revised AIM Rules for Companies, AIM Rules for Nominated Advisers and Handbook come into effect immediately and are available to download from the Exchange's website (AIM Rules and regulations section) from today.

Queries from AIM companies on this Notice should be addressed to their nominated adviser.

Queries from nominated advisers should be sent to AIM Regulation at aimregulation@lseg.com

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