AIM Rules for Companies

January - July 2016
# AIM Rules for Companies

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AIM Rules for Companies (effective 1 January – 3 July 2016)
Introduction

AIM opened on 19 June 1995. AIM is a market for smaller and growing companies and is a multilateral trading facility within the meaning set out in the Handbook of the FCA. AIM is operated and regulated by the Exchange in its capacity as a Recognised Investment Exchange under Part XVIII of FSMA 2000, as such AIM is a prescribed market under FSMA 2000.

This document contains the AIM Rules for Companies (“these rules”) which set out the rules and responsibilities in relation to AIM companies. Defined terms are in bold and definitions can be found in the Glossary.

AIM companies also need to comply with any relevant national law and regulation as well as certain European Commission Directive standards and regulations where applicable, such as MAR, the DTR and the Prospectus Rules.

From time to time the Exchange issues separate Notes on specific issues which may affect certain AIM companies. The Notes form part of these rules.

Where an AIM company has concerns about the interpretation of these rules, it should consult its nominated adviser.

The rules relating to the eligibility, responsibilities and disciplining of nominated advisers are set out in the separate rulebook, AIM Rules for Nominated Advisers.

The procedures relating to disciplinary and appeals matters are set out in the Disciplinary Procedures and Appeals Handbook.

The rules for trading AIM securities are set out in “Rules of the London Stock Exchange”.

Part One – AIM Rules

Retention and role of a nominated adviser

1. In order to be eligible for AIM, an applicant must appoint a nominated adviser and an AIM company must retain a nominated adviser at all times.

The nominated adviser is responsible to the Exchange for assessing the appropriateness of an applicant for AIM, or an existing AIM company when appointed as its nominated adviser, and for advising and guiding an AIM company on its responsibilities under these rules.

The responsibilities of nominated advisers are set out in the AIM Rules for Nominated Advisers.

If an AIM company ceases to have a nominated adviser the Exchange will suspend trading in its AIM securities. If within one month of that suspension the AIM company has failed to appoint a replacement nominated adviser, the admission of its AIM securities will be cancelled.

Applicants for AIM

Pre-admission announcement

2. An applicant must provide the Exchange, at least ten business days before the expected date of admission to AIM, with the information specified by Schedule One.

A quoted applicant must provide the Exchange, at least twenty business days before the expected date of admission to AIM, with the information specified in Schedule One and its supplement.

If there are any changes to such information prior to admission, the applicant must advise the Exchange immediately by supplying details of such changes. Where, in the opinion of the Exchange, such changes result in the information being significantly different from that originally provided, the Exchange may delay the expected date of admission for a further ten business days (or twenty business days in the case of a quoted applicant).

The Exchange will notify RNS of information it receives under this rule.

Admission document

3. An applicant must produce an admission document disclosing the information specified by Schedule Two.

An applicant must take reasonable care to ensure that the information contained in the admission document is, to the best of the knowledge of the applicant, in accordance with the facts and contains no omission likely to affect the import of such information.
A quoted applicant is not required to produce an admission document unless it is required to publish a Prospectus in relation to the issue of AIM securities which are the subject of admission.

Omissions from admission documents
4. The Exchange may authorise the omission of information from an admission document (other than a Prospectus) of an applicant where its nominated adviser confirms that:
   — the information is of minor importance only and not likely to influence assessment of the applicant’s assets and liabilities, financial position, profits and losses and prospects; or
   — disclosure of that information would be seriously detrimental to the applicant and its omission would not be likely to mislead investors with regard to facts and circumstances necessary to form an informed assessment of the applicant’s securities.

Application documents
5. At least three business days before the expected date of admission, an applicant must submit to the Exchange a completed application form and an electronic version of its admission document. These must be accompanied by the nominated adviser’s declaration required by the AIM Rules for Nominated Advisers.

At least three business days before the expected date of admission, a quoted applicant must submit to the Exchange an electronic version of its latest annual accounts and a completed application form. These must be accompanied by the nominated adviser’s declaration required by the AIM Rules for Nominated Advisers.

The AIM fee will be invoiced to the applicant and should be paid pursuant to rule 37.

Admission to AIM
6. Admission becomes effective only when the Exchange issues a dealing notice to that effect.

Special conditions for certain applicants

Lock-ins for new businesses
7. Where an applicant’s main activity is a business which has not been independent and earning revenue for at least two years, it must ensure that all related parties and applicable employees as at the date of admission agree not to dispose of any interest in its securities for one year from the admission of its securities.

This rule will not apply in the event of an intervening court order, the death of a party who has been subject to this rule or in respect of an acceptance of a takeover offer for the AIM company which is open to all shareholders.

Investing companies
8. Where the applicant is an investing company, a condition of its admission is that it raises a minimum of £6 million in cash via an equity fundraising on, or immediately before, admission.

An investing company must state and follow an investing policy.
An **investing company** must seek the prior consent of its **shareholders** in a general meeting for any material change to its **investing policy**.

Where an **investing company** has not substantially implemented its **investing policy** within eighteen months of **admission**, it should seek the consent of its **shareholders** for its **investing policy** at its next annual general meeting and on an annual basis thereafter, until such time that its **investing policy** has been substantially implemented.

**Other conditions**

9. The **Exchange** may make the **admission** of an **applicant** subject to a special condition.

Where matters are brought to the attention of the **Exchange** which could affect an **applicant**’s appropriateness for **AIM**, it may delay an **admission**. The **Exchange** will inform the **applicant**’s **nominated adviser** and may **notify RNS** that it has asked the **applicant** and its **nominated adviser** to undertake further due diligence.

The **Exchange** may refuse an **admission** to **AIM** if it considers that:

- the **applicant** does not or will not comply with any special condition which the **Exchange** considers appropriate and of which the **Exchange** has informed the **applicant**’s **nominated adviser**; or
- the **applicant**’s situation is such that **admission** may be detrimental to the orderly operation of **AIM** or the reputation of **AIM**.

**Principles of disclosure**

10. The information which is required by these rules must be **notified** by the **AIM company** no later than it is published elsewhere. A **AIM company** must retain a **Regulatory Information Service** provider to ensure that information can be **notified** as and when required.

An **AIM company** must take reasonable care to ensure that any information it **notifies** is not misleading, false or deceptive and does not omit anything likely to affect the import of such information.

It will be presumed that information **notified** to a **Regulatory Information Service** is required by these rules or other legal or regulatory requirement, unless otherwise designated.

**General disclosure of price sensitive information**

11. An **AIM company** must issue **notification** without delay of any new developments which are not public knowledge which, if made public, would be likely to lead to a significant movement in the price of its **AIM securities**. By way of example, this may include matters concerning a change in:

- its financial condition;
- its sphere of activity;
- the performance of its business; or
- its expectation of its performance.
Disclosure of corporate transactions

Substantial transactions

12. A substantial transaction is one which exceeds 10% in any of the class tests. It includes any transaction by a subsidiary of the AIM company but excludes any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which do not involve a change in the fixed assets of the AIM company or its subsidiaries.

An AIM company must issue notification without delay as soon as the terms of any substantial transaction are agreed, disclosing the information specified by Schedule Four.

Related party transactions

13. This rule applies to any transaction whatsoever with a related party which exceeds 5% in any of the class tests.

An AIM company must issue notification without delay as soon as the terms of a transaction with a related party are agreed disclosing:

— the information specified by Schedule Four;
— the name of the related party concerned and the nature and extent of their interest in the transaction; and
— a statement that with the exception of any director who is involved in the transaction as a related party, its directors consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Reverse takeovers

14. A reverse takeover is any acquisition or acquisitions in a twelve month period which for an AIM company would:

— exceed 100% in any of the class tests; or
— result in a fundamental change in its business, board or voting control; or
— in the case of an investing company, depart materially from its investing policy (as stated in its admission document or approved by shareholders in accordance with these rules).

Any agreement which would effect a reverse takeover must be:

— conditional on the consent of its shareholders being given in general meeting;
— notified without delay disclosing the information specified by Schedule Four and insofar as it is with a related party, the additional information required by rule 13; and
— accompanied by the publication of an admission document in respect of the proposed enlarged entity and convening the general meeting.

Where shareholder approval is given for the reverse takeover, trading in the AIM securities of the AIM company will be cancelled. If the enlarged entity seeks admission, it must make an application in the same manner as any other applicant applying for admission of its securities for the first time.
Fundamental changes of business

15. Any disposal by an **AIM company** which, when aggregated with any other disposal(s) over the previous twelve months, exceeds 75% in any of the **class tests**, is deemed to be a disposal resulting in a fundamental change of business and must be:

— conditional on the consent of its **shareholders** being given in general meeting;
— **notified** without delay disclosing the information specified by **Schedule Four** and insofar as it is with a **related party**, the additional information required by rule 13; and
— accompanied by the publication of a circular containing details of the disposal and any proposed change in business together with the information specified above and convening the general meeting.

Divestment or Cessation

— Where the effect of a disposal is to divest the **AIM company** of all, or substantially all, of its trading business, activities or assets; and/or
— Where an **AIM company** takes any other action, the effect of which is that it will cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets (in which case such action should be **notified** without delay and include all relevant information that **shareholders** may require)

upon completion of the disposal or action, the **AIM company** will be regarded as an **AIM Rule 15 cash shell**.

Within six months of becoming an **AIM Rule 15 cash shell**, the **AIM company** must make an acquisition or acquisitions which constitutes a reverse takeover under rule 14. For the purposes of this rule only, becoming an **investing company** pursuant to rule 8 (including the associated raising of funds as specified in rule 8) will be treated as a reverse takeover and the provisions of rule 14 will apply including the requirement to publish an admission document.

Where an **AIM company** became an **investing company** (pursuant to rule 15) prior to 1 January 2016, the requirements of rule 15 set out in the AIM Rules for Companies (May 2014) will continue to apply. Accordingly, if such a company does not make an acquisition or acquisitions which constitutes a reverse takeover under rule 14 or otherwise fails to implement its **investing policy** to the satisfaction of the **Exchange** within twelve months of becoming an **investing company** in accordance with that rule, the **Exchange** will suspend trading in the **AIM securities** pursuant to rule 40.

Aggregation of transactions

16. Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether rules 12, 13, 14 and/or 19 apply where:

— they are entered into by the **AIM company** with the same **person** or **persons** or their **families**; or
— they involve the acquisition or disposal of securities or an interest in one particular business; or
— together they lead to a principal involvement in any business activity or activities which did not previously form a part of the **AIM company**’s principal activities.
Disclosure of miscellaneous information

17. An **AIM company** must issue notification without delay of:

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- any deals by directors disclosing, insofar as it has such information, the information specified by Schedule Five;
- any relevant changes to any significant shareholders, disclosing, insofar as it has such information, the information specified by Schedule Five;
- the resignation, dismissal or appointment of any director, giving the date of such occurrence and for an appointment, the information specified by Schedule Two paragraph (g) and any shareholding in the company;
- any change in its accounting reference date;
- any change in its registered office address;
- any change in its legal name;
- any material change between its actual trading performance or financial condition and any profit forecast, estimate or projection included in the admission document or otherwise made public on its behalf;
- any decision to make any payment in respect of its AIM securities specifying the net amount payable per security, the payment date and the record date;
- the reason for the application for admission or cancellation of any AIM securities and consequent number of AIM securities in issue;
- the occurrence and number of shares taken into and out of treasury, as specified by Schedule Seven;
- the resignation, dismissal or appointment of its nominated adviser or broker;
- any change in the website address at which the information required by rule 26 is available;
- any subsequent change to the details disclosed pursuant to sub-paragraphs (iii) to (viii) inclusive of paragraph (g) of Schedule Two, whether such details were first disclosed at admission or on subsequent appointment;
- the admission to trading (or cancellation from trading) of the AIM securities (or any other securities issued by the AIM company) on any other exchange or trading platform, where such admission or cancellation is at the application or agreement of the AIM company. This information must also be submitted separately to the Exchange.

Half-yearly reports

18. An **AIM company** must prepare a half-yearly report in respect of the six month period from the end of the financial period for which financial information has been disclosed in its admission document and at least every subsequent six months thereafter (apart from the final period of six months preceding its accounting reference date for its annual audited accounts). All such reports must be notified without delay and in any event not later than three months after the end of the relevant period.

The information contained in a half-yearly report must include at least a balance sheet, an income statement, a cash flow statement and must contain comparative figures for the corresponding period in the preceding financial year (apart from the balance sheet which may contain comparative figures from the last balance sheet notified). Additionally the half-yearly report must be presented and prepared in a form consistent with that which will
be adopted in the **AIM company**'s annual accounts having regard to the accounting standards applicable to such annual accounts.

### Annual accounts

19. An **AIM company** must publish annual audited accounts which must be sent to its **shareholders** without delay and in any event not later than six months after the end of the financial year to which they relate.

An **AIM company** incorporated in an **EEA country** must prepare and present these accounts in accordance with **International Accounting Standards**. Where, at the end of the relevant financial period, such company is not a parent company, it may prepare and present such accounts either in accordance with **International Accounting Standards** or in accordance with the accounting and company legislation and regulations that are applicable to that company due to its country of incorporation.

An **AIM company** incorporated in a **non-EEA country** must prepare and present these accounts in accordance with either:

- International Accounting Standards;
- US Generally Accepted Accounting Principles;
- Canadian Generally Accepted Accounting Principles;
- Australian International Financial Reporting Standards (as issued by the Australian Accounting Standards Board); or
- Japanese Generally Accepted Accounting Principles.

The accounts produced in accordance with this rule must provide disclosure of:

- any transaction with a related party, whether or not previously disclosed under these rules, where any of the class tests exceed 0.25% and must specify the identity of the related party and the consideration for the transaction; and
- details of directors’ remuneration earned in respect of the financial year by each director of the **AIM company** acting in such capacity during the financial year.

### Publication of documents sent to shareholders

20. Any document provided by an **AIM company** to its **shareholders**, must be made available pursuant to rule 26 without delay, and its provision must be **notified**.

An electronic copy of any such document must be sent to the **Exchange**.

### Restriction on deals

21. An **AIM company** must **have in place from admission** a reasonable and effective dealing policy setting out the requirements and procedures for directors’ and applicable employees dealings in any of its **AIM securities**. At a minimum, an **AIM company**’s dealing policy must set out the following:

- the **AIM company**’s close periods during which directors and applicable employees cannot deal;
— when a director or applicable employee must obtain clearance to deal in the AIM securities of the AIM company;
— an appropriate person(s) within the AIM company to grant clearance requests;
— procedures for obtaining clearance for dealing;
— the appropriate timeframe for a director or applicable employee to deal once they have received clearance;
— how the AIM company will assess whether clearance to deal may be given; and
— procedures on how the AIM company will notify deals required to be made public under MAR.

21. ensure that its directors and applicable employees do not deal in any of its AIM securities during a close period. In addition, the purchase or early redemption by an AIM company of its AIM securities or sale of any AIM securities held as treasury shares must not be made during a close period.

This rule will not apply, however, where such persons have entered into a binding commitment prior to the AIM company being in such a close period where it was not reasonably foreseeable at the time such commitment was made that a close period was likely and provided that the commitment was notified at the time it was made.

The Exchange may permit a director or applicable employee of an AIM company to sell its AIM securities during a close period to alleviate severe personal hardship.

Provision and disclosure of information

22. The Exchange may require an AIM company to provide it with such information in such form and within such limit as it considers appropriate. The Exchange may also require the AIM company to publish such information.

For the avoidance of doubt, where the Exchange has jurisdiction pursuant to rule 43, rule 22 shall continue to apply to a company which ceases to have a class of securities admitted to trading on AIM, as if it were an AIM company.

23. The Exchange may disclose any information in its possession as follows:

— to co-operate with any person responsible for supervision or regulation of financial services or for law enforcement;
— to enable it to discharge its legal or regulatory functions, including instituting, carrying on or defending proceedings; or
— for any other purpose where it has the consent of the person from whom the information was obtained and, if different, the person to whom it relates.

Corporate action timetables

24. An AIM company must inform the Exchange in advance of any notification of the timetable for any proposed action affecting the rights of its existing shareholders.

25. Any amendments to the timetable proposed by the AIM company, including amendment to the publication details of a notification, must be immediately disclosed to the Exchange.
Company information disclosure

26. Each AIM company must from admission maintain a website on which the following information should be available, free of charge:

   — a description of its business and, where it is an investing company, its investing policy and details of any investment manager and/or key personnel;
   — the names of its directors and brief biographical details of each, as would normally be included in an admission document;
   — a description of the responsibilities of the members of the board of directors and details of any committees of the board of directors and their responsibilities;
   — its country of incorporation and main country of operation;
   — where the AIM company is not incorporated in the UK, a statement that the rights of shareholders may be different from the rights of shareholders in a UK incorporated company;
   — its current constitutional documents (e.g. its articles of association);
   — details of any other exchanges or trading platforms on which the AIM company has applied or agreed to have any of its securities (including its AIM securities) admitted or traded;
   — the number of AIM securities in issue (noting any held as treasury shares) and, insofar as it is aware, the percentage of AIM securities that is not in public hands together with the identity and percentage holdings of its significant shareholders. This information should be updated at least every 6 months and the website should include the date on which this information was last updated;
   — details of any restrictions on the transfer of its AIM securities;
   — the annual accounts published pursuant to rule 19 for the last three years or since admission, whichever is the lesser, and all half-yearly, quarterly or similar reports published since the last annual accounts pursuant to rule 18;
   — all notifications the AIM company has made in the past 12 months;
   — its most recent admission document together with any circulars or similar publications sent to shareholders within the past 12 months;
   — details of the corporate governance code that the AIM company has decided to apply, how the AIM company complies with that code, or if no code has been adopted this should be stated together with its current corporate governance arrangements;
   — whether the AIM company is subject to the UK City Code on Takeovers and Mergers, or any other such legislation or code in its country of incorporation or operation, or any other similar provisions it has voluntarily adopted; and
   — details of its nominated adviser and other key advisers (as might normally be found in an admission document).

Further issues of securities following admission

Further admission documents

27. A further admission document will be required for an AIM company only when it is:

   — required to issue a Prospectus under the Prospectus Rules for a further issue of AIM securities; or
— seeking admission for a new class of securities; or
— undertaking a reverse takeover under rule 14.

Omissions from further admission documents
28. The Exchange may authorise the omission of information from further admission documents (other than a Prospectus) in the same circumstances as for an applicant under rule 4.

In addition, an AIM company may omit the information required by section 20 of Annex I from any further admission document (other than a Prospectus) provided that the AIM company has been complying with the requirements of these rules.

In such circumstances, the nominated adviser to an AIM company must confirm to the Exchange in writing that equivalent information is available publicly by reason of the AIM company’s compliance with these rules.

Applications for further issues
29. At least three business days before the expected date of admission of further AIM securities an AIM company must submit an application form and, where required by rule 27, an electronic version of any further admission document.

Where an AIM company intends to issue AIM securities on a regular basis, the Exchange may permit admission of those securities under a block admission arrangement.

Under a block admission an AIM company must notify the information required in Schedule Six every six months.

Language
30. All admission documents, any documents sent to shareholders and any information required by these rules must be in English.

AIM company and directors’ responsibility for compliance
31. An AIM company must:
— have in place sufficient procedures, resources and controls to enable it to comply with these rules;
— seek advice from its nominated adviser regarding its compliance with these rules whenever appropriate and take that advice into account;
— provide its nominated adviser with any information it reasonably requests or requires in order for that nominated adviser to carry out its responsibilities under these rules and the AIM Rules for Nominated Advisers, including any proposed changes to the board of directors and provision of draft notifications in advance;
— ensure that each of its directors accepts full responsibility, collectively and individually, for its compliance with these rules; and
— ensure that each director discloses to the AIM company without delay all information which the AIM company needs in order to comply with rule 17 insofar as that information is known to the director or could with reasonable diligence be ascertained by the director.
Ongoing eligibility requirements

Transferability of shares
32. An AIM company must ensure that its AIM securities are freely transferable except where:
   — in any jurisdiction, statute or regulation places restrictions upon transferability; or
   — the AIM company is seeking to limit the number of shareholders domiciled in a
     particular country to ensure that it does not become subject to statute or regulation.

Securities to be admitted
33. Only securities which have been unconditionally allotted can be admitted as AIM securities.

   An AIM company must ensure that application is made to admit all securities within a
   class of AIM securities.

34. [Deleted pursuant to AIM Notice 27]

Retention of a broker
35. An AIM company must retain a broker at all times.

Settlement
36. An AIM company must ensure that appropriate settlement arrangements are in place. In
   particular AIM securities must be eligible for electronic settlement.

General
37. An AIM company must pay AIM fees set by the Exchange as soon as such payment
   becomes due.

38. Details of an AIM company contact, including an e-mail address, must be provided to the
   Exchange at the time of the application for admission and the Exchange must be
   immediately informed of any changes thereafter.

Nominated advisers
39. A nominated adviser must comply with the AIM Rules for Nominated Advisers.

Maintenance of orderly markets

Precautionary Suspension
40. The Exchange may suspend the trading of AIM securities where:
   — trading in those securities is not being conducted in an orderly manner;
   — it considers that an AIM company has failed to comply with these rules;
   — the protection of investors so requires; or
   — the integrity and reputation of the market has been or may be impaired by dealings in
     those securities.
Suspensions are effected by a dealing notice.

Cancellation

41. An AIM company which wishes the Exchange to cancel admission of its AIM securities must notify such intended cancellation and must separately inform the Exchange of its preferred cancellation date at least twenty business days prior to such date and save where the Exchange otherwise agrees, the cancellation shall be conditional upon the consent of not less than 75% of votes cast by its shareholders given in a general meeting.

The Exchange will cancel the admission of AIM securities where these have been suspended from trading for six months.

Cancellations are effected by a dealing notice.

Sanctions and appeals

Disciplinary action against an AIM company

42. If the Exchange considers that an AIM company has contravened these rules, it may take one or more of the following measures in relation to such AIM company:
— issue a warning notice;
— fine it;
— censure it; or
— cancel the admission of its AIM securities; and
— publish the fact that it has been fined or censured and the reasons for that action.

Jurisdiction

43. When an AIM company ceases to have a class of securities admitted to trading on AIM, the Exchange retains jurisdiction over the company for the purpose of investigating and taking disciplinary action in relation to breaches or suspected breaches of these rules at a time when that company was an applicant or had a class of securities admitted to trading on AIM.

Disciplinary process

44. Where the Exchange proposes to take any of the steps described in rule 42, the Exchange will follow the procedures set out in the Disciplinary Procedures and Appeals Handbook.

Appeals

45. Any decision of the Exchange in relation to these rules may be appealed in accordance with the procedures set out in the Disciplinary Procedures and Appeals Handbook.
Schedule One

Pursuant to rule 2, an applicant or quoted applicant must provide the Exchange with the following information:

(a) its name;
(b) its country of incorporation;
(c) its registered office address and, if different, its trading address;
(d) the website address at which the information required by rule 26 will be available:
(e) a brief description of its business (including its main country of operation) or in the case of an investing company, details of its investing policy. If the admission is being sought as a result of a reverse takeover under rule 14, this should be stated;
(f) the number and type of securities in respect of which it seeks admission and detailing the number and type of securities to be held as treasury shares, including details of any restrictions as to transfer of the securities;
(g) the capital to be raised on admission, if applicable, and its anticipated market capitalisation on admission;
(h) the percentage of AIM securities not in public hands at admission (insofar as it is aware) and details of any other exchange or trading platform on which the AIM securities (or any other securities of the company) are or will be admitted or traded as a result of an application or agreement of the applicant;
(i) the full names and functions of its directors and proposed directors (underlining the first name by which each is known or including any other name by which each is known);
(j) insofar as is known to it, the full name of any significant shareholder before and after admission, together with the percentage of each such person's interest (underlining the first name by which each is known or including any other name by which each is known in the case of individuals);
(k) the names of any persons who will be disclosed in the admission document under Schedule Two, paragraph (h);
(l) its anticipated accounting reference date, the date to which it has prepared the main financial information in its admission document and the dates by which it must publish its first three reports as required by rules 18 and 19;
(m) its expected admission date;
(n) the name and address of its nominated adviser and broker(s); and
(o) (other than in the case of a quoted applicant) details of where any admission document will be available with a statement that this will contain full details about the applicant and the admission of its securities.

Supplement to Schedule One, for quoted applicants only

A quoted applicant must in addition provide the Exchange with the following information:

(a) the name of the AIM Designated Market upon which its securities have been traded;
(b) the date from which its securities have been so traded;
(c) confirmation that, following due and careful enquiry, it has adhered to any legal and regulatory requirements involved in having its securities traded upon such market or details of where there has been any breach;

(d) a website address where any documents or announcements which it has made public over the last two years (in consequence of having its securities so traded) are available;

(e) details of its intended strategy following admission including, in the case of an investing company, details of its investing policy;

(f) a description of any significant change in financial or trading position of the quoted applicant which has occurred since the end of the last financial period for which audited statements have been published;

(g) a statement that its directors have no reason to believe that the working capital available to it or its group will be insufficient for at least twelve months from the date of its admission;

(h) details of any lock-in arrangements pursuant to rule 7;

(i) a brief description of the arrangements for settling transactions in its securities;

(j) a website address detailing the rights attaching to its securities;

(k) information equivalent to that required for an admission document which is not currently public, including any information that would be required as part of an admission document by the Notes;

(l) a website address of a page containing its latest published annual accounts which must have a financial year end not more than nine months prior to admission. The annual accounts must be prepared in accordance with rule 19. Where more than nine months have elapsed since the financial year end to which the latest published annual accounts relate, a website address of a page containing a set of interim results covering the period from the financial year end to which the latest published annual accounts relate and ending no less than six months from that date;

(m) the number of each class of securities held as treasury shares.
Schedule Two

A company which is required to produce an admission document must ensure that document discloses the following:

(a) Information equivalent to that which would be required by Annex I – III other than the information specified in paragraph (b)(i) below and as amended by paragraph (b)(ii) below, unless a Prospectus is required in accordance with the Prospectus Rules in which case paragraphs (b)(i) and (ii) below shall not apply;

(b) (i) the information referred to in paragraph (a) above is as follows:

Annex I:
— Selected Financial Information (Section 3);
— The information required under sub-section 8.1;
— Operating and financial review (Section 9);
— Capital Resources (Section 10);
— Research and Development, Patents and Licences (Section 11);
— Profit Forecasts or Estimates (Section 13) (**NB - Paragraph (d) below continues to apply**);
— Administrative, Management, and Supervisory Bodies and Senior Management (Section 14). (**NB - Paragraph (g) below continues to apply**);
— Remuneration and Benefits (section 15);
— The information required under sub-section 16.3;
— Pro forma financial information (sub-section 20.2);
— Documents on Display (section 24);
— The information required under sub-section 17.2 of Annex I with respect to persons other than directors.

Annex II:
— Annex II in its entirety.

Annex III:
— Working capital statement (sub-section 3.1). (**NB - Paragraph (c) below continues to apply**);
— Capitalisation and indebtedness (sub-section 3.2);
— Interest of natural and legal persons involved in the issue/offer (sub-section 3.3);
— Terms and Conditions of the Offer (section 5);
— Admission to Trading and Dealing Arrangements (section 6);

(ii) the information required by paragraph (a) above is amended as follows: the information required by section 20 of Annex I must be presented in accordance with one of the applicable standards set out in rule 19.
(c) a statement by its **directors** that in their opinion having made due and careful enquiry, the working capital available to it and its group will be sufficient for its present requirements, that is for at least twelve months from the date of **admission** of its securities;

(d) where it contains a profit forecast, estimate or projection (which includes any form of words which expressly or by implication states a minimum or maximum for the likely level of profits or losses for a period subsequent to that for which audited accounts have been published, or contains data from which a calculation of an approximate figure for future profits or losses may be made, even if no particular figure is mentioned and the words “profit” or “loss” are not used):

(i) a statement by its **directors** that such forecast, estimate or projection has been made after due and careful enquiry;

(ii) a statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast, estimate or projection. The assumptions must be readily understandable by investors and be specific and precise;

(iii) confirmation from the **nominated adviser** to the **applicant** that it has satisfied itself that the forecast, estimate or projection has been made after due and careful enquiry by the **directors** of the **applicant**; and

(iv) such profit forecast, estimate or projection must be prepared on a basis comparable with the historical financial information;

(e) on the first page, prominently and in bold, the name of its **nominated adviser** and the following paragraphs:

"**AIM** is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. **AIM securities** are not admitted to the official list of the United Kingdom Listing Authority.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

**Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.**

**The London Stock Exchange has not itself examined or approved the contents of this document.**";

(f) where rule 7 applies, a statement that its **related parties** and **applicable employees** have agreed not to dispose of any interests in any of its **AIM securities** for a period of twelve months from the **admission** of its securities;

(g) the following information relating to each **director** and each proposed **director**:

(i) the **director’s** full name and age together with any previous names;

(ii) the names of all companies and partnerships of which the **director** has been a **director** or partner at any time in the previous five years, indicating whether or not the **director** is still a **director** or partner;

(iii) any unspent convictions in relation to indictable offences;

(iv) details of any bankruptcies or individual voluntary arrangements of such **director**;

(v) 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 such director was a director at the time of or within the twelve months preceding such events;

(vi) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such director was a partner at the time of or within the twelve months preceding such events;

(vii) details of receiverships of any asset of such director or of a partnership of which the director was a partner at the time of or within the twelve months preceding such events; and

(viii) details of any public criticisms of such director by statutory or regulatory authorities (including recognised professional bodies), and whether such 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;

(h) the name of any person (excluding professional advisers otherwise disclosed in the admission document and trade suppliers) who has:

(i) received, directly or indirectly, from it within the twelve months preceding the application for admission to AIM; or

(ii) entered into contractual arrangements (not otherwise disclosed in the admission document) to receive, directly or indirectly, from it on or after admission any of the following:
   — fees totalling £10,000 or more;
   — its securities where these have a value of £10,000 or more calculated by reference to the issue price or, in the case of an introduction, the expected opening price; or
   — any other benefit with a value of £10,000 or more at the date of admission; giving full details of the relationship of such person with the applicant and of the fees, securities or other benefit received or to be received;

(i) the name of any director, or member of a director's family, who has a related financial product referenced to its AIM securities or securities being admitted, together with the date and terms of the related financial product(s) and the detailed nature of the exposure;

(j) where it is an investing company, details of its investing policy.

(k) the information required by the Notes and any other information which it reasonably considers necessary to enable investors to form a full understanding of:

(i) the assets and liabilities, financial position, profits and losses, and prospects of the applicant and its securities for which admission is being sought;

(ii) the rights attaching to those securities; and

(iii) any other matter contained in the admission document.
Schedule Three

The **class tests** for determining the size of a transaction pursuant to rules 12, 13, 14, 15 and 19 are as follows:

### The Gross Assets test

\[
\text{Gross assets the subject of the transaction} \times 100
\]
\[
\text{Gross assets of the AIM company}
\]

**Figures to use for the Gross assets test:**

1. The “Gross assets of the AIM company” means the total non current assets plus total current assets. These figures should be taken from the most recent of the following:
   (a) the most recently **notified** consolidated balance sheet; or
   (b) where an admission document has been produced for the purposes of admission following a reverse takeover, any pro forma net asset statement published in the admission document may be used, provided it is derived from information taken from the last published audited consolidated accounts and that any adjustments to this information are clearly shown and explained; or
   (c) in a case where transactions are aggregated pursuant to rule 16, the most recently notified consolidated balance sheet (as at a date prior to the earliest aggregated transaction).

2. The “Gross assets the subject of the transaction” means:
   (a) in the cases of an acquisition of an interest in an undertaking which will result in consolidation of the undertaking’s net assets in the accounts of the AIM company, or a disposal of an interest in an undertaking which will result in the undertaking’s net assets no longer being consolidated in the accounts of the AIM company, the assets the subject of the transaction means the value of 100% of the undertaking’s assets, irrespective of what interest is acquired or disposed.
   (b) in the case of an acquisition or disposal which does not fall within paragraph 2(a), the assets the subject of the transaction means:
      — for an acquisition, the consideration plus any liabilities assumed (if any); and
      — for a disposal, the book value of the assets attributed to that interest in the AIM company’s last audited accounts.
   (c) in the case of an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets.

### The Profits test

\[
\text{Profits attributable to the assets the subject of the transaction} \times 100
\]
\[
\text{Profits of the AIM company}
\]
Figures to use for the Profits test:

3. The “Profits of the AIM company” means profits before taxation and extraordinary items as stated in the following:
   (a) the last published annual consolidated accounts;
   (b) the last notified preliminary statement of annual results; or
   (c) in a case where transactions are aggregated pursuant to rule 16, the last such accounts or statement prior to the earliest transaction.

In the case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “profits attributable to the assets the subject of the transaction” means 100% of the profits of the undertaking irrespective of what interest is acquired or disposed.

The Turnover test

\[
\text{Turnover attributable to the assets the subject of the transaction} \times 100 \quad \text{Turnover of the AIM company}
\]

Figures to use for the Turnover test:

4. The “Turnover of the AIM company” means the turnover figure as stated in the following:
   (a) the last published annual consolidated accounts;
   (b) the last notified preliminary statement of annual results; or
   (c) in a case where transactions are aggregated pursuant to rule 16, the last such accounts or statement prior to the earliest transaction.

In a case of an acquisition or disposal of an interest in an undertaking of the type described within paragraph 2(a), the “turnover attributable to the assets the subject of the transaction” means 100% of the turnover of the undertaking irrespective of what interest is acquired or disposed.

The Consideration test

\[
\text{Consideration} \times 100 \quad \text{Aggregate market value of all the ordinary shares (excluding treasury shares) of the AIM company}
\]

Figures to use for the Consideration test:

5. The “Consideration” means the amount paid to the vendors, but the Exchange may require the inclusion of further amounts.

   (a) Where all or part of the consideration is in the form of securities to be listed, or traded on AIM, the consideration attributable to those securities means the aggregate market value of those securities.

   (b) If deferred consideration is, or may be, payable or receivable by the AIM company in the future, the consideration means the maximum total consideration payable or receivable under the agreement.
6. The “Aggregate market value of all the ordinary shares of the **AIM company** (excluding **treasury shares**)” means the value of its enfranchised securities on the day prior to the **notification** of the transaction (excluding **treasury shares**).

---

**The Gross Capital test**

\[
\frac{\text{Gross capital of the company or business being acquired}}{\text{Gross capital of the AIM company}} \times 100
\]

**Figures to use for the Gross capital test:**

7. The “Gross capital of the company or business being acquired” means the aggregate of:
   
   (a) the consideration;
   
   (b) if a company, any of its shares and debt securities which are not being acquired;
   
   (c) all other liabilities (other than current liabilities), including for this purpose minority interests and deferred taxation; and
   
   (d) any excess of current liabilities over current assets.

8. The “Gross capital of the **AIM company**” means the aggregate of:
   
   (a) the aggregate market value of its securities (excluding **treasury shares**);
   
   (b) all other liabilities (other than current liabilities), including minority interest and deferred taxation; and
   
   (c) any excess of current liabilities over current assets.

The figures to be used must be the aggregate market value of the enfranchised securities on the day prior to the **notification** of the transaction (excluding **treasury shares**).

---

**Substitute Tests**

In circumstances where the above tests produce anomalous results or where the tests are inappropriate to the sphere of activity of the **AIM company**, the **Exchange** may (except in the case of a transaction with a **related party**), disregard the calculation and substitute other relevant indicators of size, including industry specific tests. Only the **Exchange** can decide to disregard one or more of the **class tests**, or substitute another test.
Schedule Four

In respect of transactions which require notifications pursuant to rules 12, 13, 14 and 15 an AIM company must notify the following information:

(a) particulars of the transaction, including the name of any other relevant parties;
(b) a description of the assets which are the subject of the transaction, or the business carried on by, or using, the assets;
(c) the profits (or if applicable, losses) attributable to those assets;
(d) the value of those assets if different from the consideration;
(e) the full consideration and how it is being satisfied;
(f) the effect on the AIM company;
(g) details of the service contracts of any proposed directors;
(h) in the case of a disposal, the application of the sale proceeds;
(i) in the case of a disposal, if shares or other securities are to form part of the consideration received, a statement whether such securities are to be sold or retained; and
(j) any other information necessary to enable investors to evaluate the effect of the transaction upon the AIM company.

Schedule Five

Pursuant to rule 17, an AIM company must make notification of the following:

(a) the identity of the director or significant shareholder concerned;
(b) the date on which the disclosure was made to it;
(c) the date on which the deal or relevant change to the holding was effected;
(d) the price, amount and class of the AIM securities concerned;
(e) the nature of the transaction;
(f) the nature and extent of the director's or significant shareholder's interest in the transaction; and
(g) where a deal takes place when it is in any close period under rule 21, the date upon which any previous binding commitment was notified or the date upon which the Exchange granted permission to deal in order to mitigate severe personal hardship; and
(h) if the notification concerns a related financial product, the detailed nature of the exposure.
Schedule Six

Pursuant to a **block admission**, an **AIM company** must make **notification** of the following:

(a) name of the company;
(b) name of the scheme;
(c) period of return (from/to);
(d) number and class of securities not issued under the scheme;
(e) number of securities issued under the scheme during the period;
(f) balance under the scheme of securities not yet issued at the end of the period;
(g) number and class of securities originally **admitted** and the date of **admission**; and
(h) a contact name and telephone number.

Schedule Seven

Pursuant to rule 17, an **AIM company** must make **notification** of the following:

(a) the date of the movement into or out of **treasury shares**;
(b) the number of **treasury shares** of each class transferred into or out of treasury;
(c) the total number of **treasury shares** of each class held by the **AIM company** following such movements;
(d) the number of shares of each class that the **AIM company** has in issue less the total number of **treasury shares** of each class held by the **AIM company** following such movements.
# Glossary

The following terms have the following meanings when used in these rules unless the context otherwise requires.

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>admission/admitted</td>
<td>Admission of any class of securities to AIM effected by a dealing notice under rule 6.</td>
</tr>
<tr>
<td>admission document</td>
<td>A document produced pursuant to rules 3 or 27.</td>
</tr>
<tr>
<td>AIM</td>
<td>A market operated by the Exchange.</td>
</tr>
<tr>
<td>AIM company</td>
<td>A company with a class of securities admitted to AIM.</td>
</tr>
<tr>
<td>AIM Designated Market</td>
<td>A market whose name appears on the latest publication by the Exchange of the document entitled “AIM Designated Markets”.</td>
</tr>
<tr>
<td>AIM fee</td>
<td>The fees charged by the Exchange to an AIM company in respect of admission and trading as set out in the price list published by the Exchange from time to time.</td>
</tr>
<tr>
<td>AIM Rule 15 cash shell</td>
<td>An AIM company that falls within the ‘Divestment or Cessation’ section of rule 15.</td>
</tr>
<tr>
<td>AIM Rules for Nominated Advisers</td>
<td>The AIM Rules for Nominated Advisers published by the Exchange from time to time.</td>
</tr>
<tr>
<td>AIM securities</td>
<td>Securities of an AIM company which have been admitted.</td>
</tr>
<tr>
<td>applicant</td>
<td>An issuer that is applying to have a class of its securities admitted to AIM and which is seeking to have a notification issued pursuant to rule 2. This includes quoted applicants save for rules 2 – 5 inclusive where separate provisions apply.</td>
</tr>
<tr>
<td>application form</td>
<td>The latest publication of the standard form which must be completed by an applicant or a quoted applicant under rule 5.</td>
</tr>
</tbody>
</table>
applicable employee: Any employee of an AIM company, its subsidiary or parent undertaking who:

(a) for the purposes of rule 7, together with that employee’s family, has a holding or interest, directly or indirectly, in 0.5% or more of a class of AIM securities (excluding treasury shares); or

(b) for the purposes of rule 21, other than a director, is a ‘person discharging managerial responsibilities’ as defined in Article 3(25) of MAR, is likely to be in possession of unpublished price sensitive information in relation to the AIM company because of his or her employment in the AIM company, its subsidiary or parent undertaking, irrespective of his or her holding or interest.

authorised person: A person who, under European Union directive or United Kingdom domestic legislation, is authorised to conduct investment business in the United Kingdom.

block admission: The admission of a specified number of AIM securities, which are to be issued on a regular basis pursuant to rule 29.

broker: A member firm which is appointed by an AIM company pursuant to rule 35.

business day: Any day upon which the Exchange is open for business and any reference to business days shall be to clear business days.

cancel/cancelled/cancellation: The cancellation of any class of securities to AIM effected by a dealing notice.

class tests: The tests set out in Schedule Three which are used to determine whether rules 12, 13, 14, 15 or 19 of these rules apply.

close period: (i) The period of two months preceding the publication of an AIM company’s annual accounts pursuant to rule 19 (or, if shorter, the period from its financial year end to the time of publication); and

— if it reports only half-yearly, the period of two months immediately preceding the notification of its half-yearly report or, if shorter, the period from the relevant financial period end up to and including the time of the notification; or

— if it reports on a quarterly basis, the period of one month immediately preceding the notification of its quarterly results or, if shorter, the period from the relevant financial period end up to and including the time of the notification;
(ii) any other period when the AIM company is in possession of unpublished price-sensitive information; or

(iii) any time it has become reasonably probable that such information will be required by these rules to be notified.

deal

(a) Any change whatsoever to the holding of AIM securities of an AIM company in which the holder is a director of the AIM company or part of a director’s family (and for the purpose of rule 21 an applicable employee) including:

(i) any sale or purchase, or any agreement for the sale or purchase of such securities;

(ii) the grant to, or acceptance by such a person of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;

(iii) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;

(iv) deals between directors and/or applicable employees of the AIM company;

(v) off-market deals;

(vi) transfers for no consideration; and

(vii) any shares taken into or out of treasury.

(b) The acquisition, disposal or discharge (whether in whole or in part) of a related financial product referenced to AIM securities of an AIM company in which the holder is a director or part of a director’s family (and for the purpose of rule 21 an applicable employee).

(c) However, for the purposes of rule 21, the following are not included:

(i) undertakings or elections to take up entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);

(ii) the take up of entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
(iii) allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);

(iv) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue; nor

(v) undertakings to accept, or the acceptance of, a takeover offer.

dealing notice A notification by the Exchange disseminated through RNS which either admits securities to AIM or cancels or suspends them from trading on AIM or restores them to trading on AIM.

director A person who acts as a director whether or not officially appointed to such position. (See also the definition of deal which includes the director’s family).

directors’ remuneration The following items for each director of the AIM company:

(a) emoluments and compensation, including any cash or non-cash benefits received;
(b) share options and other long term incentive plan details, including information on all outstanding options and/or awards; and
(c) value of any contributions paid by the AIM company to a pension scheme.

Disciplinary Procedures and Appeals Handbook The most recent publication by the Exchange of the document so entitled for AIM.

DTR The Disclosure Guidance and Transparency Rules published by the FCA from time to time.

DTR company An AIM company that is required to make disclosures in accordance with chapter 5 of the DTR. A non-DTR company is an AIM company that is not required to make disclosures in accordance with the chapter 5 of the DTR.

EEA country A European Economic Area (EEA) country. For illustrative purposes, at the date of the publication of these rules, the EEA comprises all European Union member states together with Norway, Iceland and Liechtenstein. For the purposes of these rules only, an EEA country shall also be deemed to include the Channel Islands and Isle of Man. A non-EEA country is any country that is not an EEA country.

electronic communication Any communications sent by e-mail or made available on an AIM company’s website pursuant to rule 26.

Euroclear Euroclear UK & Ireland Limited.
Exchange

The London Stock Exchange plc.

family

In relation to any person his or her spouse or civil partner and any child where such child is under the age of eighteen years.

It includes any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20% of its equity or voting rights (excluding treasury shares) in a general meeting. It excludes any employee share or pension scheme where such individuals are beneficiaries rather than trustees.

FCA

The UK Financial Conduct Authority.

financial instrument

Any financial instrument requiring disclosure in accordance with DTR 5.3.1 with the addition that, for the purposes of this definition, all AIM companies shall be treated as if they are DTR companies regardless of their country of incorporation.

FSMA 2000


holding

Any legal or beneficial interest, whether direct or indirect, in the AIM securities of a person who is a director or, where relevant, an applicable employee or significant shareholder.

It includes holdings by the family of such a person.

In addition, when determining whether a person is a significant shareholder, a holding also includes a position in a financial instrument.

International Accounting Standards


investing company

Any AIM company which has as its primary business or objective, the investing of its funds in securities, businesses or assets of any description.

investment manager

Any person external to the investing company, who, on behalf of that investing company, manages their investments. This may include an external adviser who provides material advice to the investment manager or the investing company.
investing policy

The policy the **investing company** will follow in relation to asset allocation and risk diversification.

The policy must be sufficiently precise and detailed to allow the assessment of it, and, if applicable, the significance of any proposed changes to the policy. It must contain as a minimum:

- assets or company in which it can invest;
- the means or strategy by which the investing policy will be achieved;
- whether such investments will be active or passive and, if applicable, the length of time that investments are likely to be held for;
- how widely it will spread its investments and its maximum exposure limits, if applicable;
- its policy in relation to gearing and cross-holdings, if applicable;
- details of investing restrictions, if applicable; and
- the nature of returns it will seek to deliver to shareholders and, if applicable, how long it can exist before making an investment and/or before having to return funds to shareholders.

listed

Admitted to the Official List of the United Kingdom by the Competent Authority for the United Kingdom.

**MAR**

The Market Abuse Regulation (EU) No 596/2014

member firm

A partnership, corporation, legal entity or sole practitioner admitted currently to Exchange membership.

nominated adviser

An adviser whose name appears on the register.

nominated adviser’s declaration

The latest form of declaration contained in the AIM Rules for Nominated Advisers.

Notes

Separate notes published by the Exchange from time to time which form part of these rules. At the date of these rules, these comprise the AIM Note for Investing Companies, and the AIM Note for Mining and Oil & Gas Companies.
not in public hands

AIM securities held, directly or indirectly (including via a related financial product) by:

(a) a related party;
(b) the trustees of any employee share scheme or pension fund established for the benefit of any directors/employees of the applicant/AIM company (or its subsidiaries);
(c) any person who under any agreement has a right to nominate a person to the board of directors of the applicant/AIM company;
(d) any person who is the subject of a lock-in agreement pursuant to rule 7 or otherwise; or
(e) the AIM company as treasury shares.

notify/notified/notification

The delivery of an announcement to a Regulatory Information Service for distribution to the public.

person

An individual, corporation, partnership, association, trust or other entity as the context admits or requires.

Prospectus

A prospectus prepared and published in accordance with the Prospectus Rules.

Prospectus Rules

The Prospectus Rules published by the FCA from time to time.

quoted applicant

An issuer which has had its securities traded upon an AIM Designated Market for at least 18 months prior to applying to have those securities admitted to AIM and which seeks to take advantage of that status in applying for the admission of its securities.

record date

The last date upon which investors must appear on the share register of the AIM company in order to receive a benefit from the company.

register

The latest publication of the register of nominated advisers held by the Exchange. The definitive register is kept by the Exchange.

Regulatory Information Service

A service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA's website, http://www.fca.org.uk/.

related financial product

Any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of AIM securities or securities being admitted, including a contract for difference or a fixed odds bet.
related party

(a) any person who is a director of an AIM company or of any company which is its subsidiary or parent undertaking, other subsidiary undertaking of its parent company;

(b) a substantial shareholder;

(c) an associate of (a) or (b) being;
   (i) the family of such a person;
   (ii) 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 as defined in regulation 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, 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).
   (iii) any company in whose equity shares such a person individually or taken together with his or her family (or if a director, individually or taken together with his family and any other director of that company) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) to the extent that they are or could be able:
      — to exercise or control the exercise of 30% or more of the votes (excluding treasury shares) able to be cast at general meetings on all, or substantially all, matters; or
      — to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters;
   (iv) any other company which is its subsidiary undertaking, parent undertaking or subsidiary undertaking of its parent undertaking;
   (v) any company whose directors are accustomed to act in accordance with (a)’s directions or instructions;
   (vi) any company in the capital of which (a), either alone or together with any other company within (iv) or (v) or both taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) interested in the manner described in (iii);
(d) for the purposes of rule 13, any **person** who was a **director** of an **AIM company** or any of its subsidiaries, sister or parent undertakings or a **substantial shareholder** within the twelve months preceding the date of the transaction.

**relevant changes** Changes to the **holding** of a **significant shareholder** above 3% (excluding **treasury shares**) which increase or decrease such **holding** through any single percentage.

**RNS** The **Regulatory Information Service** operated by the **Exchange**.

**shareholder** A holder of any legal or beneficial interest, whether direct or indirect, in an **AIM security**.

**significant shareholder** Any person with a **holding** of 3% or more in any class of **AIM security** (excluding **treasury shares**).

**substantial shareholder** Any **person** who holds any legal or beneficial interest directly or indirectly in 10% or more of any class of **AIM security** (excluding **treasury shares**) or 10% or more of the voting rights (excluding **treasury shares**) of an **AIM company** including for the purpose of rule 13 such **holding** in any subsidiary, sister or parent undertaking and excluding, for the purposes of rule 7: (i) any **authorised person**; (ii) any **investing company** whose **investing policy** is externally managed on a fully discretionary basis by an **investment manager** that is an **authorised person**; and (iii) any company with securities quoted upon the **Exchange’s** markets, unless the company is an **investing company** which has not substantially implemented its **investing policy**.

**treasury shares** Shares which meet the conditions set out in paragraphs (a) and (b) of subsection 724(5) of the Companies Act 2006.

**UK** United Kingdom.

**UKLA** The UK Listing Authority.

**unpublished price-sensitive information** Information which:

(a) relates to particular **AIM securities** or to a particular **AIM company** rather than securities or issuers in general;

(b) is specific or precise;

(c) has not been made public; and

(d) if it were made public would be likely to have a significant effect on the price or value of any **AIM security**.
warning notice

A private letter issued by the Exchange pursuant to the Disciplinary Procedures and Appeals Handbook to an AIM company or nominated adviser outlining a breach of these rules or of the AIM Rules for Nominated Advisers.
Part Two – Guidance Notes

Eligibility for AIM

An AIM company or applicant must be appropriate for AIM’s regulatory framework. An AIM company or applicant should usually be a similar structure to a UK plc, and where it is an investing company, must be a closed-ended fund and not require a restricted investor base. It should not be complex in terms of its structure and securities and should issue primarily ordinary shares (or equivalent).

Rule 1: Nominated adviser

Nominated advisers must be approved by the Exchange. A copy of the register of approved nominated advisers is available on the Exchange’s website, www.londonstockexchange.com/aim, however the definitive copy is kept by the Exchange.

An AIM company can only retain the services of one nominated adviser at any one time.

Where an AIM company needs to notify the loss of its nominated adviser it should first liaise with AIM Regulation so that where no replacement has been appointed the necessary suspension may be put in place to coincide with the notification.

Where a new nominated adviser is appointed a notification will be required under rule 17 and a new nominated adviser’s declaration should be submitted to the Exchange pursuant to the AIM Rules for Nominated Advisers.

Applicants for AIM

Rule 2: Pre-admission announcements

Announcements should be sent by e-mail in the standard format, available on the Exchange’s website, to aimregulation@lseg.com.

The Exchange will arrange for notification to RNS.

Announcements are disseminated publicly by RNS under the heading “AIM”.
Any issuer may use the usual form of admission process for AIM involving a pre-admission announcement and an AIM admission document at any time. However, a quoted applicant may take advantage of this expedited route where it meets the relevant requirements.

The website (notified in accordance with paragraph (j) of the Supplement to Schedule One) may also, to the extent permitted by law, contain other information which the issuer considers may be useful to investors.

**Rule 3: Admission document**
Where an admission document is also a Prospectus, the requirements of Schedule Two apply in addition to the requirements of the Prospectus Rules.

If at any time after an admission document is submitted and before the date of admission there arises or is noted any material new factor, mistake or inaccuracy relating to the information included in the admission document, a supplementary admission document must be published and submitted to the Exchange containing details of such new factor, mistake or inaccuracy in accordance with the relevant part(s) of Schedule Two. For the avoidance of doubt, if the admission document is a Prospectus, any supplementary document must comply with the Prospectus Rules.

A quoted applicant must make the additional disclosures in its pre-admission announcement, which is required by rule 2 and the Supplement to Schedule One.

Where a quoted applicant is also making an offer to the public, whether in the United Kingdom and/or other jurisdictions, it should satisfy itself that there are no legal or regulatory requirements outside these rules which compel it to produce any form of prospectus. Where there is a requirement for such a prospectus, this should be made available to the public under paragraph (o) of Schedule One as if it were an admission document.

**Rule 4: Omissions from admission documents**
Where an admission document is also a prospectus under the Prospectus Rules, application for a derogation from any requirements of the Prospectus Rules should be made to the UKLA. The Exchange itself may not authorise exemptions from any requirement under the Prospectus Rules. The UKLA can be contacted through their dedicated help desk on +44 (0)20 7066 8348.

**Rule 5: Application documents**
The application form and nominated adviser's declaration should be sent to Admissions, London Stock Exchange plc, 10 Paternoster Square, London EC4M 7LS by the nominated adviser. The electronic version of the admission document should be sent to admissions@lseg.com.

The nominated adviser should liaise with AIM Regulation to confirm that any admission conditions have been met.

Under rule 33 AIM securities must be unconditionally allotted. The Exchange may require proof of allotment for any securities which are being issued on admission. A copy of the applicant’s board minutes allocating such securities or confirmation from its nominated adviser will suffice in most cases.

Allotted includes provisionally allotted securities where such provisional allotments are unconditional. For example, nil paid rights must be allotted without condition (even if further action is required by the holders of provisional allotments to transform them into another class of securities such as fully paid shares).

Rule 6: Admission to AIM
Note also rules 32 and 33 (in respect of free transferability and allotment).

A dealing notice will be released through RNS under the heading “AIM”.

Special conditions for certain applicants

Rule 7: Lock-ins for new businesses
To minimise the risk of parties to lock-in arrangements subsequently being deemed to constitute concert parties under the City Code on Takeovers and Mergers, applicants or their advisers may wish to consult the Panel on Takeovers and Mergers, 10 Paternoster Square, London EC4M 7LS (telephone +44 (0)20 7382 9026) prior to drafting any lock-in agreement.

The Exchange will not require a substantial shareholder to be the subject of a lock-in under rule 7 where that shareholder became a substantial shareholder at the time of an AIM company’s admission and at a price which was more widely available, for example as part of an offer to the public.

Rule 8: Investing companies
The investing policy must be sufficiently precise and detailed so that it is clear, specific and definitive. The investing policy must be prominently stated in the admission document and any subsequent circular relating to the investing policy, for example pursuant to rules 8 or 14. The investing policy should be regularly notified and at a minimum should be stated in the investing company’s annual accounts.

The circular convening a meeting of shareholders for the purposes of obtaining consent for a change in investing policy should contain adequate information about the current and proposed investing policy and the reasons for and expected consequences of any proposed change. It should also contain the information required by paragraph 4.2 of the AIM Note for Investing Companies.
In making the assessment of what constitutes a material change to the published **investing policy**, consideration must be given to the cumulative effect of all the changes made since **shareholder** approval was last obtained for the **investing policy** or, if no such approval has been given, since the date of **admission**. Any material change to the specific points set out in the definition of **investing policy** is likely to constitute a material change requiring **shareholder** consent.

In making the assessment of whether or not an **investing company** has substantially implemented its **investing policy**, the **Exchange** would consider this to mean that the **investing company** has invested:

— a substantial portion (usually at least in excess of 50%) of all funds available to it, including funds available through agreed debt facilities;
— in a range of investments; and
— in accordance with its **investing policy**.

In relation to any requirement to obtain **shareholder** approval of the **investing policy** in these rules, if such **shareholder** approval is not obtained, the **AIM company** would usually be expected to propose amendments to its **investing policy** and seek **shareholder** approval for those amendments, as soon as possible. A resolving action such as the return of funds to **shareholders** should be considered if consent is again not obtained. The **nominated adviser** must keep the **Exchange** informed if such a situation occurs. For the avoidance of doubt, if **shareholder** approval for the change to **investing policy** is not obtained, the company’s existing **investing policy** will continue to be effective.

**Rule 9: Other conditions**

The **Exchange** can impose a delay of no more than ten **business days** under rule 9. At the end of this period, the **nominated adviser** must decide whether and if so, when, to proceed.

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**Principles of disclosure**

**Rule 10: Principles of disclosure**

Where it is proposed to announce at any meeting of **shareholders** information which might lead to substantial movement in the price of those securities, arrangements must be made for notification of that information so that the disclosure at the meeting is made no earlier than the time at which the information is notified.

A list of **Regulatory Information Service** providers can be found on the **Exchange’s** website, [www.londonstockexchange.com/aim](http://www.londonstockexchange.com/aim)
General disclosure of price sensitive information

Rule 11: General disclosure

(a) This rule promotes prompt and fair disclosure of price sensitive information to the market.

(b) Article 17 of MAR provides separate disclosure obligations for an AIM company. The competent authority for MAR in the UK is the FCA. All queries relating to the disclosure obligations pursuant to MAR should be directed to the competent authority. The Exchange will not opine on MAR compliance and any discussion it has about an AIM company’s disclosure obligations are in the context of these rules. Where the Exchange becomes aware of a possible breach of MAR, it will refer to the competent authority, whose remit is to investigate and enforce breaches of MAR. For the avoidance of doubt, compliance with MAR does not mean that an AIM company will have satisfied its obligations under these rules and vice versa.

(c) The requirements of rule 11 are in addition to any requirements regarding notification contained elsewhere in the rules.

(d) Information that would be likely to lead to a significant movement in the price of its AIM securities includes but is not limited to information which is of a kind which a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

(e) Unless disclosure is required under Article 17 of MAR, an AIM company may delay notifying information under this rule if it is an impending development or a matter in the course of negotiation provided such information is kept confidential. The AIM companies are expected to keep confidential impending developments, including non-binding agreements and matters in the course of negotiation and must ensure they have in place, in accordance with rule 31, effective procedures and controls designed to ensure the confidentiality of unpublished price sensitive information to minimise the risk of a leak.

In such circumstances, an AIM company is not able to delay notifying information about impending developments or matters in the course of negotiation and it may give such information in confidence to the following category of recipient:

(i) the AIM company’s advisers and advisers of any other persons involved or who may be involved in the development or matter in question;

(ii) persons with whom the AIM company is negotiating, or intends to negotiate, any commercial, financial or investment transaction (including prospective underwriters or places of its securities);

(iii) representatives of its employees or trades unions acting on their behalf; and

(iv) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority; and

(v) the AIM company’s lenders.

The AIM company must be satisfied that such recipients of information are bound by a duty of confidentiality and aware that they must not trade in its AIM securities before the relevant information has been notified.
However, if the **AIM company** has reason to believe that a breach of such confidence has occurred or is likely to occur and, in either case, the matter is such that knowledge of it would be likely to lead to substantial significant movement in the price of its **AIM securities**, it must without delay issue at least a warning **notification** to the effect that it expects shortly to release information regarding such matter.

Where such information has been made public the **AIM company** must **notify** that information without delay.

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**Disclosure of corporate transactions**

**Rules 12 and 13: Substantial and related party transactions**

Note the definition of a substantial transaction is different from that of a **related party** transaction.

A transaction under this rule includes non pre-emptive issues of securities.

**Rule 14: Reverse takeovers**

The **admission document** must be made available to the public under rule 26.

An **AIM company** is able to send an **admission document** (subject to any other applicable regulations, including the **Prospectus Rules** where it is a **Prospectus**) to **shareholders** in compliance with this rule if it is sent by **electronic communication** in compliance with the applicable guidance notes to rules 18 and 19, together with the notice of the **shareholder** meeting required by rule 14.

Following the announcement of a reverse takeover that has been agreed or is in contemplation, the relevant **AIM Securities** will be suspended by the **Exchange** until the **AIM company** has published an **admission document** in respect of the proposed enlarged entity unless the target is a **listed** company or another **AIM company**.

It should be noted that the **Exchange** expects the negotiations leading to a reverse takeover to be kept confidential, as allowed by the guidance to rule 11, until the point at which the **AIM company** can **notify** that a binding agreement that effects a reverse takeover has been entered into, which should, as far as is possible, be accompanied by the publication of the requisite **admission document**. If for any reason this is not possible, the **nominated adviser** should seek the advice of the **Exchange** at the earliest opportunity.

If the new entity wishes its securities to be **admitted**, it will need to issue a ten day announcement pursuant to rule 2. In addition, it will need to submit a further fee, an electronic version of its **admission document**, a **nominated adviser’s declaration** and a company **application form** at least three **business days** prior to **admission** pursuant to rule 5 and abide by all other requirements to which an **applicant** may be subject under these rules.
However, the new entity may make an application in advance of the general meeting so that its securities are admitted on the day after the general meeting which approves the reverse takeover.

**Rule 15: Fundamental changes of business**
The consent of shareholders for a disposal may not be required where it is as a result of insolvency proceedings. The Exchange should be consulted in advance in such circumstances.

The nominated adviser must inform the Exchange when an AIM company for which it acts becomes an AIM Rule 15 cash shell or there is a possibility that it has become an AIM Rule 15 cash shell. Where there is any question as to whether an AIM company has become an AIM Rule 15 cash shell or the point at which it becomes an AIM Rule 15 cash shell, the Exchange must be consulted as soon as possible.

Where an AIM Rule 15 cash shell does not intend or wish to undertake a reverse takeover in accordance with rule 15, it should seek to cancel its admission in accordance with rule 41 (in the case of a disposal requiring shareholder consent under this rule, this should most usually occur concurrently with the shareholder approval required for the disposal). In such circumstances, the AIM company, taking the advice of its nominated adviser, should consider whether funds should concurrently be returned to shareholders, seeking the approval of shareholders where appropriate or necessary.

Where, within six months, an AIM Rule 15 cash shell does not complete a reverse takeover as set out in rule 15, the Exchange will suspend trading in the AIM securities pursuant to rule 40.

**Rule 16: Aggregation of transactions**
The Exchange will only consider that an AIM company has ‘a principal involvement in any business activity or activities which did not previously form a part of the AIM company’s principal activities’ where collectively a class test for any twelve month period exceeds 100%. In cases of doubt the Exchange should be consulted.

**Disclosure of miscellaneous information**

**Rule 17: Miscellaneous information**

(a) Article 19 of MAR includes notification obligations for AIM companies and persons discharging managerial responsibilities. The DTR contains guidance on certain of those notification obligations. All queries relating to an AIM company’s disclosure obligations pursuant to MAR should be directed to the competent authority, in the UK the FCA.

(b) Significant shareholder disclosures for DTR companies: DTR companies are required to comply with the provisions of the DTR in respect of significant shareholder notifications. All queries relating to the shareholder notification requirements of the DTR should be directed to the FCA. In addition, DTR companies are required to comply with the significant shareholder disclosures contained in rule 17. However, compliance with the DTR in respect of AIM
securities will usually mean that a **DTR company** is complying with the **significant shareholder** disclosure obligations in rule 17, save that:

(i) notwithstanding the time limits for disclosure set out in the DTR, **DTR companies** are required under rule 17 to **notify** such information “without delay”; and

(ii) the information required to be released pursuant to rule 17 must be **notified**, rather than ‘made public’ in accordance with the **DTR**.

(c) An **AIM company** must inform the Exchange, via its nominated adviser, if the FCA takes any action under Chapter 1A.3.1 of the DTR (FCA’s ability to require publication of information).

(b)(d) **Significant shareholder disclosures for non-DTR companies**: All non-DTR companies are required to use all reasonable endeavours to comply with rule 17 notwithstanding that the local law applicable to some **AIM companies** does not contain provisions that are similar to the DTR. In that instance, such an **AIM company** is advised to include provisions in its constitution requiring **significant shareholders** to notify the relevant **AIM company** of any relevant changes to their shareholdings in similar terms to the DTR, noting the differences set out at (b)(i) and (ii) above. Such **AIM companies** are also advised to make appropriate disclosure of the fact that statutory disclosure of **significant shareholdings** is different and may not always ensure compliance with the requirements of rule 17.

(e)(g) Where an admission or cancellation of **AIM securities** is being **notified**, the reason need only be brief, e.g. “exercise of options”. Any changes in the number of shares in issue requires liaison with Admissions (telephone +44 (0)20 7797 4310) so that they can arrange for the appropriate **dealing notice** to be released.

(d)(f) Where an **AIM company** needs to **notify** the loss of its **nominated adviser** it should first liaise with AIM Regulation so that where no replacement **nominated adviser** has been appointed the necessary suspension pursuant to rule 1 may be put in place to coincide with the **notification**.

(g)(i) Where an **AIM company** changes its legal name it should send a copy of any change of name certificate to Admissions, London Stock Exchange plc, 10 Paternoster Square, London EC4M 7LS or by fax to +44 (0)20 7920 4607.

(h) **Information required to be submitted to the Exchange** should be emailed to **aimregulation@lse.com**.

(i) The **notification** in relation to the trading of **AIM company** securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

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**Half-yearly reports and accounts**

**Rule 18 and 19: Half-yearly reports and accounts**

Where the half-yearly report has been audited it must contain a statement to this effect.

In relation to rule 18, the financial period to which financial information has been disclosed in its **admission document** may be the financial period of the main trading subsidiary of the **AIM**
company, for example, where the AIM company is a holding company. The nominated adviser should contact AIM Regulation if there is any uncertainty as to the reporting timetable required by these rules.

The Exchange will suspend AIM companies which are late in publishing their half-yearly report or their annual accounts, pursuant to rule 40.

Where an AIM company wishes to change its accounting reference date its nominated adviser should contact AIM Regulation in advance to discuss the revised reporting timeframe.

An AIM company should prepare and notify a second half-yearly report in accordance with rule 18, if the effect of the change to the accounting reference date is to extend its accounting period to more than 15 months. This should be agreed in advance with AIM Regulation.

The Exchange would encourage all AIM companies to use International Accounting Standards both on admission and in the preparation of all post-admission financial information.

The choice of accounting standard should be consistently implemented and any change between those standards available to a particular AIM company should only be made with the prior approval of AIM Regulation.

In respect of each AIM company, the term ‘parent’ should be interpreted in accordance with applicable law. Any other queries over interpretation of these provisions should be addressed by the AIM company’s nominated adviser to AIM Regulation at the earliest opportunity.

Subject to its constitution and any legal requirements in its jurisdiction of incorporation, an AIM company is able to satisfy the requirement in rule 19 to send accounts to shareholders by sending such accounts by electronic communication to shareholders:

(a) in compliance with the requirements of the UK Companies Act 2006; or

(b) providing the following requirements have been satisfied:

(i) a decision to use electronic communication to shareholders has been approved by shareholders in a general meeting of the AIM company;

(ii) appropriate identification arrangements have been put in place so that shareholders are effectively informed; and

(iii) shareholders individually:

— have been contacted in writing to request their consent to receive accounts by means of electronic communication and if they do not object within 28 days, their consent can be considered to have been given;

— are able to request at any time in the future that accounts be communicated to them in writing; and
Publication of documents sent to shareholders

Rule 20: Documents sent to shareholders
Electronic copies of annual accounts and half-yearly reports that have been sent to shareholders are not required to be sent to the Exchange unless such documents are relevant for the purposes of rules 24 and 25. All other documents provided to shareholders must still be sent electronically to the Exchange, in accordance with rule 20.

Restrictions on dealings

Rule 21: Restrictions on dealings
Compliance with rule 21 does not mean that an AIM company will have satisfied its obligations under Article 19 of MAR.

In determining whether it is appropriate to give clearance under its dealing policy, the Exchange would expect an AIM company to consider its wider obligations under MAR.

The Exchange would expect an AIM company to appoint an individual of sufficient seniority to grant such clearance request. The procedures should also give consideration as to an alternate individual where such individual is not independent in relation to a clearance request.

The following dealings are not subject to rule 21:

— the circumstances set out in the definition of “deal” (c) (i) – (v); or
— undertakings by a director or applicable employee to participate in a fundraising of AIM securities of the AIM company where the close period arises solely due to this fundraising itself being the only unpublished price sensitive information and where the director and/or applicable employee's participation is on exactly the same terms as all other investors in that fundraising.

Note that any commitment under rule 21 must have been “binding” which means obligatory for all parties to the agreement at a price agreed or which could be objectively determined.

The “exceptional circumstances” in which the Exchange will grant permission for a director to sell AIM securities are limited to situations where severe personal hardship would otherwise result to a director or his immediate relatives such as the urgent need for a medical operation or to satisfy a court order where no other funds are reasonably available.
Where the nominated adviser to an AIM company feels that a proposed deal by a director of an AIM company should be exempted from the provisions of rule 21 it should contact AIM Regulation (telephone +44 (0)20 7797 4154) without delay to discuss.

Provision and disclosure of information

Rule 22
The AIM company must use all due skill and care to ensure that information provided to the Exchange pursuant to this rule is correct, complete and not misleading.

If it comes to the subsequent attention of the AIM company that information provided does not meet this requirement, the AIM company should advise the Exchange as soon as practicable.

All communications between the Exchange and an AIM company are confidential to the Exchange and its nominated adviser and should not be disclosed without the consent of the Exchange, save to appropriate advisers to the AIM company or as required by any other regulatory body or agency.

Corporate action timetables

Rules 24 and 25: Corporate action timetables
Except in the case of a dividend timetable notification, the reference to ‘in advance’ in rule 24 means that the Exchange should receive the proposed timetable by no later than 09:00 on the business day before the proposed notification.

A dividend timetable which follows the guidelines set by the “Dividend Procedure Timetable”, published on the Exchange’s website, www.londonstockexchange.com, need not be disclosed to the Exchange in advance, provided the notification of the dividend includes:

— the net amount;
— the record and payment dates; and
— the availability of any scrip or DRIP options.

A notification is not required for interest payments, however, the Exchange must receive notice of any payment no later than seven business days prior to the record date. This notice must include:

— the appropriate net or gross amount;
— the record and payment dates; and
— any conversion period details.
Where fixed payment details are available the **AIM company** may use one timetable to inform the **Exchange** of all future payments, providing any amendments are disclosed to the **Exchange** immediately.

The timetable for an open offer must ensure that valid claims through the market can be promptly satisfied and must comply with the following:

— the open offer must remain open for acceptance for at least ten **business days**. For the purposes of calculating the period of ten **business days**, the first **business day** is the date on which the offer is first open for acceptance. The ten **business days** must exclude the ‘ex’ date; and

— where possible, the open offer **record date** should be the **business day** before the expected ‘ex’ date. A **record date** preceding the ‘ex’ date by more than three **business days** will only be approved in exceptional circumstances.

The **Exchange** may request amendments to a timetable as and when considered necessary. The **Exchange** will liaise with the **AIM Company** and its advisers as appropriate. A timetable which has not been cleared in advance with the Stock Situations Analysis team of the **Exchange** but which has been **notified**, may be subject to change if required by the **Exchange**. If this situation occurs a further correcting **notification** must be made.

**Rule 26:**

The information required by this rule should be kept up-to-date and the last date on which it was updated should be included. The information should be easily accessible from one part of the website and a statement should be included that the information is being disclosed for the purposes of rule 26. Any redirection of a user to other areas of a website or to a document included on the website should be to a specific location for that information. Users should not have to enter search criteria in order to locate information.

The website where this information is available should be the company’s website, although it is acknowledged that such a site may be hosted by a third party provider.

The requirement to disclose restrictions on the transfer of shares relates to the disclosure of jurisdictional exemptions or restrictions that an **AIM company** is seeking to make use of and that may operate by virtue of non-UK securities laws, such as the US Securities Act 1933 or similar (noting, however, the requirements of rule 32).

An **AIM company** should take appropriate legal advice on how to make available any prospectus, **admission document**, circular or similar **shareholder** publication in compliance with this rule so as not to infringe any securities laws that may apply to it.

The disclosure of information in relation to the trading of **AIM company** securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

“**main country of operation**” should be interpreted as the geographical location from which the **AIM company** derives (or intends to derive) the largest proportion of its revenues or where the largest proportion of its assets are (or will be) located, as is most appropriate depending on the business of the company.

Pursuant to the Finance Bill 2014, which will become on Royal Assent, the Finance Act 2014, stamp duty and the stamp duty reserve tax are not chargeable on transactions in securities admitted to trading on **AIM** provided that they are not also listed on a Recognised Stock...
Exchange (as defined in section 1005(3)-(5) Income Tax Act 2007). If the AIM company lists on a Recognised Stock Exchange or ceases to be listed on such an exchange, the Exchange would remind the AIM company that, in addition to updating its website, Euroclear requires the AIM company to inform it of these changes without delay as they are likely to impact its stamp duty reserve tax status. Euroclear can be contacted in relation to this at: growthmarketstampexemption@euroclear.com.

Further issues of securities following admission

Rule 28: Omissions from admission documents
Where the further admission document is also a Prospectus, application for omission of information should be made to the UKLA. The Exchange itself may not authorise exemptions from any requirement under the Prospectus Rules.

Where the further admission document is not a Prospectus, the information required under section 20 of Annex I may be omitted from the further admission document at the nominated adviser’s discretion (in addition to the information listed in Schedule Two, paragraph (b)). The information covered by section 20 of Annex I (Financial Information) will already be available to the market in the event of further admission if the AIM Company has complied with these rules and therefore there is no need to duplicate that information in the further admission document.

Rule 29: Applications for further issues
Under rule 33 AIM securities must be unconditionally allotted. Accordingly, the Exchange is likely to require proof of allotment for any securities which are being issued on AIM. A copy of the AIM company’s board minutes allocating such securities or confirmation from its nominated adviser will suffice in most cases.

Allotted includes provisionally allotted securities where such provisional allotments are unconditional. For example, nil paid rights must be allotted without condition (even if further action is required by the holders of provisional allotments to transform them into another class of securities such as fully paid shares).

A dealing notice will be released via RNS under the heading “AIM”.

Applications for block admissions should be indicated as such in the “Nature of Admission” section of the application form.

A block admission cannot be used where the securities to be issued under the block admission exceed more than 20% of the existing class of an AIM security. Additionally, block admissions can only be used in the following circumstances:

— employee share schemes;
— personal equity plans;
— dividend reinvestment plans;
— ordinary shares arising from the exercise of warrants; and
— ordinary shares arising from a class of convertible securities.

Where an AIM company wishes to use a block admission in circumstances outside of these it should contact AIM Regulation to discuss.

It is the responsibility of the AIM company to ascertain whether a Prospectus is required under any block admission and the issue of securities pursuant to a block admission.

**Rule 30: Language**

Where the original documents or information is not in English, an English translation may be provided.

**Rule 31: Directors responsibility for compliance**

Notwithstanding the provisions set out in this rule, each nominated adviser should include in its engagement letter or nominated adviser agreement with each AIM company for which it acts details of what it requires from such company.

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**Ongoing eligibility requirements**

**Rule 32: Transferability of shares**

Where an AIM company wishes to rely on the exceptions stated in rule 32, its nominated adviser should apply to AIM Regulation for a confirmation of the acceptance of this.

**Rule 33: Securities to be admitted**

Any change in the number of AIM securities in issue requires liaison with Admissions (telephone +44 (0)20 7797 1473).

If an AIM company is preparing dividend timetables, undertaking any corporate actions or issuing new shares where there are settlement implications, its nominated adviser should contact Stock Situation Analysis (telephone +44 (0)20 7797 1579) for prior discussion of the timetable.

Confirmation of allotment must be received no later than 16:30 on the business day prior to the intended date of admission unless otherwise agreed by the Exchange.

**Rule 35: Retention of a broker**

The broker will, for all AIM companies for which it acts, use its best endeavours to find matching business if there is no registered market maker.

Any member firm of the Exchange may act as a broker subject to any requisite authorisation by any other regulator.
A list of current **member firms** is available on the **Exchange’s** website, www.londonstockexchange.com

There is also a separate list of **brokers** who have already been appointed by **AIM companies** on the **Exchange’s** website.

**Rule 36: Settlement**

*Deleted pursuant to AIM Notice 41*

For **UK** registered companies a simplified procedure exists for rendering their securities eligible for such settlement under the Uncertificated Securities Regulations 2001 (SI/3755) as amended.

Within the **UK**, issuers may wish to contact **Euroclear** at 33 Cannon Street, London EC4M 5SB (telephone +44 (0)20 7849 0000).

**Rule 37: General**

Details of fee scales for **AIM companies** and **nominated advisers** are published separately and are available from the **Exchange’s** website.

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**Maintenance of orderly markets**

**Rule 40: Suspension**

The general principle applied by the **Exchange** when considering requests for a suspension of trading in **AIM securities** is that interruptions to trading should be kept to a minimum.

An **AIM company** should request a suspension in circumstances where it is required under these rules to make a notification but is unable to comply with its obligations under rule 10 (having used all reasonable endeavours to do so). Any such suspension is at the discretion of the **Exchange**. The **Exchange** will not suspend the trading in **AIM securities** if it is not satisfied that the circumstances justify suspension.

Should the **Exchange** effect the request for suspension, the **AIM company** must make a **notification** stating the reason for suspension to the fullest extent possible.

An **AIM company**, while suspended, must continue to comply with these rules.

The **Exchange** may impose conditions on the lifting of suspension as it considers appropriate. Once the circumstances leading to the suspension have been resolved or clarified sufficiently for the **AIM company** to make a **notification** that informs the market about relevant matters, such a **notification** should be made without delay. Restorations are effected by a **dealing notice**.

**Rule 41: Cancellation**

An **AIM company** should state the reason for **cancellation** in its **notification**.
The Exchange should be informed of the intended cancellation by email from the nominated adviser to aimregulation@lseg.com.

The period of twenty business days is a minimum. Where earlier communication is sent to shareholders convening such a meeting, an AIM company must notify that such meeting has been convened without delay. The notification should set out the preferred date of cancellation, the reasons for seeking the cancellation, a description of how shareholders will be able to effect transactions in the AIM securities once they have been cancelled and any other matter relevant to shareholders reaching an informed decision upon the issue of the cancellation.

For the avoidance of doubt, the threshold of 75% set out in this rule refers to the percentage of votes cast (rather than 75% of the class) in respect of each class of AIM security. Consent may be granted through shareholders voting in person or by proxy at a general meeting.

Circumstances where the Exchange might otherwise agree that shareholder consent in general meeting is not required would be where:

(a) comparable dealing facilities such as upon the AIM securities are already or will be admitted to trading on an EU regulated market or an AIM Designated Market are or will be put in place to enable shareholders to trade their AIM securities in the future; or

(b) pursuant to a takeover which has become wholly unconditional, an offeror has received valid acceptances in excess of 75% of each class of AIM securities; or

(c) pursuant to a takeover effected by a UK scheme of arrangement that has been approved by shareholders at a general meeting and subsequently sanctioned by the courts.

Cancellation will not take effect until at least five business days have passed since shareholder approval has been obtained and a dealing notice has been issued.

Sanctions and appeals

Rules 44 and 45: Disciplinary process and appeals


Schedule One

(e) “main country of operation” should be interpreted as the geographical location from which the AIM company derives (or intends to derive) the largest proportion of its revenues or where the largest proportion of its assets are (or will be) located, as is most appropriate depending on the business of the company.
(f) The requirement to disclose restrictions on the transfer of shares relates to the disclosure of jurisdictional exemptions or restrictions that an AIM company is seeking to make use of and that may operate by virtue of non-UK securities laws such as the US Securities Act 1933 or similar (noting, however, the requirements of rule 32).

(h) The disclosure of information in relation to the trading of AIM company securities on any other exchange or trading platform should include details which exchange or platform (including details of any segment, tier or similar) and which securities this relates to.

(l) Where there is any uncertainty as to the reporting timetable that would be required, the nominated adviser should consult AIM Regulation in advance in accordance with the guidance to rules 18 and 19.

(k) Where the expected admission date is uncertain, an applicant should notify a broader timeframe (for example ‘early August’).

Supplement to Schedule One

(c) A disclosure as to any breach should only be made after prior consultation with AIM Regulation.

(d) Such documents or announcements must be made available following admission at the website required pursuant to rule 26.

(f) This should include any significant change to indebtedness.

(k) In ascertaining whether disclosures are required pursuant to this paragraph, the requirements of Schedule Two should be fully considered. Information made public is that which is made available at an address in the UK or at a website address accessible to users in the UK.

(l) A reconciliation to an applicable accounting standard under rule 19 may be presented where the accounts are not prepared under those standards although the requirements of rule 19 will apply on an ongoing basis.

Schedule Two

(a) If upon admission, a Prospectus is required (or voluntarily produced) in accordance with the Prospectus Rules, such Prospectus shall serve as the admission document provided it also includes the information required under Schedule Two, paragraphs (c) – (k). The Exchange itself may not authorise exemptions from any requirement under the Prospectus Rules and therefore Schedule Two, paragraph (b) does not apply to Prospectuses.
The persons responsible for the information provided in the admission document are the same persons that would be responsible for the information contained in a Prospectus pursuant to the Prospectus Rules.

The requirements of section 20 of Annex I may be satisfied (other than for a Prospectus) by the inclusion of an accountants' report in the admission document on the reported historical financial information.

Financial information provided in accordance with these rules must be presented with respect to the applicant and all its subsidiaries and should be in consolidated form when possible.

(b)(i) The information listed in this paragraph need only be included in an admission document to the extent it is required by these rules (in particular Schedule Two, paragraph (k)).

An applicant must give regard to the part of section 20.1 of Annex I that states that the last two years audited historical financial information included in the admission document must be prepared in a form consistent to that which will be adopted in the applicant's next published annual accounts, bearing in mind the ongoing requirements of rule 19.

(d)(iii) Where a nominated adviser gives the confirmation under this rule the Exchange would expect it to be founded upon an appropriate basis such as an accountants' report.

(g) Whilst directors are usually only required to disclose directorships held over the last five years, the requirements contained in (g)(iv)-(vii) which relate to bankruptcies, receiverships and liquidations are not limited to the last five years.

(k) When considering the information to be included pursuant to this paragraph consideration should be given to the relevance of any information specified in Schedule Two, paragraph (b).

Schedule Three

Further amounts, which may be included as part of consideration, includes for instance where the purchaser agrees to discharge any liabilities, such as the repayment of inter-company or third party debt.