



MALTA STOCK EXCHANGE plc

Prospects MTF Rules

CONTENTS

CHAPTER 1	INTERPRETATION
	1.00.0 Powers of the Board of Directors
	1.01.0 Interpretation
CHAPTER 2	GENERAL
	2.00.00 Prospects MTF
	2.01.00 General Provisions
	2.02.00 Prospects MTF Admissions Committee
	2.03.00 Discipline and Sanctions
	2.04.00 Prospects MTF Fees
	2.05.00 Continuing application of Rules
	2.06.00 Risk Factors and Disclaimers
	2.07.00 Advertisements
	<i>Appendix 2.1 Deleted</i>
CHAPTER 3	ADMISSIONS/COMPLIANCE/CORPORATE ADVISORS
	3.00.00 Scope
	3.01.00 Admissions/Compliance/Corporate Advisors
	3.02.00 Continuing Obligations of an Admissions/Compliance/ Corporate Advisor
	<i>Appendix 3.1 Formal Application for Admission of an Admissions/ Compliance / Corporate Advisor</i>
	<i>Appendix 3.1.1 Prospects MTF Advisor Competency Assessment Information</i>
	<i>Appendix 3.2 Request by Company for Termination of Engagement with a Compliance / Corporate Advisor</i>
	<i>Appendix 3.3 Compliance / Corporate Advisor request for Termination of Engagement with Prospects MTF Company</i>
CHAPTER 4	COMPANIES
	4.00.00 General
	4.01.00 Admission & Continuing Eligibility Requirements
	4.02.00 Lock-in of Substantial Shareholders
	4.03.00 Dealing Restrictions
	4.04.00 Admission Material
	4.05.00 Supplements

4.06.00	Securities
4.07.00	Admission Timeframe for securities to Prospects MTF
4.08.00	Confirmation of Admission
4.09.00	Company's Relationship with Compliance / Corporate Advisor
4.10.00	Expert Advisors
4.11.00	Continuing Obligations of a Prospects MTF Company
4.12.00	Voluntary Suspension or Termination
4.13.00	Property Companies

<i>Appendix 4.1</i>	<i>Summary of Documentation for Admission</i>
<i>Appendix 4.2</i>	<i>Formal Application for Admission of Financial Instruments to Prospects MTF</i>
<i>Appendix 4.3</i>	<i>Voluntary Suspension or Termination of Admission by a Prospects MTF Company / Voluntary Suspension or Resignation of an Approved Admissions/Compliance/Corporate Advisor</i>
<i>Appendix 4.4</i>	<i>Prospectus</i>
<i>Appendix 4.5</i>	<i>Company Admission Document Requirements</i>
<i>Appendix 4.5.1</i>	<i>Prospects MTF Company Admission Document Template for Securities to be Admitted to Prospects MTF</i>
<i>Appendix 4.6</i>	<i>Accountant's Report Template</i>
<i>Appendix 4.7</i>	<i>Financial Sustainability Forecasts</i>
<i>Appendix 4.8</i>	<i>Guidance Notes on Financial Information requirements in Table 1</i>
<i>Appendix 4.9</i>	<i>Declaration by Admissions/Compliance/Corporate Advisor regarding Suitability of Company for Admission to Prospects MTF</i>
<i>Appendix 4.10</i>	<i>Admission of Companies already Admitted on Equivalent Markets</i>
<i>Appendix 4.11</i>	<i>Declaration by Company about its Suitability for Admission</i>
<i>Appendix 4.12</i>	<i>Lock-in Arrangements</i>
<i>Appendix 4.13</i>	<i>Exemption from Restricted Dealings</i>
<i>Appendix 4.14</i>	<i>Company Admission Checklist</i>
<i>Appendix 4.15</i>	<i>Continuing Obligations for Prospects MTF Companies - Key Formal Notices</i>
<i>Appendix 4.16</i>	<i>Inside Information</i>
<i>Appendix 4.17</i>	<i>Standard Undertakings for an Admissions/Compliance/Corporate Advisor Agreement</i>
<i>Appendix 4.18</i>	<i>Application Form to Subscribe for or Purchase Securities</i>
<i>Appendix 4.19</i>	<i>Deleted</i>

Appendix 4.20	<i>Prospects MTF Companies Application Documents</i>
Appendix 4.21	<i>Declaration by Admissions/ Compliance/ Corporate Advisor regarding Due Diligence in Respect of Company for Admission to Prospects MTF</i>
Appendix 4.22	<i>Deleted</i>
Appendix 4.23	<i>Formal Notice of Admission</i>
Appendix 4.24	<i>Guidelines on Financial Metrics</i>

CHAPTER 5	OBLIGATIONS OF SECURITIES HOLDERS IN EQUITY SECURITIES
5.00.00	Disclosure Obligations in respect of significant Holdings
CHAPTER 6	CIRCULARS
6.00.00	Circulars
CHAPTER 7	TAKEOVERS
7.00.00	Introduction
7.01.00	Definitions
7.02.00	Responsibility of the Exchange
7.03.00	Mandatory Bid

CHAPTER 1

INTERPRETATION

1.00.00 Powers of the Board of Directors

Power to make Rules

1.00.01 The Board of Directors (the Board) of the Malta Stock Exchange (the Exchange), in exercise of the powers conferred on it by the Financial Markets Act (Cap. 345 of the Laws of Malta) makes the following Rules.

1.01.00 Interpretation

Definitions

1.01.01 Words importing the singular number shall include the plural and vice versa where the context so permits. Words importing the masculine gender shall include the feminine and neuter genders.

1.01.02 The following terms used in these Rules have the meanings as defined below.

Term	Definition
Accountant	<p>In the case of an Issuer registered in Malta, an individual who holds a warrant to practise the profession of accountant issued under the Accountancy Profession Act (Cap. 281 of the Laws of Malta) or an accountancy firm as defined by the said Act.</p> <p>Where the Issuer is registered or incorporated in any State other than Malta, a person in possession of an equivalent authorisation to act as an accountant or to practise as an accountancy firm.</p>
Admission	<p>In the case of a company, admission to listing and/or trading on the Regulated Market or admission to the Prospects MTF market operated by the Exchange.</p> <p>In the case of an Admissions/Compliance/ Corporate Advisor on the Prospects MTF market, the accreditation with the MSE of such advisor to act as a Admissions/Compliance/ Corporate Advisor to an Applicant or a Prospects MTF Company.</p>
Admissions Advisor	The person appointed by the applicant to assess the appropriateness of the applicant for admission to Prospects MTF and to assist the applicant solely in relation to the Prospects MTF application and the admission process .
Admission Documents	Admission Documents in respect of a Prospects MTF Company defined in Appendix 4.1.
Advisor	The word 'Advisor' when used on its own refers to the collective usage of 'Admissions', 'Compliance' and 'Corporate' advisors.
Advertisement	Announcements directly or indirectly relating to a specific offer to the public, or part thereof, of securities or to an admission to trading on a regulated market and/or multilateral trading facility and aiming to specifically promote the potential subscription or acquisition of securities.

Term	Definition
Applicant	<p>In the case of an Issuer of securities, a legal person seeking Admission on Prospects MTF in line with these Rules.</p> <p>In the case of an Admissions/Compliance/Corporate Advisor, an advisor or a legal person seeking Admission on Prospects MTF under these Rules.</p>
Auditor	<p>In the case of an Issuer registered in Malta, a person holding a practising certificate to practise in the field of auditing or an audit firm as defined by the Accountancy Profession Act and having experience in auditing listed and /or regulated entities.</p> <p>Where the Issuer is registered or incorporated in any State other than Malta, a person in possession of an equivalent authorisation to practise as an auditor or as an audit firm and having experience in auditing listed and /or regulated entities.</p> <p>Regulated entity in this context means an entity which is licensed and regulated by the Malta Financial Services Authority, or any other equivalent financial services Competent Authority in a Recognised Jurisdiction.</p>
Audit Committee	For the Exchange, the Committee set up by the Board under the Chairmanship of a designated member of the Board and in the case of a Prospects MTF Company under these Rules.
Board of Directors/Board	The Board of Directors of the Exchange.
Business day	Any day which is not a Saturday, Sunday or a Public Holiday.
Capital Markets Rules	The rules issued by the Competent Authority under Part III of the Act as may be amended from time to time.
Chairman	The Chairman of the Exchange.
Chief Executive Officer	Chief Executive Officer of the Exchange.
Client Agreement Letter	The initial appointment by a client of a Member to deal in any security admitted to any of the Recognised Lists of the Exchange or Prospects MTF.
Companies Act	Companies Act 1995, Cap. 386 of the Laws of Malta.
Compliance & Market Operations Office	The Office within the Exchange responsible for market monitoring and regulatory reporting.
Compliance Advisor	The person appointed by the applicant after the pre-assessment stage, who accompanies the Admissions Advisor during the application process stage. The Compliance Advisor must be aware of all matters contained in the Company Admission Document and post-admission will be responsible for all matters relating to continuing obligations with respect the Prospects MTF Rules.
Compliance officer	The person employed by the applicant company or Prospects MTF issuer, whose role within the company is to ensure that the entity complies with all laws under which it operates and who works closely with the company's Advisors in all matters relating to compliance with the Prospects MTF Rules.

Term	Definition
Connected Person	<p>In relation to a Prospects MTF Company, its Admissions/Compliance/Corporate Advisor, directors or equivalent of such Company or Advisor, or a Substantial Shareholder of such Company or Advisor, (hereinafter each one of the foregoing also referred to as a "Subject Person"), as particular circumstances may require, any person who is:</p> <ul style="list-style-type: none"> a) a partner, director, shadow director, employee or controller of the Company or of an undertaking described in (d) below; b) the dependants, including, without limitation, the spouse, partner or child (including a step-child) of any individual described in (a) above; c) a person in his capacity as trustee of a private trust (other than a pension scheme and an employees' share scheme) the beneficiaries of which include any person described in (a) or (b) above; d) an undertaking which is a Related Company; e) any person or other legal entity or arrangement, directly or indirectly controlled by or acting in concert with an Admissions/Compliance/Corporate Advisor or Substantial Shareholder or the parties referred above; or f) any person or other legal entity arrangement referred to in (a) to (e) above of a Subject Person in relation to another Subject Person.
Contact Persons	The individuals employed or outsourced by a Prospects MTF Admissions/Compliance/Corporate Advisor designated to specific client Prospects MTF Companies, who are suitably qualified, with relevant financial advisory capabilities and are registered as fit and proper persons, to undertake Admissions/Compliance/Corporate Advisor activities.
Continuing Obligations	<p>In the case of Issuers listed on the Regulated Market, the obligations ensuing from the Capital Markets Rules and these Rules; or</p> <p>in the case of companies admitted on Prospects MTF, the obligations ensuing from these Rules.</p>
Corporate Advisor	Any person admitted to the Prospects MTF marketplace to provide corporate advisory services under these Rules. The Corporate Advisor has the responsibility of guiding the issuer during the admission process and verifying the continued eligibility of the issuer post admission by ensuring that all the continuing obligatory requirements for the Admission to Prospects MTF are adhered to at all times. In this context, the role of Corporate Advisor encompasses the roles of the Admissions Advisor and the Compliance Advisor.
Directive 2004/39/EC	Council Directive 2004/39/EC of the 21 April 2004 on Markets in Financial Instruments as amended from time to time including any implementing measures that may be issued thereunder.
Directors	Includes any person occupying the position of director of a company by whatever name he may be called carrying out substantially the same functions in relation to the direction of the company as those carried out by a director and in relation to an Issuer which is not a body corporate, a person with corresponding powers and duties.
Equity Securities	In the case of a Prospects MTF Company, shares and other transferable securities equivalent to shares in companies, as well as any other type of transferable securities giving the right to acquire any of the aforementioned securities as a consequence of their being converted or the rights conferred by them being exercised, provided that securities of the latter type are issued by the Prospects MTF Company of the underlying shares or by an entity belonging to the group of the said Prospects MTF Company.

Term	Definition
Exchange/MSE	Malta Stock Exchange p.l.c., a public limited liability company registered under the Laws of Malta, having its registered office at Garrison Chapel, Castille Place, Valletta, VLT1063, Malta and bearing company registration number C 42525;
Executive Committee	The Committee established by the Board under the Chairmanship of the Chief Executive Officer.
Expert	Any person whose profession gives authority to a statement made by him
Financial Markets Act/FMA/The Act	The Financial Markets Act (Cap. 345 of the Laws of Malta).
Float, Floated, Flotation or Floating	The process of seeking admission to the market either simultaneously with, or in the context of, an issue, offer for sale or placement of securities of an issuer listed on the Regulated Market or a Company admitted on , Prospects MTF or introducing a class of securities of such an Issuer or Company to these markets.
GAAP	Generally Accepted Accounting Principles .
IFRS	International Financial Reporting Standards.
Inside Information	Information as defined in Article 7(1) of Regulation (EU) No 596/2014 on market abuse.
Introduction	Admission of a Prospects MTF Company in respect of its securities as they are held by existing investors.
Investing Company	Any Prospects MTF Company which, while not qualifying as a collective investment scheme, has as its primary business or objective, the investment of its funds in securities, businesses or assets as described in the Admission Document or subsequent announcements.
IPO	Initial Public Offering.
ISIN Code	International Securities Identification Code.
Issuer	Any company or other legal person or an undertaking including a Public Sector Issuer and a Prospects MTF Company, any class of whose financial instruments have been authorised as admissible to listing or admitted to Prospects MTF, and is the subject of an application for admissibility.

Term	Definition
Key Information	<p>Essential and appropriate structured information which is to be provided to investors with a view to enabling them to understand the nature and the risks of a Prospects MTF Company, guarantor and the securities that are being offered to them or admitted to the Prospects MTF market and to decide which offers of securities to consider further, but carrying a warning that any decision by the investor to invest in the securities should be based on consideration of the Prospectus or Company Admission Memorandum as a whole. In light of the offer and securities concerned, the key information shall include the following elements:</p> <ul style="list-style-type: none"> (a) a short description of the risks associated with and essential characteristics of the Issuer and any guarantor, including the assets, liabilities and financial position; (b) a short description of the risk associated with and essential characteristics of the investment in the relevant security, including any rights attaching to the securities; (c) general terms of the offer, including estimated expenses charged to the investors by the Issuer; (d) details of the admission to trading; (e) reasons for the offer and use of proceeds; (f) summary details of the financial sustainability of the Prospects MTF Company; and (g) a summary of the factors that may influence the price sensitivity of the Prospects MTF Company.
Listed company	A quoted company as defined by the Act.
Listed financial instrument	A quoted financial instrument as defined in the Act.
Listing Particulars or Equivalent Offering Document	Listing particulars, prospectuses, supplementary listing particulars or any other document issued in connection with any offering to the public for subscription to any financial instruments.
Malta Financial Services Authority / MFSA / Competent Authority	The Competent Authority as defined under the Financial Markets Act.
MAR	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
Member	Any person admitted to Membership of the Exchange to access the trading infrastructure in terms of Chapter 3 of the Bye-laws of the Exchange
Multilateral Trading Facility ("MTF")	A multilateral system as defined in the Act.
Officer of the Exchange	A Director, Chief Executive, Senior Executive, Company Secretary or any other person forming part of the governing body of the Exchange charged with the representation of the Exchange, or any other employee of the Exchange.

Term	Definition
Property Company	<p>A Company whose principal activity is (and includes a closed-ended scheme investing or intending to invest twenty percent (20%) or more of its gross assets in Property).</p> <p>(i) the holding of Properties, both directly and indirectly and development of Properties for letting and retention as an investment; or</p> <p>(ii) the purchase or development of Properties for subsequent sale; or</p> <p>(iii) the purchase or development of Properties for retention as investments; or</p> <p>(iv) all or any of the above.</p>
Prospects MTF	The market regulated as a Multilateral Trading Facility ("MTF") operated by the MSE providing a venue for start-up and growth small to medium-sized enterprises to Float their capital (including equity or debt) on the market.
Prospects MTF Admissions Committee	The Committee set up by the Exchange under these Rules
Prospects MTF Company	An SME company admitted on Prospects MTF that itself or through an SME Related Company undertakes an independent business or in the case of start-ups can demonstrate a business plan to launch, re-launch or actually engage in, an independent business within the first twelve (12) consecutive calendar months from Admission.
Prospects MTF Company Board of Directors	The Board of Directors of a Prospects MTF Company.
Prospects MTF NOTICE	A Notice issued in terms of these Rules.
Prospects MTF Restricted Person	Any person, including an Applicant or Prospects MTF Company, their Directors, employees and/or their Connected Persons in possession of Inside Information as defined under the Prevention of Financial Markets Abuse Act (Cap. 476 of the Laws of Malta).
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the Prospectus to be published when securities are offered to the public or Admitted to Trading and amending Directive 2001/34/EC.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended from time to time, and includes any implementing measures, implementing technical standards, regulatory technical standards and similar measures that have been, or may be issued thereunder.
Recognised Jurisdiction	Any state that is a member state of the EEA or any other state, country or territory that may be formally declared by directive of the MFSA and any other jurisdiction acceptable to the Exchange.
Recognised List	Any list prepared and published by any Regulated Market or Multilateral Trading Facility ("MTF") operated by the Exchange.
Regulated Market	The regulated market operated by the MSE under the Act.

Term	Definition
Related Company	Any body corporate which is a company's subsidiary, associated or holding company, or is the manager of or managed by or is advisor to or is advised by or otherwise controls or is controlled by the company, its holding company or a subsidiary or associate of that company.
Related Party or Parties	Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions.
Risk Management Committee	The Committee set up by the Board under the Chairmanship of a designated member of the Board.
Securities	As defined in the Investment Services Act (Cap. 370 of the Laws of Malta)
Small to Medium-sized Enterprises (SME)	An enterprise as defined in section 2 (1) of the Companies Act, Chapter 386 of the Laws of Malta.
Substantial Shareholder	<p>In the case of an Issuer admitted to listing on the Regulated Market, Substantial Shareholder as defined under the Capital Markets Rules.</p> <p>In the case of a Prospects MTF company, any one or more persons, viewed singularly or collectively, and who may be in a position directly or indirectly, or may be entitled to exercise or control the exercise of ten percent (10%) or more of the votes able to be cast at general meetings of a Prospects MTF Company or is in a position to control the composition of a majority of the Board of Directors of a Prospects MTF Company. The ten percent (10%) limit shall be measured so as to include:</p> <ul style="list-style-type: none"> • control by a Substantial Shareholder and any Connected Persons; • taking into account any derivatives of the same securities that the Substantial Shareholder and any Connected Persons may hold; and • the voting rights initially attaching to any of the above mentioned same securities voting or derivatives, irrespective of any suspension of the voting rights attaching to other disenfranchisements provisions applying.
Tap Issue	A plan which would permit the issuance of non-equity securities, including warrants in any form, having a similar type and/or class, in a continuous or repeated manner during a specified issuing period.

CHAPTER 2

GENERAL

2.00.00 Prospects MTF

Multilateral Trading Facility

- 2.00.01 Prospects MTF is a market regulated as a multilateral trading facility under the Act. It is operated by the Exchange and provides a venue for Small to Medium-sized Enterprises (SMEs) to float their securities.

Rules

- 2.00.02 The Prospects MTF Rules, hereinafter the “Rules”, contain the Rules in respect of Prospects MTF, Prospects MTF Applicants, Prospects MTF Companies and their Advisors. These Rules include Appendices which form an integral part thereof.

- 2.00.03 The Bye-laws of the Exchange equally apply to Prospects MTF insofar as relating to Membership of the Exchange, Trading, Central Securities Depository and Clearing and Settlement. However, in the case of any inconsistency between any of the Bye-laws and any of these Rules, the latter shall prevail to the extent of any such inconsistency.

Application and Disclosure Templates

- 2.00.04 The Prospects MTF Rules are supported by a set of templates to standardise the Application and disclosure documentation. Such templates shall form an integral part of the Prospects MTF Rules and may be amended by the Exchange from time to time. Companies and Advisors may request that the Exchange permits an amendment or supplement to such templates where necessary, but in all instances shall explain the *rationale* for their proposed deviations from the standard in their submissions to the Exchange.

Communication with the Exchange

- 2.00.05 Applicants may liaise with the Exchange directly or indirectly through their Advisors, with a view to seeking guidance on the implementation of these Rules. Guidance on these Rules should also be obtained from Advisors.

2.01.00 General Provisions

Applicability

- 2.01.01 Subject to the provisions of Article 2(3)(b)(v) of the Companies Act, Applications for Admission to Prospects MTF shall be subject to the following general conditions:

2.01.01.01 Equity Securities

The aggregate value made up of (i) Equity Securities of the Applicant which are the subject of the Application for Admission to Prospects MTF valued at the issue price and (ii) Equity Securities of the Applicant which have already been admitted to Prospects MTF valued at the latest market price, must not exceed the eight million euro (€8,000,000) threshold.

Such threshold is only applicable at admission stage, as the Market Capitalisation of Issuers may increase and exceed the eight million euro (€8 million) following admission to Prospects MTF.

Notwithstanding the above the Exchange will carry out a pre-application assessment based on the capital transaction and capital structure being proposed by the prospective issuer.

2.01.01.02 Debt Securities

(a) Total Value Amount of Securities

The Application for Admission of Debt Securities to Prospects MTF shall not exceed the nominal value of eight million euro (€8,000,000) when calculated over a period of twelve months.

Pre-Application Assessment

(b) Security and Collateral

Debt securities shall either:

- (i) be fully secured and backed by tangible assets acceptable to the Exchange provided by the Applicant or Guarantor as collateral in respect of the full amount of the principal of the debt issue; or
- (ii) if not secured or only partially secured by assets provided as collateral in accordance with (i) above, a guarantee has to be provided by a Guarantor, which shall demonstrate financial soundness, in accordance with sub-paragraph (c) below. The acceptability of a mix between collateral and guarantee remains at the discretion of the Exchange;

Where applicable, the collateral being provided needs to be backed by a qualified expert's valuation acceptable to the Exchange, depending on the type of asset. In case of property valuations, valuation reports need to meet the requirements emanating from Prospects MTF Rule 4.13.00.

Notwithstanding the foregoing, in such cases where the Applicant cannot provide sufficient collateral and/or guarantee, the application to admit a debt security to Prospects MTF may still be considered provided that the Issuer submits the documentation supporting the Applicant's, and/or where applicable, the

Guarantor's financial soundness in accordance with sub-paragraph (c) below.

- (c) Financial Soundness of the Applicant Company and/or its Guarantor as applicable.

The Applicant's and/or Guarantor's financial soundness shall be assessed on the following information:

- (i) Published audited annual financial statements (and audited consolidated financial statements of the Group if the Applicant is part of a Group) for the preceding two (2) financial years. The said audited financial statements shall be prepared on a going concern basis and must include an unqualified audit opinion from the external auditors.
- (ii) Interim financial statements, signed by the Board of Directors of the Applicant, when the application to be admitted to Prospects MTF is submitted after more than 9 months from the latest published audited financial statements' year end. The interim financial statements must be reviewed and opined upon by the Applicant's external auditors in line with International Standard on Review Engagements 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity (as may be applicable at the time of the application).

Applicants and their Admissions/Corporate Advisors should be aware that the submission of the information laid down in (c)(i) and (ii) above will not in itself ensure the admission to Prospects MTF of the Applicant's security and the Exchange will also evaluate the financial soundness of the Applicant and/or its Guarantor as applicable. In order to assess the financial soundness of the Applicant and/or its Guarantor, the Exchange will be applying the financial metrics indicated in the Appendix 4.24 Guidelines on Financial Metrics.

When applicable, the Exchange will also consider the impact of additional future debt issues on the financial soundness of the Issuer and/or Guarantor, and consequently on the financial metrics indicated in Appendix 4.24, without necessarily taking into consideration the forecasted results which the Issuer expects to realise with the said additional financing.

Exchange Discretion

2.01.02 In appropriate circumstances, the Exchange may in its discretion:

- 2.01.02.01 refuse Admission, or where deemed appropriate, suspend or cancel the admission to Prospects MTF, if in its view:
- (a) an Applicant or a Prospects MTF Company and/or an Advisor is not complying with the Prospects MTF Rules, applicable legislation; and/or

- (b) more generally, an application for Admission or the continuing status of a Prospects MTF Company and/or an Advisor is not conducive to the maintenance of the good reputation and the best interests of the market and investor protection; and/or
- (c) more generally, an application for Admission or the continuing status of a Prospects MTF Company and/or an Advisor is considered by the Exchange not to be within the policies, risk appetite and best interests of the Exchange.

2.01.02.02 impose on the Applicant, Prospects MTF Company and/or the Advisor, alternative requirements or conditions, issue orders or instructions, including any timeframes for compliance therewith, over and above the requirements under these Rules to further the objectives, reputation and well-being of Prospects MTF or to set out additional criteria for admission/continuing obligations in respect of particular categories of securities;

2.01.02.03 disclose any information in its possession to a competent or law enforcement authority or the market under these Rules or applicable law, or as evidence in any dispute resolution or mediation proceedings or arrangements within the timeframes specified by the Exchange; and/or

2.01.02.04 waive any of these Rules, in full or in part, where circumstances so warrant, provided the interests of investors and the market at large are not materially prejudiced.

2.01.03 Any decision of the Exchange as outlined in Rules 2.01.02.01 and 2.01.02.02 above shall be communicated in writing to the Applicant, Prospects MTF Company and/or the Advisor giving the reasons for such decision.

2.01.04 Furthermore, where a decision of the Exchange pursuant to Rule 2.01.02.02 above becomes final and definitive, a Prospects MTF Company and/or an Advisor may be subject to the Exchange taking any enforcement action and/or the imposition of sanctions as laid out in Rule 2.03.06 below in the case of non-compliance within the relevant timeframes set out in the decision.

Retention of Documentation

2.01.05 All correspondence and communications with and documents submitted to the Exchange in respect of an Application and/or the status of a Prospects MTF Company and/or an Advisor shall be and shall remain the property of the Exchange. The Prospects MTF Company and/or Advisor shall retain a copy of all such correspondence, communications and documents for at least five (5) years unless a longer retention period applies under applicable law.

2.02.00 Prospects MTF Admissions Committee

Responsibilities

2.02.01 The Exchange shall set up a Prospects MTF Admissions Committee which shall be responsible for:

- 2.02.01.01 Pre-application assessments submitted in relation to the Admission to Prospects MTF by prospective issuers;
- 2.02.01.02 Scrutinising all documents in relation to applications for Admission to Prospects MTF by prospective issuers and forwarding its recommendations to the Board for the authorisation (or refusal) of Admissibility to Prospects MTF of any Securities;
- 2.02.01.03 Scrutinising all documents in relation to applications for the approval of Advisors;
- 2.02.01.04 Considering the discontinuation or suspension of Admitted securities and approved Advisors; and
- 2.02.01.05 Considering requests of any applications for voluntary suspension or termination of any Securities.

Composition

- 2.02.02 The Board shall appoint a Prospects MTF Admissions Committee comprising of three (3) to five (5) members to consider Applications for Admissibility to Prospects MTF. The members of the Prospects MTF Admissions Committee shall be qualified senior individuals employed with the Exchange.

Procedures

- 2.02.03 The Prospects MTF Admissions Committee shall regulate its own proceedings, ensuring that it maintains efficiency in its workings and keeps complete, accurate and faithful records thereof. For this purpose, the Prospects MTF Admissions Committee shall appoint a Secretary from among the officials of the Exchange whose duty shall be to prepare and record minutes of meetings held.
- 2.02.04 The Prospects MTF Admissions Committee shall meet as often as necessary to review pending applications and other matters within the stipulated timeframes and shall regularly submit the approved minutes of its meetings and any recommendations to the Board.
- 2.02.05 All meetings of the Prospects MTF Admissions Committee shall be subject to a quorum of at least three (3) members present.
- 2.02.06 The Prospects MTF Admissions Committee shall endeavour to reach any decision on the basis of unanimity. Where, after due consideration, the Prospects MTF Admissions Committee cannot reach a unanimous decision, any matter shall be put to a vote of its members present where the Chairperson shall have an additional casting vote to be availed of at the Chairperson's discretion in the case of an undecisive vote.
- 2.02.07 The Prospects MTF Admissions Committee shall submit its recommendations and approved minutes of relevant proceedings (including any dissenting views thereon), to the Board for its consideration on matters related to:
 - 2.02.07.01 Admission of Applicants; and
 - 2.02.07.02 When considered necessary, on other matters such as the discontinuation and suspension of Admitted securities and approved Advisors.

2.02.08 Notwithstanding Rule 2.02.07 above any decision by the Prospects MTF Admissions Committee to implement a precautionary temporary suspension of a Prospects MTF Company or Advisor, shall take effect immediately.

2.02.09 The Prospects MTF Admissions Committee and/or the Board may request the presence of the Applicant, Prospects MTF Company and/or an Advisor, as the case may be, at any meeting where an application or related matters are being considered.

2.03.00 Discipline and Sanctions

Responsibility of the Exchange

2.03.01 It is the sole responsibility of the Exchange to supervise the Prospects MTF marketplace including Prospects MTF Companies and Advisors. Prospects MTF Companies and Advisors shall generally act at all times in the best interests of the market at large and in particular comply with these Rules.

2.03.02 Where it appears to the Exchange that a Prospects MTF Company or an Advisor or their Directors may not be complying with these Rules, the Exchange shall initiate an investigation into the matter and where appropriate take such disciplinary sanctions and/or appoint one or more competent persons as investigators to conduct an investigation on its behalf under these Rules as may be deemed appropriate.

Investigations

2.03.03 When undertaking an investigation on any matter relating to compliance with these Rules, the Exchange shall request the Prospects MTF Company and/or an Advisor to provide any clarification it considers appropriate within a reasonable time limit. For such a purpose, the Exchange may request any clarification in reply thereto which shall always be made in writing, subject to the Exchange's discretion to hold physical, telephonic or internet-based meetings within a short time-frame as required in any particular circumstance.

2.03.04 Should the clarification and/or meeting in the Exchange's view, not resolve the matter raised, the Exchange shall proceed to issue a relevant formal Notice of investigation and possible enforcement actions ensuing therefrom addressed to the Prospects MTF Company and/or an Advisor, who shall respond thereto within the time limits specified.

2.03.05 The matter shall be determined by the Exchange either solely on the evidence provided or consequent to a formal hearing wherein the Prospects MTF Company and/or an Advisor can present their concluding representations. The Exchange's determination on a matter of non-compliance shall be final and shall be issued in writing addressed to the Prospects MTF Company and/or an Advisor.

Enforcement Actions and Sanctions

2.03.06 In pursuing an enforcement action or issuing a sanction against a Prospects MTF Company and/or an Advisor or a former Prospects MTF Company and/or an Advisor subject to surviving obligations under these Rules, the Exchange shall decide to proceed with enforcement actions and/or sanctions as it considers appropriate, either on the basis of confidentiality or, where the case merits to be notified to the market as a whole, by a relevant formal Notice, including any information the Exchange may have acquired, and/or communication to any relevant regulatory or enforcement authorities.

- 2.03.07 Enforcement actions and/or sanctions shall include any one or more of the following:
- 2.03.07.01 request for clarification;
 - 2.03.07.02 issue a relevant Prospects MTF Notice of investigation;
 - 2.03.07.03 issue a relevant Non-compliance Prospects MTF Notice;
 - 2.03.07.04 reprimand and corrective action;
 - 2.03.07.05 levy of pecuniary penalties depending upon the gravity of the matter, not exceeding one hundred thousand euro (€100,000) and/or a daily penalty not in excess of five thousand euro (€5,000) per day for any persisting non-compliance or omitted corrective action;
 - 2.03.07.06 suspension of Admission on the Prospects MTF market for a maximum of ten (10) consecutive business days on any single occasion of alleged/suspected Rule breach and/or prohibition or suspension of advertisements for a maximum of ten (10) consecutive business days on any single occasion of alleged/suspected Rule breach, provided that such suspension or prohibition may be renewed after the expiration of the said period of time in the event of a continuing alleged/suspected Rule breach; and/or
 - 2.03.07.07 cancellation of Admission on the Prospects MTF market.
- 2.04.00 Prospects MTF Fees**
- 2.04.01 An Applicant, Prospects MTF Company or an Advisor shall pay the fees as indicated in [Exchange Notice 1 – Fees and Charges](#)). Unless otherwise indicated, such fees are non-refundable. An Applicant, Prospects MTF Company or Advisor that fails to settle its fees in accordance with these Rules may be subject to disciplinary sanctions including suspension or cancellation of admission without prejudice to the Exchange's rights at law.
- 2.05.00 Continuing application of Rules**
- 2.05.01 Where the Exchange is investigating any matter related to compliance with these Rules, a Prospects MTF Company, such Company's Directors, an Advisor, or other relevant advisors or personnel of such Company or Advisor shall remain under a continuing obligation to co-operate with and furnish any clarification as may be requested by the Exchange, in spite of any termination of admission on Prospects MTF of such Prospects MTF Company or Advisor as the case may be.
- 2.06.00 Risk Factors and Disclaimers**
- 2.06.01 An Applicant shall set out all the appropriate risk factors and disclaimers in respect of the securities forming the subject of an Application for Admission, including the risk factors and disclaimers set out in Appendix 4.5. In making an Application for Admission, an Applicant agrees that the Exchange shall not be held liable for loss from any action or omission under these Rules before or after any Admission. The Exchange expressly disclaims all or any direct or indirect liability or potential claims for loss from any action or omission under these Rules.

2.06.02 In addition to the risk factors and disclaimers referred to in Rule 2.06.01 above, a Prospectus duly approved by the Registrar of Companies under the Companies Act (Cap. 386 of the Laws of Malta), hereinafter the “Companies Act”, or equivalent approval under any other relevant applicable law, or a Company Admission Document shall, as a part of the terms and conditions of subscribing to an IPO, require all prospective investors to sign a statement of their knowledge of the said risk factors and disclaimers as duly explained to them by any relevant selling agent licensed intermediary. Similarly, investors dealing in securities admitted to Prospects MTF on the secondary market, shall be required to sign a statement of their knowledge of the said risk factors and disclaimers as indicated hereunder unless exempted under applicable legislation in respect of every subscription and/or dealing in securities admitted to Prospects MTF:

To be signed by the Intermediary ()*

“I (the Intermediary/selling agent/MSE Member intervening on the secondary market) hereby declare that I have explained fully to : xxxxx (name of Client)

- (a) the risks inherent in dealing in securities admitted to Prospects MTF;*
- (b) the importance of limiting and managing the client’s level of exposure to investing in securities admitted to Prospects MTF;*
- (c) that I have advised the client of the importance of the declaration signed by him/her confirming his/her acknowledgement of the explanations provided by the undersigned in the context of this transaction”.*

() The Intermediary/selling agent/MSE member intervening on the secondary market may request the client to sign a declaration to the effect that s/he is accepting and acknowledging the Intermediary’s declaration as per the above.*

To be signed by the Client:

“I hereby accept and acknowledge the declarations made to me by (the Intermediary/selling agent/MSE Member intervening on the secondary market”

2.07.00 Advertisements

2.07.01 Applicants, Prospects MTF Companies and Advisors shall ensure that Advertisements shall comply with the following Rules.

2.07.02 Advertisements relating to any securities admitted on Prospects MTF shall be clearly recognisable as such, easily readable and comprehensible. In addition, an Applicant or a Prospects MTF Company or Advisor shall be obliged to ensure at all times that the content of any such advertising:

- 2.07.02.01 is accurate, factual and not misleading;
- 2.07.02.02 does not contain any unverifiable claims; and
- 2.07.02.03 is consistent with the information contained in the Admission Document or Prospectus, if already published, or with the information required to be in the Prospectus if the Prospectus is published afterwards.

2.07.03 An Applicant shall refrain from advertising a prospective issue of securities, in any manner, whether directly or indirectly, until it is in receipt of a final written notice of the approval of Admission on Prospects MTF. An Applicant, a Prospects MTF Company or Advisor shall also refrain from resorting to any hidden, surreptitious and other indirect forms of advertising which are not strictly compliant with these Rules.

- 2.07.04 In the case of any doubt as to what constitutes an advertisement in terms of these Rules, an Applicant, a Prospects MTF Company or Advisor shall promptly seek assistance from the Exchange, prior to any proposed publication, requesting a determination as to whether such material constitutes an advertisement. No such material may be published in the absence of such a determination.
- 2.07.05 In any case, any advertisement issued for the purpose of announcing the Admission of securities on Prospects MTF, shall contain a statement that a Prospectus or an Admission Document has been or will be published and the addresses and times at which copies of the Prospectus or Admission Document are or will be available to the public.
- 2.07.06 Information concerning the Admission of securities on Prospects MTF disclosed in an oral or written form, even if not for advertising purposes, shall be consistent with the information contained in the Prospectus or the Admission Document.

CHAPTER 3

ADMISSIONS/COMPLIANCE/CORPORATE ADVISORS

3.00.00 Scope

3.00.01 This Section of the Rules covers the roles and responsibilities of the Advisors that an Applicant or a Prospect MTF Company is required to appoint and retain, to gain and maintain, admission to the Prospects MTF marketplace. When the services of an Admissions Advisor are sought, an applicant company or a Prospects MTF issuer shall also retain the services of a Compliance Advisor. The Compliance Advisor shall be appointed as soon as an *in principle* approval has been obtained from the Prospects MTF Admissions Committee and retained during the Prospects MTF Company's application process and throughout its continued admission, if approved. An Applicant or a Prospects MTF Company may also be required to retain the services of other professional and specialist advisors as necessary. It shall then be the added responsibility of the Advisors, in their official capacity as liaison with the Exchange, to guide an Applicant or Prospects MTF Company on the broader range of advice required and thereafter to co-ordinate and quality-assure the services of any such additional advisors.

3.01.00 Admissions / Compliance /Corporate Advisors

General

3.01.01 In order to become an Admissions / Compliance / Corporate Advisor, an Applicant Advisor shall complete the following within the specified timeframes:

- 3.01.01.01 the Application Documents in the form set out in Appendix 3.1 as applicable for an Admissions/ Compliance/ Corporate Advisor;
- 3.01.01.02 the payment of all relevant fees; and
- 3.01.01.03 such other information and specified formats as the Prospects MTF Admissions Committee may request.

Timing of an Advisor's admission

3.01.02 Once the relevant application form has been completed and submitted to the Exchange by the applicant Admissions/ Compliance/ Corporate Advisor and declared satisfactory in all respects, such application will be notified by a Prospects MTF Notice which will also be published on the Exchange's website. Such notification shall remain posted for at least two (2) weeks within which time any person may make written submissions to the Exchange in respect of such application. The Exchange will consider such an application within a further week from the end of the said notification and submission period provided that all relevant requirements have been satisfied.

3.01.03 An Applicant Advisor shall refrain from making any pronouncements about its Application until the Prospects MTF Admissions Committee has communicated its decision thereon.

3.01.04 The Exchange retains the right to invite public comment on an Advisor's Application.

Admission of an Advisor

- 3.01.05 Admission as an Advisor to Prospects MTF shall become effective when the Prospects MTF Admissions Committee approves the Admission and issues a relevant Prospects MTF Notice.

Responsibilities

- 3.01.06 Appointed Advisors shall at all times be primarily responsible for advising their Prospects MTF client companies in ensuring they meet their obligations under these Rules. Such a responsibility shall also extend to an over-arching duty that appointed Advisors owe to the Exchange towards the protection of the reputation of the market and the avoidance of a False Market.

- 3.01.07 Responsibilities

The following conditions apply notwithstanding the distinction between the different types of Advisors appointed with respect to the Prospects MTF. An Advisor must:

- 3.01.07.01 be independent, impartial from and objective of, the client companies at all times. For the avoidance of doubt, this requirement precludes an Advisor or its Connected Persons from:
- (a) holding a position of a director, officer or shadow director in a Prospects MTF Company for which the Advisor acts as advisor; and
 - (b) holding securities, directly or indirectly through the Advisor's Connected Persons, in a Prospects MTF Company for which an appointed Advisor acts as its advisor in excess of the substantial shareholder limits, subject to the following exemptions:
 - holding such investments as an underwriter or liquidity provider; or
 - holding indirectly as an investor in a collective investment scheme which invests in such a Prospects MTF scheme; or
 - holding as trustee, executor, curator or another administrator on behalf of third-party beneficiaries; or
 - temporarily holding such investments above the substantial shareholder limit as they may have inherited, provided that the Advisor:
 - gives forthwith written notice to the Exchange of such an inheritance holding; and
 - disposes of the excess over the substantial shareholder limit within a period of one (1) year from the date of inheritance or such other period that may be agreed to by the Exchange from time to time.
 - (c) having conflicts of interests in any relationship with the Prospects MTF Company as well as any relationship of any Connected Persons of either party;

- (d) acting in more than one capacity for a Prospects MTF Company unless suitable confidentiality and independence safeguards are put in place and are notified in writing to the satisfaction of the Exchange in advance of accepting their appointments.
- 3.01.07.02 have in place procedures to prevent and detect conflicts of interest in performing their role as an Advisor;
- 3.01.07.03 The Admissions Advisor and the Corporate Advisor shall objectively assess the ongoing appropriateness of an Applicant company to have its securities admitted to Prospects MTF. Additionally, the Corporate Advisor or the Compliance Advisor, as the case may be, shall also have the responsibility to objectively assess on an ongoing basis, the Issuer's securities to maintain their admission to Prospects MTF in accordance with the Prospects MTF companies' admission requirements and continuing obligations as outlined in Chapter 4 of these Rules;
- 3.01.07.04 in the case of an Admissions or Corporate Advisor, ensure that **all matters** known to them, have been duly **disclosed** in the Admission Document, Supplement, a Company Announcement and /or in writing to the Exchange **as applicable** and appropriate.
- 3.01.07.05 objectively assess whether in their role as Admissions, Compliance or Corporate Advisors they have the capacity to provide the necessary advice, guidance and training to their prospective Prospects MTF client companies. In the case of the Compliance and Corporate Advisor, this self assessment must also be performed on an ongoing basis to ensure adherence to the continuing obligations under these Rules at all times;
- 3.01.07.06
 - (a) in the case of an Admissions or Corporate Advisor, assume responsibility in managing and co-ordinating the contribution of other advisors in connection with an admission;
 - (b) in the case of a Compliance or Corporate Advisor, assume responsibility in managing and co-ordinating the contribution of other advisors with respect to the continuing obligations of a Prospects MTF Company;
 - (c) in the case of an Admissions / Corporate Advisor present information in a consistent, coherent, complete and accurate manner in all material respects, devoid of material omissions, misleading information or superfluous content, in relation to any Admission Document and Supplements thereto, and in the case of Compliance/Corporate Advisor in relation to Company Announcements or other information and reports provided by a Prospects MTF Company for which it acts as Compliance/Corporate Advisor, under these Rules;
 - (d) ensure that submissions to the Exchange, in connection with a Prospects MTF Company have the highest likelihood of being acted upon and approved as appropriate both at admission and post admission stages.
- 3.01.07.07 protect the reputation of the Exchange and the Prospects MTF market, to whom the Advisors will owe, fiduciary responsibility of the utmost good faith

and highest standards of due care both during the application process and post admission on an ongoing basis.

- 3.01.07.08 ensure that the market at large, and in particular, investors in securities being admitted, or admitted to the Prospects MTF are adequately informed about Inside Information on a fair and equal basis primarily via the Exchange's website; and
- 3.01.07.09 deal with the Exchange in a professional, open and co-operative manner responding promptly to any Exchange enquiries.

Specific Responsibilities

- 3.01.08 In addition to the general responsibilities laid out in Rules 3.01.06 and 3.01.07 above, before co-signing and submitting an application for admission to Prospects MTF the Admissions or Corporate Advisor, as the case may be shall:
 - 3.01.08.01 ensure that prior to their endorsement of an Admission Document, the Directors of Applicant Prospects MTF Company:
 - (a) can be relied upon to prepare and publish all information within their knowledge (or which it would be reasonable for them to obtain) that investors and their professional advisers reasonably require and expect to find in making an informed assessment of (a) the Applicant's current and future assets, liabilities, financial position and sustainability, profits and losses; and (b) the rights attaching to the securities to be admitted to Prospects MTF; and
 - (b) have had explained to them by the Admissions or Corporate Advisor, as the case may be, or other appropriate professional advisers, the nature of their responsibilities and obligations as Directors of a Prospects MTF Company;
 - 3.01.08.02 obtain written confirmation from the Applicant's Directors that the Applicant has established procedures providing a reasonable basis enabling them to make complete and accurate due disclosures in the Admission Document as required under these Rules; and
 - 3.01.08.03 complete all admission documents and the associated checklist set out in Table 3.

Minimum Admission Requirements to become a Prospects MTF Advisor

- 3.01.09 Upon approval as Advisor and on a continuing basis thereafter, an Advisor shall fulfil, to the satisfaction of the Exchange, the following requirements:

- 3.01.09.01 to update the Prospects MTF Admissions Committee with any changes to personal or constitutional documents originally submitted with the original Application for Admission to the register of MSE Approved Prospects MTF Advisors.
- 3.01.09.02 employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons, before being appointed to their role as well as on a continuing basis, shall be able to demonstrate the following:
- (a) proven experience in providing corporate finance, corporate governance, legal and accounting consultancy services covering capital structuring, strategy, acquisitions and sale of companies, management consultancy, corporation taxation, preparing for admissions to a public market, investor relations management or generally operating as a public company. Such experience will be documented and capable of being independently referenced in the Advisors' application and shall include data on past performance of the entities referenced in the experience statement;
 - (b) capacity to represent client companies to the Prospects MTF marketplace;
 - (c) they maintain the same level of independence, impartiality and objectivity from client Companies at all times as required by these rules.
 - (d) they have not been subject to criminal prosecutions except for proceedings in respect of minor contraventions, disciplinary actions or sanctions by any competent authority, law enforcement agency or other professional association;
 - (e) for each individual person mentioned, a valid Certificate of Good Conduct issued by the Malta Police or an equivalent reference for another authority in the jurisdiction from which the individual operates;
 - (f) successful accreditation and aptitude levels through formal education and training and if deemed necessary a formal interview by the Exchange. On the initial appointment of a designated qualified person accreditation and aptitude levels are to be demonstrated through the qualified person's Curriculum Vitae together with supporting documents as required in Appendix 3.1. On an ongoing basis, qualified persons shall demonstrate and submit by not later than 31st January of the following year to the Exchange the training undertaken in the past year. The Exchange considers that a qualified person has fulfilled its training requirements under this Rule if a minimum of 10 hours of training has been undertaken in any of the following areas:
 - (i) Corporate finance and Corporate governance;
 - (ii) Capital structuring and Capital strategy;
 - (iii) Acquisitions and sale of companies;
 - (iv) Management consultancy;
 - (v) Financial projections;
 - (vi) Corporation tax;
 - (vii) Floating companies;

- (viii) Investor relations;
- (ix) Corporate risk management;
- (x) GDPR and Data Protection;
- (xi) Anti-Money Laundering and Combating the Financing of Terrorism;
- (xii) Due diligence;
- (xiii) Corporate compliance; and
- (xiv) Other areas that may be considered applicable.

Further to the above, the Exchange may from time to time require designated qualified persons to attend specific training on the Prospects MTF Rules and other Prospects MTF requirements.

Applicable training and courses in the areas outlined above shall be provided by an institution certified by either (a) the National Commission for Further and Higher Education (NCFHE) - which is the local competent authority that recognises qualifications and accredited courses; or (b) an equivalent body within the European Union; or (c) an equivalent internationally recognised body; and

- (g) in the case of a Compliance or Corporate Advisor, an undertaking to keep in regular contact with the Exchange and its client/s for which it acts as an Advisor, with a view to affording efficient liaison and to be able to reply to any questions being raised either by the client/s or the Exchange at all times.

3.01.09.03 to securely record and update:

- (a) all information, documents and minutes of meetings held with its Prospects MTF client company, together with the advice it provides and an audit trail or log of versions thereof, with sufficient detail as would enable the Advisor to demonstrate as applicable, the fulfilment of its obligations under these Rules. Such information, documents and minutes shall be immediately made available for inspection by the Exchange upon request. It shall also afford the Exchange physical access to all such information, documents and minutes and its premises upon reasonable notice; and
- (b) sufficient information in support of all market disclosures made by its Prospects MTF client companies.

3.01.09.04 ensures each client Prospects MTF Company undertakes to comply with these Rules putting into place *inter alia* appropriate measures:

- (a) preventing the disclosure of confidential or other Inside Information unless required by law or these Rules;
- (b) requiring their client Prospects MTF Companies to proactively and regularly update, on a timely basis, the relevant Advisor on all pertinent matters under these Rules. The frequency and content of updates shall depend upon:
 - the relative size and complexity of the client Prospects MTF Company;
 - the matter at hand;

- the experience of the staff at the client Prospects MTF Company; and
- the level of consistency between current or impending business activities of the client Prospects MTF Company compared with currently relevant public Admission Document and/or subsequent updates thereto.

3.01.09.05 co-operation with the Exchange or its advisors, towards demonstrating, both during the application stage, upon admission and thereafter on a continuing basis, its compliance and that of its client Prospects MTF Company/ies with these Rules, as supplemented by orders or instructions issued by the Exchange from time to time;

3.01.09.06 disclosure on the Advisor's website, a statement that it will at all times maintain:

- (a) Independence, impartiality, objectivity, confidentiality and ethical standards ensuring that it can identify, mitigate and, if not possible to eliminate, disclose any conflicts of interests and how such conflicts are managed;
- (b) to the extent allowed a process by which the Advisor or its Connected Person may invest or trade in securities issued by their client Prospects MTF Companies and the immediate disclosure of any such investment or trading therein; and
- (c) quality assurance in respect of its services to client Prospects MTF Companies.

3.01.09.07 it complies with such additional requirements that the Exchange may impose from time to time.

3.02.00 Continuing Obligations of an Advisor

General Obligations

3.02.01 An Advisor shall:

3.02.01.01 promptly advise the Exchange by written notice of any material change that may impact its ability to comply with its responsibilities under these Rules, together with the reasons for such changes. On receipt of such notice of material change, including but not limited to a change in control of its management or ownership or material changes to its operational resource especially but not limited to the designated contact persons, the Exchange may require the advisor to submit within strict time limits, a new application for its continuing status as an Advisor, in order to assess its ability to comply with these Rules;

3.02.01.02 without prejudice to the foregoing, submit in advance draft written proposals for any changes directly or indirectly affecting the minimum admission requirements or client related obligations respectively laid out in Rules 3.01.09 and 3.02.02 as applicable, requesting the prior approval of the

Exchange for such proposed changes before such changes are adopted or take any effect; and

- 3.02.01.03 as applicable, continually assess whether it retains the capacity to meet the requirements under these Rules.

Client Related Obligations

3.02.02 For each Prospects MTF client company, an Advisor shall:

- 3.02.02.01 maintain a contractual services agreement for the period during which it serves as the Advisor as applicable, including but not limited to the services specified in Appendix 4.17 Any changes to this agreement shall be notified to the Exchange immediately. Additionally, if the Advisor Agreement entered into is to be replaced by a new agreement in the future, the Advisor must ensure that it still fully complies with Appendix 4.17 and a fresh declaration of compliance as per Appendix 4.9 is to be submitted.
- 3.02.02.02 retain its capacity as an independent Advisor to its Prospects MTF client companies as applicable, free of any conflicts of interest, honouring its duty of care to the Exchange, the market at large and securities holders in the Prospects MTF client companies to protect the reputation of the marketplace. Any changes to this independence shall be notified to the Prospects MTF Company and the Exchange immediately;
- 3.02.02.03 retain complete confidentiality between the service teams and documentation related to Prospects MTF Client Companies and other services provided by the same organisation or group of companies to Prospects MTF clients;
- 3.02.02.04 as applicable, independently advise, support and update each Prospects MTF Client Company on its obligations to the Exchange, investors and the market at large on the application of these Rules;
- 3.02.02.05 as applicable, regularly interact with its client Prospects MTF Companies, making due and careful enquiry, and contacting the Exchange immediately:
- (a) about the companies' continuing obligations compliance matters as set out in these Rules; and
 - (b) to provide details of any Rule violations. The Advisor shall simultaneously initiate an investigation and submit the results thereof to the Exchange as soon as possible; and
- 3.02.02.06 discloses on the Advisor's website as applicable:
- (a) details of the current and previous experience of the Advisor's qualified persons as appropriate; and
 - (b) a list of the current and former client Prospects MTF companies, if any, together with a list or links to the corporate finance transactions it has undertaken for each client Prospects MTF company for the most recent five (5) years.

CHAPTER 4

COMPANIES

4.00.00 General

Documents to be submitted in respect of Application for Admission

4.00.01 Following the satisfactory completion of the Pre-Application Assessment as required under Prospects MTF Rule 2.01.01, the Admissions Advisor or the Corporate Advisor is to submit the Formal Application for Admission. The applications for Admission to Prospects MTF shall consist of the forms and documents included in Appendix 4.1.

4.00.02 DELETED

4.00.03 Applications for Admission in respect of Securities already listed or admitted to markets in a Recognised Jurisdiction may be lodged with the Exchange by any person in respect of any such Securities without the relevant issuing company's consent and for this purpose any references under these Rules to an Applicant or Prospects MTF Company shall be taken to refer to such person.

Responsibilities of an Applicant Company

4.00.04 A Company applying for Admission or, on an ongoing basis in the case of a company already admitted to Prospects MTF, shall be responsible for:

4.00.04.01 providing sufficient complete, accurate and timely disclosure of Inside Information through the Exchange's dissemination services with fair and equal access to all securities holders (and the public) in respect of all of its securities;

4.00.04.02 selecting an Admissions Advisor and retaining a Compliance Advisor or selecting a Corporate Advisor from whom the Directors of an Applicant or Prospects MTF Company should seek advice and guidance regarding Application for Admission and continuing compliance obligations respectively;

4.00.04.03 maintaining the services of an Admissions/Corporate Advisor as the primary channel of communication with the Exchange during the Prospects MTF Company's application process. Following admission to Prospects MTF, the primary channel of communication with the Exchange shall be the Compliance/ Corporate Advisor;

4.00.04.04 complying on a continuing basis with the requirements under applicable law, these Rules and/or any orders or instructions issued by the Exchange, co-operating with the Exchange and/or its Compliance or Corporate Advisor, and generally to act in the interests of the well-being of the market to the Exchange's satisfaction;

- 4.00.04.05 ensuring that the Directors' and management expertise are sufficient for delivering the proposed business with a proven track record in the proposed business sectors;
 - 4.00.04.06 ensuring that each of its Directors or Connected Persons is directly or indirectly, free from conflicts between duties to the Applicant or Prospects MTF Company and private interests and other duties, unless it can demonstrate with all due disclosures that measures have been taken to avoid any prejudice to the Applicant's or Prospects MTF Company's own interests. Where there is reason enough for an Applicant or Prospects MTF Company to become aware of a potential conflict arising or developing, it shall promptly inform the Exchange in writing; and
 - 4.00.04.07 ensuring that any employee or directors incentive scheme in respect of Admitted Securities satisfies the requirements of these Rules.
- 4.00.05 An Applicant and a Prospects MTF Company's Directors are jointly and severally responsible for ensuring full compliance with these Rules.
- 4.00.06 In order to protect the integrity, reputation and well-being of the market, the Exchange may reasonably require information and/or documents from Applicants, Prospects MTF Companies and Advisors or their Connected Persons.

Responsibilities in respect of Admission Documents

- 4.00.07 The Directors of an Applicant Prospects MTF Company or a Prospects MTF Company shall be jointly and severally responsible for an Admission Document issued by them. Any Expert who has consented to the inclusion of its statements in an Admission Document shall be responsible for the accuracy of any such statements.

Employee Share Schemes and Directors' Share-based Schemes

- 4.00.08 Subject to Rule 4.00.09 below a Prospects MTF Company (and of any of its Subsidiary Undertakings, even where that Subsidiary Undertaking is incorporated or operates overseas) that intends to implement or pursue an employees' share scheme or any scheme under which directors are remunerated in shares, share options or any other right to acquire shares or to be remunerated on the basis of share price movements, shall be approved by an ordinary resolution of the shareholders in general meeting prior to their adoption.
- 4.00.09 A resolution approving the adoption of an employee share scheme or a directors' share-based scheme under Rule 4.00.08 above may authorise the Directors to establish further schemes based on any scheme which has previously been approved by shareholders but containing the necessary modifications, provided that any Shares made available under such further schemes are treated as counting against any limits on individual or overall participation in the main scheme.

- 4.00.10 The resolution approving the schemes referred to in Rule 4.00.09 above shall be accompanied by an explanatory Circular containing the information required under these Rules.

Contents of Employee Share Schemes and Directors' Share-based Schemes

- 4.00.11 The schemes referred to in Rule 4.00.08 shall at least contain provisions relating to:
- 4.00.11.01 the persons to whom or for the benefit of whom securities may be issued under the scheme (the "Participants");
 - 4.00.11.02 the total amount of the securities subject to the scheme together with the percentage of the issued shares that it represents at the time;
 - 4.00.11.03 the fixed maximum entitlement for any one Participant;
 - 4.00.11.04 the amount, if any, payable on application or acceptance and the basis for determining the subscription or option price;
 - 4.00.11.05 the period in or after which payments or calls may be paid or called;
 - 4.00.11.06 the voting, dividend, transfer and other rights, including those arising on a liquidation of the Issuer, attaching to the securities and to any options, if appropriate. These rights must be drawn to the attention of Participants on their joining the scheme;
 - 4.00.11.07 the details, if any, of the directors' trusteeship of the scheme or, if applicable, the interests of such Directors in the trustees of the scheme;
 - 4.00.11.08 the pension ability or otherwise of the benefits under the scheme and, if so, the reasons for this;
 - 4.00.11.09 the manner in which the Prospects MTF Company intends to provide for the shares needed to meet its obligations under the schemes together with a statement as to whether it intends to purchase the necessary shares in the market, whether it holds them in treasury, or whether it will issue new shares;
 - 4.00.11.10 costs of the scheme to the Issuer in view of the intended application; and
 - 4.00.11.11 the basis for determining a Participant's entitlement to, and the terms of, securities, cash or other benefits to be provided and for the adjustment thereof (if any) in the event of a capitalisation issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital or any other variation of capital (and for the avoidance of doubt, the issue of securities as consideration for an acquisition will not be regarded as a circumstance requiring adjustment in accordance with the provisions of this Rule).
- 4.00.12 Any adjustments, other than those made on a capitalisation issue, must be confirmed in writing by the Prospects MTF Company's auditors to the directors of the Prospects MTF Company as being in their opinion fair and reasonable.
- 4.00.13 The resolution contained in the notice of the meeting accompanying the Circular referred to in Rule 4.00.10 above must approve a specific scheme. In the case of Directors' Share-based Schemes, it should set out the relationship of such schemes with the overall directors' remuneration policy.
- 4.00.14 The requirements of Rules 4.00.08 to 4.00.13 are not applicable to long-term incentive schemes where the only Participant is a director (or proposed director) of the Prospects MTF Company and the arrangement is established specifically to facilitate, in exceptional

circumstances, the recruitment or retention of the relevant individual. In these circumstances the following information must be disclosed in the first Annual Financial Report published by the Prospects MTF Company following the date on which the relevant individual becomes eligible to participate in the arrangement:

- 4.00.14.01 the name of the sole Participant;
- 4.00.14.02 the total amount of the securities subject to the scheme together with the percentage of the issued shares that it represents at the time;
- 4.00.14.03 the date on which the Participant first became eligible to participate in the arrangement;
- 4.00.14.04 an explanation of why the circumstances in which the arrangement was established were exceptional;
- 4.00.14.05 the conditions to be satisfied under the terms of the arrangement; and
- 4.00.14.06 the maximum award(s) under the terms of the arrangement or, if there is no maximum, the basis on which awards will be determined.

4.00.15 For the purposes of Rule 4.00.14 the term “long-term incentive scheme” means any arrangement (other than a retirement benefit plan, a deferred bonus or any other arrangement that is an element of an executive Directors’ remuneration package) which may involve the receipt of any asset (including cash or any security) by a director or employee of the Prospects MTF Company or the Group of which the Prospects MTF Company forms part that:

- 4.00.15.01 includes one or more conditions in respect of the service and/or performance to be satisfied over more than one (1) financial year; and
- 4.00.15.02 pursuant to which the Prospects MTF Company, or the Group of which the Prospects MTF Company forms part may incur (other than in relation to the establishment and administration of the arrangement) either a cost or a liability, whether actual or contingent.

Discounted Option Arrangements

4.00.16 Subject to the provisions of Rule 4.00.17 below a Prospects MTF Company may not, without the prior approval by an ordinary resolution of its shareholders in general meeting, grant to a director or employee of the Prospects MTF Company or of any of its subsidiary undertakings, an option to subscribe, warrant to subscribe or other similar right to subscribe for shares in the capital of the Prospects MTF Company or any of its subsidiary undertakings, if the price per share payable on the exercise of such an option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:

- 4.00.16.01 the market value of the share on the date when the exercise price is determined;
- 4.00.16.02 the market value of the share on the business day before such date; or
- 4.00.16.03 the average of the market values for a number of dealing days within a period not exceeding thirty (30) days immediately preceding such date.

4.00.17 The provisions of Rule 4.00.16 above do not apply to the grant of an option to subscribe, warrant to subscribe or other similar right to subscribe for shares in the capital of the Prospects MTF Company or any of its subsidiary undertakings:

- 4.00.17.01 under an employee share scheme pursuant to the terms of which participation is offered on similar terms to all or substantially all employees

of the Issuer or any of its subsidiary undertakings whose employees are entitled to participate in the scheme; or

4.00.17.02 following a take-over or reconstruction, in replacement for and on comparable terms with options to subscribe, warrants to subscribe or other similar rights to subscribe held immediately prior to the take-over or reconstruction in respect of shares in either a company of which the Prospects MTF Company thereby obtains control or in any of that company's subsidiary undertakings.

4.00.18 Where the shareholders' approval is required by Rule 4.00.16 above, the Issuer shall publish a Circular containing the information required under these Rules.

4.01.00 Admission and Continuous Eligibility Requirements

General Requirements

4.01.01 In order to be and remain admitted to Prospects MTF, an Applicant or Prospects MTF Company shall:

4.01.01.01 ensure that its Memorandum and Articles of Association, or equivalent constitutional document, satisfy the following requirements:

- (a) Directors;
- (a.1) All Directors of an Applicant shall be individuals. All ordinary shareholders shall be entitled to participate in the appointment and/or election of Directors;
- (a.2) Subject to such exceptions specified in the Articles of Association as the Prospects MTF Admissions Committee may approve, a Director shall not vote on any contract or arrangement or any other proposal in which he has a material interest;
- (a.3) An election of Directors shall take place every year. All Directors, except a Managing Director, shall retire from office once at least in each three (3) years, but shall be eligible for re-election;
- (a.4) The office of a Director shall become vacant should he become of unsound mind, is convicted of any crime punishable by imprisonment, or declared bankrupt during his term of office;
- (a.5) The maximum annual aggregate emoluments as well as any increase of such emoluments of the Directors shall be established pursuant to a resolution passed at a general meeting of an Issuer where notice of the proposed aggregate emoluments and any increase has been given in the notice convening the meeting;
- (a.6) Any person appointed by the Directors to fill a casual vacancy or as an addition to the board will hold office only until the next following annual general meeting of the Issuer, and will be eligible for re-election; and
- (a.7) A Company must give at least fourteen (14) days notice to its shareholders to submit names for the election of Directors. Notice to the Issuer proposing a person for election as a Director, as well

as the latter's acceptance to be nominated as Director shall be given to the Issuer not less than fourteen (14) days prior to the date of the meeting appointed for such election;

(b) Accounts

(b.1) A printed or electronic copy of the profit and loss account and balance sheet including any Directors' report attached thereto, will, at least fourteen (14) days prior to the general meeting of the Company, be delivered or sent by post/electronically to every member. If copies of the annual accounts are sent less than fourteen days before the date of the meeting, the annual accounts shall, notwithstanding that fact, be deemed to have been duly sent if it is so agreed by all the members entitled to attend the meeting who received them late; and

(b.2) prepare accounting information under International Financial Reporting Standards (IFRS). Where such information is prepared under an alternative Generally Accepted Accounting Principles (GAAP), such deviation shall be reported and explained. In such circumstances, the Admissions/ Corporate Advisor shall advise the Prospects MTF Company to provide appropriate supplementary information supported by a qualified auditor's opinion thereon, reconciling the accounting information to IFRS;

(c) Acquisitions

(c.1) Unless otherwise permitted under applicable law, the Memorandum and Articles of Association or equivalent constitutional documents, contain a requirement for holding a Prospects MTF Company General Meeting to obtain the consent of equity shareholders before it enters into any agreement not in the ordinary course of business and exceeding the class tests thresholds referred to in these Rules;

(d) Audit Committee

(d.1) establish and maintain an Audit Committee having at least three (3) members, one of whom shall be appointed as chairman. The majority of audit committee members, including the chairman, shall be non-executive Directors independent of the Issuer, its substantial shareholders and Guarantor in debt issues, as applicable. The terms of reference for the Audit Committee shall include the exclusive power of vetting all Related Party Transactions in advance, and that its decisions on such vetting shall be final and conclusive. Such terms of reference shall at admission be reviewed by the Admissions/Corporate Advisor and the Exchange. Any changes to the terms of reference of the Audit Committee shall be subject to clearance by both the Compliance/Corporate Advisor and the Exchange on a continuing basis after admission. In the case of debt issues backed up by a Guarantor, the terms of reference of the Audit Committee shall extend to the business of both the Issuer and the Guarantor. Where for any reason the appointment of a member of the Audit Committee is being terminated, the Company and/or the outgoing Audit Committee member shall:

- (d.1.1) separately and immediately give notice to the Exchange of such intended termination together with reason(s) therefor;
- (d.1.2) still fulfil without delay, their responsibilities under these Rules towards the Exchange and the marketplace pending the appointment of a new Audit Committee member, while keeping the Exchange aware of developments leading to a new Audit Committee Member in accordance with this Rule;
- (d.1.3) ensure that its Board of Directors engages the services of another Audit Committee Member within three (3) months of such termination. Any new Audit Committee Member shall contact an outgoing Audit Committee Member in order to obtain a view about the reasons for termination and where appointed, take appropriate measures to discharge Audit Committee responsibilities in a timely manner, including that of considering whether to keep the Exchange duly and promptly informed on matters relating to the Prospects MTF Company's Audit Committee mandate as appropriate where any such information is conducive to securing the best interests of the market and investor protection; and
- (d.2) Subject to Rule 4.01.01.01 (d.1) above, where a Prospects MTF Company is unable to set up a duly constituted Audit Committee as set out above, the Exchange shall reserve the right to suspend trading of the Company's securities in accordance with Rule 2.03.07.06 above;
- (d.3) Subject to the foregoing provisions, an Audit Committee set up under sub-paragraph (d.1) above shall regulate its own proceedings and meet as often as necessary within its terms of reference, but it shall ensure it invariably as a minimum meets once every three (3) consecutive calendar months.
- (e) Capital
 - (e.1) The Issuer shall not issue Shares such that such issue would dilute a substantial interest without prior approval of the shareholders in general meeting;
 - (e.2) Unless the shareholders approve in a general meeting, or as otherwise permitted under the Rules, no Director shall participate in an issue of Shares to employees;
 - (e.3) Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and balance sheets, and attending general meetings of the Issuer;
 - (e.4) Preference shareholders shall also have the right to vote at any general meeting of the Company convened for the purpose:
 - (e.4.1) of reducing the capital of the Company; or
 - (e.4.2) winding up of the Company; or

- (e.4.3) where the proposition to be submitted directly affects their rights and privileges; or
 - (e.4.4) when the dividend on their Shares is in arrears by more than six (6) months.
- (e.5) All securities of a particular class admitted to Prospects MTF shall carry equal rights;
- (e.6) Where an application for admission is made in respect of any particular class of a security:
 - (e.6.1) if none of the securities of that class are already admitted, the application must relate to all securities of that class, issued or proposed to be issued; and
 - (e.6.2) if some of the Securities of that Class are already admitted, the application must relate to all further securities of that class issued or proposed to be issued. Admission shall be sought for all further issues of a Class of Securities already admitted prior to allotment of a new issue;
- (e.7) In the case of equity or certificates representing shares, be a public limited company; and in the case of debt securities it may be either a public or a private limited liability company. In all cases, companies must be validly set up and established in compliance with the relevant law of Malta and/or any other Recognised Jurisdiction;
- (e.8) Ensure that holders of admitted shares enjoy rights that at least satisfy the requirements defined in these Rules;
- (e.9) For each class of securities forming the subject of such Admission, ensure that all the securities within that class are so admitted and are duly authorised according to the Applicant's Memorandum and Articles of Association or equivalent constitutional document and all necessary statutory and other authorisations for the creation and issue of such Securities in terms of any applicable system of law and are:
 - (i.) ranking pari passu;
 - (ii.) fungible;
 - (iii.) freely transferable and fully paid-up;
 - (iv.) denominated in Euros or any other convertible currency acceptable to the Exchange;
 - (v.) unconditionally allotted; and
 - (vi.) validly issued under the Company's Memorandum and Articles of Association or equivalent constitutional documents;
- (e.10) When set up or registered in Malta, ensure that all facilities and information necessary for holders of admitted securities to exercise

their rights are available in Malta, while preserving data integrity and authenticity; where it is set up or registered in any other Recognised Jurisdiction, it shall ensure that an equivalent regime shall apply allowing for holders of admitted securities to exercise their rights;

(f) Dividends

- (f.1) Any amount paid up in advance of calls on any Share may carry interest but will not entitle the holder of the Share to participate in respect of such amount in any dividend;

(g) Transfers

- (g.1) There shall be no restriction on the right to transfer Securities which are authorised as Admitted to Prospects MTF;

(h) Borrowing Powers

- (h.1) The scope of the borrowing powers of the Board of Directors shall be expressed;

(i) Notice of Meetings

- (i.1) A general meeting of an Issuer shall be deemed not to have been duly convened unless at least fourteen (14) days' notice has been given to all shareholders in writing, wherein is stated the place, date and hour of the meeting and in case of special business, the general nature of that business, provided that a meeting of the company shall notwithstanding that it is called by a shorter notice, be deemed to have been duly convened if it is so agreed by all the members entitled to attend and vote at the meeting;

- (i.2) Any notice of the meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business;

- (i.3) A Company shall support electronic communication to all holders of admitted securities of all information required to be disclosed under these Rules and/or applicable law, prior to, upon or following Admission of any of its securities to Prospects MTF;

(j) Winding-Up

- (j.1) The basis on which shareholders would participate in a distribution of assets on a winding-up shall be expressed;

- (j.2) On the voluntary liquidation of an Issuer, no commission or fees shall be paid to a liquidator unless it shall have been approved by shareholders. The amount of such payment shall be notified to all shareholders at least seven (7) days prior to the meeting at which it is to be considered;

(k) Alteration of Memorandum and Articles of Association

- (k.1) A Company shall not delete, amend or add to any of their existing Articles of Association, unless prior written authorisation has been

sought and obtained from the Exchange for such deletion, amendment or addition;

- (k.2) A Company shall ensure that any changes to its Memorandum and Articles of Association, or equivalent constitutional documents are submitted for prior written approval by the Exchange, supported by an explanation thereon by the Prospects MTF Company's appointed Advisors;

(l) Proxy

- (l.1) A Company is required to design proxy forms in a manner which will allow a shareholder of an Issuer to indicate how he/she would like his/her proxy to vote in relation to each resolution;

- (l.2) A Proxy shall include details on how holders of securities admitted to Prospects MTF may exercise their rights by proxy, subject to the law of the country in which the Prospects MTF Company is incorporated, including proxy forms that must satisfy the following requirements as appropriate:

- (i.) be sent with the notice convening a meeting of holders of securities admitted to Prospects MTF and entitled to vote at the meeting;
- (ii.) provide for two-way voting on all proposed resolutions (except for procedural resolutions) as well as any other voting procedure in election of Directors;
- (iii.) state that a holder of securities is entitled to appoint a proxy of his own choice and provide a space for insertion of the full name of such proxy and identification details as required;
- (iv.) state that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so, how he votes; and
- (v.) where the resolutions to be proposed include the re-election of retiring Directors, the proxy forms shall allow shareholders to vote for individual candidates irrespective of whether they are new candidates or retiring incumbents of the post.

- 4.01.01.02 comply with all obligations arising under these Rules or in appropriate circumstances where it is of the opinion that any particular requirement does not apply, it shall make a written request to the Exchange for any waiver and/or alternative disclosure, submission or approach to compliance, explaining the grounds therefor accompanied with comments from its Compliance or Corporate Advisor. The Exchange shall consider such requests in its absolute discretion within a reasonable timeframe. The Exchange shall provide reasons for any conditional acceptance or refusal of such requests;

- 4.01.01.03 be an SME;
- 4.01.01.04 upload all admission and ongoing disclosures via the Exchange's website or any other alternative arrangements as prescribed by the Exchange;
- 4.01.01.05 upon reasonable assumptions as at the date of the Application, be expected to be financially solvent for at least twelve (12) months from the time of its Admission and shall disclose the duration of its financial viability in the Financial Sustainability Forecasts as required in Rule 4.04.00 below and on an ongoing basis as described in Table 1;
- 4.01.01.06 retain the organisational capabilities to meet the disclosure and compliance obligations under these Rules and its stated business objectives;
- 4.01.01.07 comply with, provide equivalent disclosure or explain the extent to which it adheres to the relevant corporate governance standards published by the Competent Authority or equivalent standards in case its securities are already admitted to trading in another Recognised Jurisdiction and publish a statement thereon by the Company's Auditors;
- 4.01.01.08 maintain a website offering free access containing at least the same company-specific information required to be disclosed under these Rules;
- 4.01.01.09 appoint and retain:
 - a) a Compliance/Corporate Advisor in accordance with the standard undertakings contained in the Advisor Agreement (see Appendix 4.17); and
 - b) a Compliance Officer who shall act as the preliminary liaison with the Compliance/Corporate Advisor and in any temporary absence of the latter with the Exchange;
- 4.01.01.10 in the case of an Investing Company which is not a Collective Investment Scheme, set out in the Admission Document a sufficiently detailed investment policy, which includes relevant information on:
 - a) the business sectors to be invested in and its investment policy;
 - b) the geographical spread of such investments;
 - c) the strategy for diversification of investment and risk;
 - d) the management of such investments and assessment of risks involved; and/or
 - e) the directors' and management expertise in the proposed business sectors.
- 4.01.01.11 in addition to the fulfilling of the requirements under these Rules, an Applicant and/or Prospects MTF Company which qualifies as a Property Company shall also satisfy the requirements set out in Section 4.13 of these Rules.

Related Party Transactions

4.01.02 All Related Party Transactions shall be formally submitted to the Prospects MTF Company's Audit Committee for prior vetting and approval unless exempt under these Rules. Where the proposed Related Party Transaction is not approved by the Audit Committee but the Issuer still wants to proceed with the transaction, the Issuer shall:

- 4.01.02.01 make a Company Announcement which shall contain:
 - (a) the nature and details of the transaction;
 - (b) the name of the Related Party concerned; and
 - (c) details of the nature and extent of the interest of the Related Party in the transaction;
- 4.01.02.02 send a Circular to its shareholders containing the information required in Rule 6.00.17 and
- 4.01.02.03 obtain the approval of its shareholders either prior to the transaction being entered into or, if it is expressed to be conditional on such approval, prior to completion of the transaction and, where applicable, ensure that the Related Party itself abstains from voting on the relevant resolution. The board of directors of the Prospects MTF Company shall disclose the fact that the Audit Committee has not approved the Related Party Transaction in question at the general meeting convened for the purpose of this Rule.

Exemptions

4.01.03 The rules dealing with related party transactions shall not apply in the following cases:

- 4.01.03.01 the transaction is an issue of new securities either:
 - 4.01.03.01.01 for cash by the Prospects MTF Company (or any of its Subsidiary Undertakings) pursuant to an opportunity which (so far as is practicable) is made available to all holders of the Issuer's Securities (or to all holders of a relevant Class of its securities) on the same terms; or
 - 4.01.03.01.02 made pursuant to the exercise of conversion or subscription rights attaching to a Class of Securities Admitted to Prospects MTF or previously approved by the Issuer's shareholders in general meeting;
- 4.01.03.02 the transaction:
 - 4.01.03.02.01 involves the receipt of any asset (including cash or securities of the Prospects MTF Company or any of its Subsidiary Undertakings) by a Director of the Prospects MTF Company, its Parent Undertaking or any of its Subsidiary Undertakings; or
 - 4.01.03.02.02 is a grant of an option or another right to a Director of the Prospects MTF Company, its Parent Undertaking, or any of its Subsidiary Undertakings to acquire (whether or not for consideration) any asset (including cash or new or existing securities of the Issuer or any of its Subsidiary Undertakings);
- 4.01.03.03 in accordance with the terms of either an employee share scheme or a long-term incentive scheme;

- 4.01.03.04 the transaction is a grant of credit (including the lending of money or the guaranteeing of a loan):
- 4.01.03.04.01 to the Related Party upon normal commercial terms;
- 4.01.03.04.02 to a Director for an amount and on terms no more favourable than those offered to employees of the Group generally; or
- 4.01.03.04.03 by the Related Party upon normal commercial terms and on an unsecured basis;
- 4.01.03.08 the transaction is the grant of an indemnity to a Director of the Issuer (or any of its Subsidiary Undertakings) to the extent not prohibited by Article 148 of the Companies Act, or the maintenance of a contract of insurance to the extent contemplated by that article (whether for a Director of the Prospects MTF Company or for a Director of any of its Subsidiary Undertakings);
- 4.01.03.09 the transaction is an underwriting by the Related Party of all or part of an issue of securities by the Issuer (or any of its Subsidiary Undertakings) and the consideration to be paid by the Issuer (or any of its Subsidiary Undertakings) in respect of such underwriting is no more than the usual commercial underwriting consideration and is the same as that to be paid to the other underwriters (if any);
- 4.01.03.10 the terms and circumstances of the investment or provision of finance by the Prospects MTF Company, or any of its Subsidiary Undertakings are, in the opinion of an independent adviser acceptable to the Exchange, no less favourable than those applicable to the investment or provision of finance by the Related Party; and/or
- 4.01.03.13 where the aggregate consideration or value of the Related Party Transaction does not exceed fifty thousand Euro (€50,000) in any twelve (12) month period.

Reporting requirements

- 4.01.04 The Prospects MTF Company shall disclose all Related Party Transactions ex-post facto in the Annual Financial Report.

4.02.00 Lock-in of Substantial Shareholders

Lock-in

- 4.02.01 Where a company is considering applying for Admission of its Equity Securities to Prospects MTF Substantial Shareholders in such a Company shall be precluded from disposing of their Equity Securities for a period of two (2) years from the envisaged Admission date in the following circumstances:
- 4.02.01.01 the Company has yet to demonstrate profitability for a period of at least twelve (12) consecutive months;
- 4.02.01.02 the Company is forecasting a loss for more than six (6) months out of the next twenty four (24) months; or

4.02.01.03 the Company's business is heavily reliant on the continuing holding of the said Substantial Shareholders.

Lock-in Exemptions

4.02.02 Notwithstanding the lock-in requirements under Rule 4.02.01 above, the said Substantial Shareholders may be exempted by the Exchange from the said prohibition, upon a request to the Exchange in the template form set out in Appendix 4.12 provided that the Applicant company:

4.02.02.01 includes in the Admission Document or makes an appropriate company announcement containing, a report made by an independent Accountant, Auditor and/or other relevant Expert to the effect that none of the circumstances mentioned under the preceding Rule applies; or

4.02.02.02 the said Substantial Shareholders, has accepted a takeover.

4.02.03 Furthermore, the Substantial Shareholder may also be exempted from the lock-in restriction under Rule 4.02.02 above, in the Exchange's sole discretion where:

4.02.03.01 in the case of a demise, all the heirs thereof, or the executor or other administrator of their estate, makes a request for such an exemption to the Exchange.

4.02.03.02 such Shareholder demonstrates to the satisfaction of the Exchange that a legally binding financial obligation needs to be met and alternative financing is not otherwise reasonably available;

4.02.03.03 the Substantial Shareholder acquires its holding on an arms- length basis at the time of a Prospects MTF Company's admission at a price at which the shares were initially offered for sale to the public or subsequently in a public secondary market.

4.02.04 Upon an exemption in respect of Rule 4.02.01 above, a Prospects MTF Company shall make an announcement disclosing:

4.02.04.01 the name of the Substantial Shareholder who has been so exempted;

4.02.04.02 the maximum number of shares that may be so exempted; and

4.02.04.03 the maximum duration of such an exemption.

4.02.05 Where an exemption granted under Rule 4.02.02 above has expired, a request may be made for its renewal, to the Exchange in the template form set out in Appendix 4.12 subject to the Exchange being satisfied that there are sufficient grounds for such renewal.

4.03.00 Dealing Restrictions

4.03.01 An Applicant or a Prospects MTF Company shall adopt by Board Resolution and maintain an internal code of dealing and shall ensure compliance therewith by its Directors and the Directors of its subsidiary or holding undertakings and its relevant officers or employees or those of its subsidiary or holding undertakings, and any person connected with such Directors,

officers or employees, hereinafter collectively referred to as a “Prospects MTF Restricted Person”, who by virtue of their office or employment are likely to possess inside information in relation to the Applicant or Prospects MTF Company.

- 4.03.02 The preceding dealing restrictions do not apply if such dealings are entered into by such persons:
- 4.03.02.01 in the ordinary course of business by a Securities Dealing Business; or
 - 4.03.02.02 on behalf of third parties by the Applicant or a Prospects MTF Company or any other member of its Group.
- 4.03.03 An Applicant or Prospects MTF Company may impose more rigorous restrictions upon dealings by Prospects MTF Restricted Persons if it so wishes.
- 4.03.04 A Prospects MTF Restricted Person shall not deal directly or indirectly in any of the securities of the Applicant or Prospects MTF Company:
- 4.03.04.01 at any time when he is in possession of unpublished price-sensitive information in relation to those Securities;
 - 4.03.04.02 prior to the Announcement of matters of an exceptional nature involving unpublished price-sensitive information in relation to the market price of the Securities of the Applicant or Prospects MTF Company;
 - 4.03.04.03 on considerations of a short-term nature;
 - 4.03.04.04 without giving advance written notice to the Chairman, or one or more other Directors designated for this purpose. In his own case, the Chairman, or such other designated Director, shall not deal without giving advance notice to the Board of Directors of such Company or any other designated Director as appropriate; or
 - 4.03.04.05 during such other period as may be established by the Exchange from time to time.
- 4.03.05 A Prospects MTF Restricted Person shall be restricted from dealing or in any other way transferring securities of an Applicant or Prospects MTF Company as follows:
- 4.03.05.01 for thirty (30) days immediately preceding the publication of an Applicant or Prospects MTF Company’s financial information contained in Table 1 below (or, if shorter, the period from its period end to the time of publication; and
 - 4.03.05.02 for any period when such Prospects MTF Restricted Person is in possession of Inside Information as defined in Table 2 below.
- 4.03.06 A Prospects MTF Restricted Person may be exempted in the Exchange's sole discretion from the above mentioned dealing restrictions, upon request being made to the Exchange in the template form set out in Appendix 4.13 and copied to the Prospects MTF Company’s Board of Directors and the Corporate Advisor, where:
- 4.03.06.01 in the case of a demise of such a Prospects MTF Restricted Person, all the heirs thereof, or the executor or another administrator of the estate, makes a request for such an exemption to the Exchange; or

- 4.03.06.02 such Prospects MTF Restricted Person demonstrates to the satisfaction of the Exchange that a pressing legally binding financial obligation needs to be met and alternative financing is not otherwise reasonably available.
- 4.03.07 Where such an exemption request has been approved, any permissible dealing shall only take place within the duration therein specified and shall invariably be notified to the Prospects MTF Company's Board of Directors and Compliance or Corporate Advisor who shall keep a due record thereof as well as the Exchange's reply thereto.
- 4.03.08 The Prospects MTF Company shall notify the Exchange of any dealings made by a Prospects MTF Restricted Person immediately after these have been concluded.
- 4.03.09 The restrictions on dealings contained in this Chapter shall be regarded as equally applicable to any dealings by any Connected Person or any Investment Manager acting on behalf of a Prospects MTF Restricted Person or on behalf of any Connected Person where either he or any Connected Person has funds under management with that investment Manager, whether on a discretionary basis or not. It is the duty of the Prospects MTF Restricted Person (as far as is consistent with his duties of confidentiality to his Company) to seek to prohibit any such dealing by any Connected Person at a time when he himself is not free to deal.
- 4.03.10 Where a Prospects MTF Restricted Person is acting as a trustee, dealing in the Securities of the Prospects MTF Company by that trustee is permitted during the period referred to in Rule 4.03.05 where:
- 4.03.10.01 the Prospects MTF Restricted Person is not a beneficiary of the trust; and
- 4.03.10.02 the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the Prospects MTF Restricted Person.
- 4.03.11 The other trustees or investment managers acting on behalf of the trustees will be assumed to have acted independently of the Prospects MTF Restricted Person for the purpose of the preceding Rule where they:
- 4.03.11.01 have taken the decision to deal without consultation with, or other involvement of, the Prospects MTF Restricted Person; or
- 4.03.11.02 if they have delegated the decision making to a committee of which the Prospects MTF Restricted Person is not a member.
- 4.03.12 No dealings in any Securities may be effected by or on behalf of a Prospects MTF Company or any other member of its Group at a time when, under the provisions of this Chapter, a Prospects MTF Restricted Person would be prohibited from dealing in its Securities, unless such dealings are entered into:
- 4.03.12.01 in the ordinary course of business by a Securities dealing business; or
- 4.03.12.02 on behalf of third parties by the Issuer or any other member of its Group.

4.04.00 Admission Material

Submission of Application

- 4.04.01 A Company shall submit an Application for Admission in the form set out in Rules 4.00.01 to 4.00.03 above supported by the documentation in advanced draft format as set out hereunder, for each class of securities to be admitted to Prospects MTF. The Application shall be co-signed either by the Admission and Compliance Advisors or, signed by the Corporate

Advisor as the case may be, submitted by the Admissions or Corporate Advisor, in the format required by the Exchange, who shall undertake all reasonable due diligence to confirm the completeness and accuracy of the contents therein.

4.04.02 Upon application, the Admissions or Corporate Advisor shall submit documents which are in as final a form as possible. Where however it is necessary to submit an updated draft, such Company and/or its Admissions/ Corporate Advisor shall highlight for the Exchange's attention all such changes and/or updates effected to the previous version of such documents with reasons therefor.

4.04.03 The Admission material shall include to the extent applicable, such documents as required under Appendix 4.1 of these Rules.

4.04.04 All documentation shall follow the Prospects MTF templates unless the Exchange has granted a relevant derogation, with prominent reference on the first page thereof to the risk factors and disclaimers laid out in Rules 2.06.00 above. Subject to Rule 4.12.02.03, all documents shall be set out in the English language.

4.04.05 Documents equivalent to Prospects MTF templates that are already approved in the context of admission to public markets on other Recognised Jurisdictions, may also be adopted for Prospects MTF Admission purposes, upon a request being made in the template form set out in Appendix 4.10, provided that the Exchange in its sole discretion is satisfied that they:

4.04.05.01 have been approved within the last six (6) months; and

4.04.05.02 are still relevant, provided that any material changes thereto are duly highlighted; and

4.04.05.03 accounting information is no more than nine (9) months old from the proposed date of Admission; and

4.04.05.04 are submitted in their original form or a true copy thereof duly certified by the market where it was so admitted to trading, accompanied by a certified and faithful translation into English by a professional translator acceptable to the Exchange where such documents were originally drafted in any other language.

4.05.00 Supplements

4.05.01 An Applicant or a Prospects MTF Company shall consider preparing, or shall submit if so requested by the Exchange, a draft supplement to any Admission Document or other market disclosure, in any situation where it has become necessary to disclose any new information that has become available and/or to rectify a material misstatement, error or omission identified in a previously published Admission Document/Prospectus or Announcement. Such supplements shall be submitted to the Exchange for approval prior to publication and obtain, where applicable, approval for such supplement by the Registrar of Companies under the Companies Act (Cap. 386 of the Laws of Malta), or equivalent approval under any other relevant applicable law.

4.05.01.01 In the case of a new issue, investors who have already agreed to purchase or subscribe for the Securities before the supplement is published shall have the right to withdraw their acceptances or subscriptions within two (2)

market business days from the publication date of a supplement, provided that the aforesaid misstatement, error or omission shall have arisen before the final closing of the public offer and the delivery of the securities, unless such period is extended by the Prospects MTF Company. The final date of the right of withdrawal shall be stated in the supplement.

- 4.05.01.02 In the case where in a rights issue, a supplement is issued when such rights are transferred or traded in the market prior to delivery of the securities to which the rights relate, buyers or other transferees of such rights shall have the right to withdraw their acceptances or subscriptions as aforesaid within two (2) market business days from the publication date of a supplement, provided that the aforesaid misstatement, error or omission shall have arisen before the final closing day of the rights acceptance period and the delivery of securities, unless such period is extended by the Prospects MTF Company. The final date of the right of withdrawal shall be stated in the supplement.

4.06.00 Securities

Eligible securities

- 4.06.01 The following securities shall be eligible for Admission to Prospects MTF:

- Equity; and
- Debt securities (plain vanilla including callable bonds)

- 4.06.02 Tap Issue versions of all of the securities mentioned above, provided the Admission Documents remain valid for each subsequent tap issue and the tap requirements were envisaged in the referenced Admission Documents.

4.07.00 Admission Timeframe for securities to Prospects MTF

- 4.07.01 Subject to the Application and Admission Documents being complete and satisfactory in all respects, the Exchange shall endeavour to approve or refuse the Application within not more than ten (10) business days from the date of submission of fully compliant Application and Admission Documents. Where an Applicant submits updates to the Application and Admission Documents prior to Admission, the Exchange reserves the right to extend the expected date of Admission for up to a further ten (10) business days where such updates are significant. A Company shall not have its securities admitted to Prospects MTF unless and until the Exchange has issued a formal public notice so admitting them.

- 4.07.02 A Company shall refrain from making any pronouncements about the progress of its Application until the Exchange has issued a Prospects MTF Notice announcing admission to Prospects MTF of its securities or conversely advised the Applicant and its advisor that the Application has been refused.

4.08.00 Confirmation of Admission

- 4.08.01 Admission of a Company to Prospects MTF shall become effective when the Board approves the Admission and issues a relevant Prospects MTF Notice.

4.08.02 Upon notification of Exchange approval, the Admission Document and any duly approved Supplement thereto (as contemplated under Rule 4.05.01), are uploaded on the Exchange's website. A Prospects MTF Company shall ensure that there is no direct or indirect disclosure of any information relating to an Admission Document prior to it having been uploaded on the Exchange's website. Such information shall remain available on the website archive for a minimum period of five (5) years, and such an obligation shall survive any intervening termination of admission to Prospects MTF.

4.09.00 Company's relationship with the Compliance or the Corporate Advisor

4.09.01 For as long as a company remains admitted to Prospects MTF, it shall retain the services of a Compliance or Corporate Advisor. Where for any reason a Compliance or Corporate Advisor Agreement is being terminated either by the Prospects MTF Company in the template form set out in Appendix 3.2 and/or Compliance or Corporate Advisor in the template form set out in Appendix 3.3, the Company and the Compliance/Corporate Advisor shall:

4.09.01.01 separately and immediately give notice to the Exchange of such intended termination, intended effective date, together with the reason(s) for such termination;

4.09.01.02 still fulfil without delay, their responsibilities under these Rules towards the Exchange and the marketplace pending the appointment of a new Compliance or Corporate Advisor, while keeping the Exchange aware of developments leading to a new Compliance or Corporate Advisor appointment in accordance with Rule 4.09.01.03 below; and

4.09.01.03 engage the services of another Compliance or Corporate Advisor within one (1) month of such termination, on the basis of a new Agreement satisfying the minimum requirements of the Prospects MTF template. Any new Compliance or Corporate Advisor shall contact an outgoing Compliance or Corporate Advisor in order to obtain a view about the reasons for termination and where appointed, take appropriate measures to discharge its responsibilities in a timely manner, including that of keeping the Exchange duly and promptly informed on the Prospects MTF Company's continuing status.

4.09.02 A Prospects MTF Company shall also satisfy its obligations under Rules 4.09.01.02 and 4.09.01.03 above where a Compliance or Corporate Advisor is the subject of disciplinary sanctions under Rule 2.03.06 above.

4.09.03 Where a Company is unable to retain the services of a Compliance or Corporate Advisor, the Exchange shall reserve the right to suspend trading of the Company's securities in accordance with Rule 2.01.02.01 above.

4.10.00 Expert Advisors

4.10.01 The Exchange may in specific circumstances require a Prospects MTF Applicant Company on an Admission Application, or a Prospects MTF Company after Admission, to engage an Expert Advisor towards ensuring disclosure of complete material and accurate information relating to any particular aspect of its business or proposed transaction.

4.11.00 Continuing Obligations of a Prospects MTF Company

General Responsibilities of a Prospects MTF Company

4.11.01 A Company admitted to Prospects MTF shall be bound by the Continuing Obligations requirements in this Chapter. The responsibility of compliance with such obligations rests on the Prospects MTF Company and it shall in its own interest, seek the prior independent advice obtained from its Compliance/Corporate Advisor as appropriate.

4.11.02 When a company announcement is made, a Prospects MTF Company and its Compliance or Corporate Advisor shall take all reasonable care to ensure that such information the Company releases to the market is not misleading, false or deceptive and that it does not omit anything that is likely to affect the price of its securities.

Publishing Inside Information

4.11.03 A Prospects MTF Company shall promptly upload on the Exchange's website, by way of a company announcement, either directly or via their Compliance or Corporate Advisor, Inside Information and subsequent material changes thereto. Where a Prospects MTF Company is also admitted to trading on another market in Recognised Jurisdiction, it shall be bound to ensure that all Inside Information and material changes thereto disclosed on such market, is also disseminated simultaneously to Prospects MTF including where necessary, supplementary information as may be required under these Rules. A Prospects MTF Company shall ensure that there is no direct or indirect disclosure of any Inside Information, relating to an Admission Document prior to it having been uploaded on the Exchange's website. A Prospects MTF Company shall also publish the same Inside Information on the investor relations section of its own website. Such information shall remain available on the website archive for a minimum period of five (5) years, and such an obligation shall survive any intervening termination of admission to Prospects MTF.

4.11.04 The Compliance or Corporate Advisor may assist a Prospects MTF Company in the process of uploading such information. However, a Prospects MTF Company shall at all times remain responsible towards ensuring that complete and accurate Inside Information is disseminated to the market on a timely basis. An announcement shall be relevant, fairly presented to a high standard without any superfluous or potentially misleading, false or deceptive content.

4.11.05 Where circumstances so warrant, announcements by a Prospects MTF Company may be accompanied by a trading suspension as follows:

4.11.05.01 a Prospects MTF Company may request a trading suspension of its securities in advance of a potential announcement, in the template form set out in Appendix 4.3 where for example, it may not be in a position to finalise a meaningful announcement or where the announcement to be disseminated is such as would require careful investment analysis prior to resumption of trading. In dealing with such a request, the Exchange shall keep the interests and well-being of the market in due regard, such as for instance, by further requesting the Prospects MTF Company to clarify and/or deny any relevant third party information. It shall be the duty of a Prospects MTF Company and/or its Compliance/Corporate Advisor to respond to such enquiries on a most comprehensive and timely basis;

4.11.05.02 where information becomes available the Exchange may implement a precautionary, temporary trading suspension for a Prospects MTF Company, to avoid the potential development of a False Market in the securities.

4.11.06 Where the Exchange acquires unpublished information on a Prospects MTF Company it shall ensure that such information shall remain protected and confidential unless disclosure thereof is either required by law or a relevant summary thereof is publicly announced under these Rules.

Exemption or deferral from publishing Inside Information

4.11.07 Any request by a Prospects MTF Company for an exemption or deferral in disclosure to the public of inside information may only be made to the Competent Authority under MAR while keeping the Exchange and its Compliance/Corporate Advisor duly and promptly copied in any said request.

4.11.08 Deleted

4.11.09 Deleted

4.11.10 Deleted

4.11.11 Deleted

Financial Information

4.11.12 In terms of the general obligation under Rule 4.11.03, a Prospects MTF Company shall disseminate by way of company announcement, financial information as defined in Table 1 below and any other Inside Information as well as any change, re-statement or corrections thereto, to all securities holders, in the format and media as required by the Exchange (including on the Prospects MTF website and the Prospects MTF Company's own website), as required under these Rules.

Table 1 - Financial Information

Report		Frequency	Timeliness
1.	Annual Report and approved financial statements including Auditor's report in any format approved by the Exchange.	Every accounting reference date.	As soon as approved by the Board of Directors held in advance of the Annual General Meeting as per Rule 4.01.01.01 (b.1) and (i.1), provided that such Annual General Meeting shall however be held not later than four (4) months after the accounting reference date.

Report	Frequency	Timeliness
2.	Half Yearly Report including management assumptions prepared consistently with the accounting policies of the Prospects MTF Company (or showing and explaining material deviations), and in any format approved by the Exchange.	Every six (6) month period after the accounting reference date.
3.	As soon as approved by the Prospects MTF Company's Board of Directors, which shall be held not later than two (2) months after the close of the six (6) month period after the accounting reference date.	Financial Sustainability Forecasts for a Prospects MTF Company and/or the group of which it forms part and guarantors if applicable of Admitted securities issued by a Prospects MTF Company, including management assumptions thereon and the financial impact of dividends on such forecasts in the case of Admitted Equity Securities as shown in Appendices 4.7 and 4.8. Such forecasts shall also include changes to major financial commitments.
4.	Every accounting reference period and the anniversary thereof or quarterly if the Prospects MTF Company's net cash flow forecast indicates less than twelve (12) months of remaining working capital.	As soon as approved by the Prospects MTF Company's Board of Directors, but not later than four (4) months after the accounting reference date.
5.	Explanations of material changes to published forecasts of any financial information.	Each time a forecast changes.
5.	For Debt securities admitted to Prospects MTF, an Annual Report and approved financial statements of any guarantor of the Prospects MTF Company, including the Auditor's report thereon, as appropriate and in a format approved by the Exchange.	Every accounting reference date.
		As soon as approved by any guarantor of Admitted securities issued by a Prospects MTF Company, but not later than four (4) months after the accounting reference date.

Other Inside Information

- 4.11.13 A Prospects MTF Company shall disseminate all Inside Information as defined in Table 2 below, including any updates thereto, in the format and media as required by the Exchange (including the Exchange's website and the Prospects MTF Company's own website), as required under these Rules.

Circulars

- 4.11.14 In addition to the requirement to issue company announcements under this Rule, a Prospects MTF Company may also be required to simultaneously issue Circulars to holders of securities admitted to Prospects MTF as provided for in Chapter 6 of these Rules.

Table 2 - Other Inside Information

	Event	Frequency	Timeliness	E	B
1.	Allotment of securities	Every transaction	Immediately	Y	Y
2.	<p>Subject to Rules 4.03.00, dealings in the Admitted securities or derivatives thereof by:</p> <ul style="list-style-type: none"> • Directors; • Substantial Shareholders; • the Prospects MTF Company or any of its group companies; • the Advisors; or <p>the Connected Persons to any of the above categories. The announcement shall include in the case of equities, the proportion of holdings (before and after the relevant dealing) in the Prospects MTF Company.</p>	Every transaction	Immediately	Y	Y
3.	Upon receipt of a notice by an investor under Chapter 5 of these Rules a Company, shall make an announcement disclosing the details of such a notice.	Every transaction	As soon as possible but in any case no later than three (3) trading days following receipt of such notice.	Y	Y

Key:

Y = Yes
 N = No
 N/A = Not Applicable
 M = Maybe if the event falls within another category in this Chapter
 E = Equity securities
 B = Fixed income securities

Event	Frequency	Timeliness	E	B
<p>4. Details of each Related Party transaction as approved in advance by the Audit Committee, unless exempt under these Rules. Such details shall include the nature, value, duration, parties involved and their relationship as appropriate and other material items, liability regime, together with:</p> <p>A statement from the Compliance or Corporate Advisor as to whether the transaction has been conducted on an arms-length, fair and reasonable basis and how such conclusion has been reached.</p>	Every transaction	Immediately	Y	Y
5. Notice of Meetings	<p>(a) For each Board of Directors Meeting in which any inside information is proposed to be considered, or adjournments thereof, giving a summary description of such inside information;</p> <p>(b) For each Annual or Extraordinary General Meeting, or adjournments thereof, giving a summary description of matters to be considered therein;</p> <p>(c) For any meeting of holders of admitted debt securities, or adjournments thereof, giving a summary description of matters to be considered therein.</p>	Immediately upon determination of date of meeting.	Y	Y

	Event	Frequency	Timeliness	E	B
6.	Results of Meetings	For each Meeting mentioned in item 5 above.	Immediately upon each Meeting close or the adjournment thereof.	Y	Y
7.	Upon appointment of a Prospects MTF Company Executive and Senior Management officials, the full name, function/s, qualifications and Curriculum Vitae is to be issued by way of a Company Announcement.	For each change	Immediately	Y	Y
8.	Change in Prospects MTF Company Advisors or Auditors.	For each change	Immediately	Y	Y
9.	<p>Upon appointment of a Prospects MTF Company Director, a Company announcement is to be made and shall contain the following details or declarations where applicable:</p> <ul style="list-style-type: none"> - the full name; - qualifications and Curriculum Vitae; - Directorships held by such Director in the previous (5) years, indicating whether or not the individual is still a Director; - details indicating the nature of any specific function or responsibility of the position and whether the position is executive or non-executive; - details of any insolvencies or administrations of any company where the director was a director; - details of any unspent convictions (other than minor road traffic offences), any disqualifications or criticisms by regulatory authorities. 	For each change	Immediately	Y	Y
10.	A statement of the extent of ongoing compliance with the corporate governance standards.	Annually	Simultaneous with publication of the Annual Report as part thereof.	Y	Y

	Event	Frequency	Timeliness	E	B
11.	Details and impact of any material incentive programmes (including but not limited to employee incentives schemes or their derivatives) and lock-in agreements including potential impact on earnings and financial sustainability.	Each time a programme or change thereto including in the case of incentive schemes when approved by shareholders.	Immediately on implementation of a programme.	Y	M
12.	Any decisions by the Prospects MTF Company's Board of Directors containing any Inside Information.	Each time a decision is agreed.	As soon as a decision is taken.	M	M
13.	Explanations of material changes to published information or other essential features relating to the securities admitted to Prospects MTF.	Each time a change occurs or may occur.	Immediately	Y	Y
14.	Details of any changes to the lock-in arrangements under the relevant section of these Rules.	Each time a change is made to Substantial Shareholders' holdings.	Immediately upon effect of the securities transfer.	Y	N/A
15.	Details of Directors contracts and remuneration packages and subsequent changes thereto.	Each time a change is made.	Immediately on approval.	Y	Y

Event	Frequency	Timeliness	E	B
<p>16. All resolutions by a Prospects MTF Company's Board of Directors and/or Holder's General Meeting on any Corporate Action, dealing with any relevant matters such as:</p> <ul style="list-style-type: none"> • changes to debt, equity or other capital structures as well as Substantial Shareholdings, or to any rights ensuing therefrom, • changes to the Memorandum or Articles of Association, • a timetable; and • announcements of ensuing results of resolutions. • In the case of changes to the equity capital structures, the announcement shall include the original and relevant revised total number of voting rights and share capital and the details of any Substantial Shareholders before and after such revisions. 	<p>Each time a resolution is approved.</p>	<p>Immediately upon approval at the Prospects MTF Company's Board of Directors Meeting and/or a Holders' General Meeting as appropriate.</p>	Y	Y
<p>17. Any acquisition or realisation under the class tests defined in these Rules including material changes within the group structure of a Prospects MTF Company.</p>	<p>Every transaction</p>	<p>Immediately upon agreement being made.</p>	M	M

	Event	Frequency	Timeliness	E	B
18.	<p>Where mergers, disposal and acquisition activity or rumours thereof including:</p> <ul style="list-style-type: none"> when the Board of Directors of a Prospects MTF Company is advised or otherwise becomes aware that a purchaser is being sought for a Substantial Shareholding in the Prospects MTF Company; when the Prospects MTF Company is the subject of rumour and speculation; when the Board of Directors of the Prospects MTF Company is advised or otherwise becomes aware of a firm intention to acquire or dispose of a Substantial Shareholding in the Issuer; when the Board of Directors of the Issuer is advised or otherwise becomes aware that an offer has been made to acquire or dispose of a Substantial Shareholding in the Issuer; and / or a statement that there is no information to report where any rumours are ill-founded. 	Upon such occurrence	Immediately	Y	Y
19.	The proportion of a Prospects MTF Company's holding in its own shares, following an acquisition or sale of its own shares where that proportion reaches, exceeds or falls below the thresholds of 5% or 10% of the voting rights.	Every transaction	On settlement date.	M	N/A

	Event	Frequency	Timeliness	E	B
20.	<p>In the case of Admitted Equity Securities to Prospects MTF, the registered details of holders thereof, whose percentage holdings whether held directly and/or indirectly, reaches, exceeds or falls below the threshold of 5%, 10%, 15% 20%, 25%, 30%, 50%, 75% and 90% of the voting rights attached to any such securities.</p> <p>Such thresholds shall be calculated on a fully diluted basis, i.e. taking the aggregate position of all the said securities and any underlying securities to which they relate.</p>	Upon such occurrence	Immediately	Y	N/A
21.	In the case of debt securities, a trust deed relating to the said debt securities has been completed and executed or amended and a copy has been lodged with the Exchange and that particulars thereof, are announced to the market.	Upon such completion	Immediately	N/A	Y
22.	Resolution to supplement, remove or change trading venues where the Prospects MTF Company's securities are admitted to trading.	When the resolution is passed	Immediately	Y	Y
23.	The filing of a winding up application	N/A	Immediately	Y	Y
24.	Material Litigations	In accordance with International Financial Reporting Standards ('IFRSs')	Immediately if required under IFRSs	Y	Y
25.	<p>Key administrative changes:</p> <ul style="list-style-type: none"> the registered address; markets where the Company's securities are admitted to trading; principal relevant operational locations; website address. 	When effected	Immediately	Y	Y

	Event	Frequency	Timeliness	E	B
26.	<p>Supplementary information not covered by the above, including but not limited to:</p> <ul style="list-style-type: none"> updates to disclosures in Admission Documents, other Company announcements or other disclosures together with the required declarations and other information generally made available to securities holders; information requested by the Exchange; and/or the results of any new issue, public offer or rights issue following the closure of such offers to the public or existing securities holders; 	Each time such information is requested or is available.	Immediately the request is made by the Exchange or the information is made available.	M	M

Takeover, merger, major acquisition, disposals or realisation and/or transactions involving substantial shareholdings

4.11.15 A takeover, merger, acquisition, disposals or realisations and/or transactions involving substantial shareholdings shall be governed by these Rules.

Acquisitions and Realisations

4.11.16 In this section (except where specifically provided to the contrary) a reference to a transaction entered into by a Prospects MTF Company (the 'Company'):

4.11.16.01 includes all agreements (including amendments to agreements) entered into by the Company or its Subsidiary Undertakings;

4.11.16.02 excludes a transaction in the ordinary course of business;

4.11.16.03 excludes any transaction between the Company and its wholly-owned Subsidiary Undertakings or between its wholly-owned Subsidiary Undertakings.

Classification of acquisitions and realisations

4.11.17 Acquisitions and realisations shall be classified as follows:-

4.11.17.01 Class 1 transaction: where any of the class tests mentioned below amount to five percent (5%) but less than thirty-five percent (35%); or

4.11.17.02 Class 2 transaction: where any of the tests mentioned below amount to thirty-five percent (35%) or more.

Class tests

4.11.18 In order to classify acquisitions and realisations the following class tests will be used:

4.11.18.01 the gross assets test;

4.11.18.02 the profits test; and

4.11.18.03 the consideration test.

The gross assets test

4.11.19 The gross assets test shall be calculated by dividing the gross assets the subject of the transaction by the gross assets of the Company. For the purposes of this Rule, "the gross assets of the Company" means the Company's total non-current assets plus the total current assets.

4.11.20 In the case of:

4.11.20.01 an acquisition of an interest in an undertaking which will result in the consolidation of the assets of that undertaking in the accounts of the Company; or

4.11.20.02 a disposal of an interest in an undertaking which will result in the assets of that undertaking no longer being consolidated in the accounts of the Company;

the “gross assets the subject of the transaction” means the value of one hundred percent (100%) of that undertaking’s assets irrespective of what interest is acquired or disposed of.

4.11.21 For an acquisition or disposal of an interest in an undertaking which does not fall within the preceding Rule 4.11.20, the “gross assets the subject of the transaction” means:

4.11.21.01 for an acquisition, the consideration together with liabilities assumed (if any); and

4.11.21.02 for a disposal, the assets attributed to that interest in the Company’s accounts.

4.11.22 If assets, other than an interest in an undertaking, are acquired, “the assets the subject of the transaction” means the consideration or, if greater, the book value of those assets as they will be included in the Company’s balance sheet.

4.11.23 In the case of a disposal of assets other than an interest in an undertaking, “the assets the subject of the transaction” means the book value of the assets in the Company’s balance sheet.

The profits test

4.11.24 The profits test is calculated by dividing the profits attributable to the assets the subject of the transaction by the profits of the Company. For the purposes of this Rule, “profits” means profits after deducting all charges except taxation and, in the case of an acquisition or disposal of an interest in an undertaking referred to in Rule 4.11.20, one hundred percent (100%) of the profits of the undertaking (irrespective of what interest is acquired or disposed of).

The consideration test

4.11.25 The consideration test is calculated by taking the consideration for the transaction as a percentage of the aggregate Market Value of all the ordinary shares of the Company. The figure used to determine market capitalisation is the aggregate Market Value of all the ordinary shares of the Company at the close of business on the last day before prior to the date when the transaction has been agreed to.

4.11.26 For the purposes of the preceding Rule:-

- 4.11.26.01 the consideration is the amount paid to the contracting party;
- 4.11.26.02 if all or part of the consideration is in the form of Securities to be traded on a market, the consideration attributable to those Securities is the aggregate Market Value of those Securities; and
- 4.11.26.03 if deferred consideration is or may be payable or receivable by the Company in the future, the consideration is the maximum total consideration payable or receivable under the agreement.
- 4.11.27 For the purposes of the preceding Rule, the figures used to determine consideration consisting of:-
- 4.11.27.01 Securities of a Class already to market trading, shall consist of the aggregate Market Value of all those Securities on the last Business Day before the announcement; and
- 4.11.27.02 a new Class of Securities for which an application will be made for admission to market trading, shall consist of the expected aggregate market value of all those Securities.
- 4.11.28 If the total consideration is not subject to a maximum (and the other class tests indicate the transaction to be a class 1 transaction) the transaction is to be treated as a class 2 transaction.
- Acquisitions and disposals of Property*
- 4.11.29 Acquisitions and disposals of property by a Company (including any transactions or arrangements the purpose of which is to change, in whole or in part, the beneficial ownership of property) are subject to the rules contained in this section save as indicated below:
- 4.11.29.01 for the purposes of Rule 4.11.19 (the gross assets test), the assets test is calculated by dividing the transaction consideration by the gross assets of the Company and Rules 4.11.22 and 4.11.23 do not apply;
- 4.11.29.02 for the purposes of Rule 4.11.19 (the gross assets test), if the transaction is an acquisition of land to be developed, the assets test is calculated by dividing the transaction consideration and any financial commitments relating to the development by the gross assets of the Company;
- 4.11.29.03 for the purposes of Rule 4.11.19, the “gross assets of the Company” are, at the option of the Company:
- (a) the aggregate of the Company’s share capital and reserves (excluding minority interests);

- (b) the book value of the Company's Properties (excluding those properties classified as current assets in the latest published Annual Accounts); or
- (c) the published valuation of the Company's properties (excluding those properties classified as current assets in the latest published Annual Accounts);
- (d) for the purposes of Rule 4.11.24 (the profits test), "profits" means the net annual rental income; and
- (e) the test referred to in Rule 4.11.26.03 shall not apply but when any of the consideration for an acquisition is in shares, an alternative test will be applied comparing the shares to be issued with the number of shares in issue.

Notification requirements

4.11.30 In the case of a Class 1 transaction, the Company shall make a Company Announcement in the manner laid down in Rule 4.11.32 as soon as possible after the terms of the transaction are agreed.

4.11.31 In the case of a Class 2 transaction, the Company shall:

4.11.31.01 issue a Company Announcement in the manner laid down in Rule 4.11.32;

4.11.31.02 send an explanatory Circular to its shareholders and obtain their prior approval in a general meeting for the transaction; and

4.11.31.03 ensure that any agreement effecting the transaction is conditional on that approval being obtained.

Provided that a Company without equity securities admitted on Prospects MTF shall only be required to comply with Rule 4.11.31.01 when proposing to enter into a Class 2 transaction.

4.11.32 The Company Announcement referred to in Rules 4.11.30 and 4.11.31 shall include:

4.11.32.01 details of the transaction, including particulars of dates, parties, terms and conditions, general nature of contract, the name of the receiving notary where applicable;

4.11.32.02 a description of the business carried on by, or using, the net assets the subject of the transaction;

- 4.11.32.03 the consideration, and how it is being satisfied (including the terms of any arrangements for deferred consideration);
 - 4.11.32.04 the value of the gross assets the subject of the transaction;
 - 4.11.32.05 the profits attributable to the assets the subject of the transaction;
 - 4.11.32.06 the effect of the transaction on the Company including any benefits which are expected to accrue to the Company as a result of the transaction;
 - 4.11.32.07 for a disposal, the application of the sale proceeds;
 - 4.11.32.08 for a disposal, if Securities are to form part of the consideration received, a statement whether the Securities are to be sold or retained; and
 - 4.11.32.09 details of key individuals important to the business or company the subject of the transaction.
- 4.11.33 If, at any time subsequent to any Company Announcements made in terms of Rules 4.11.30 and 4.11.31, the Company has become aware that there has been a significant change affecting any matter contained in the Announcement or a significant new matter has arisen which would have been required to be mentioned in that Announcement if it had arisen at the time of making such Announcement, the Company shall make a supplementary Company Announcement.
- 4.11.34 The supplementary Company Announcement must give details of the change or new matter and also contain a statement that, except as disclosed, there has been no significant change affecting any matter contained in the earlier Announcement and no other significant new matter has arisen which would have been required to be mentioned in that earlier Announcement if it had arisen at the time of preparation of that Announcement.
- 4.11.35 In Rules 4.11.33 and 4.11.34, “significant” means significant for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and Prospects MTF of the Company and the rights attaching to any Securities forming part of the consideration. It includes a change in the terms of the transaction such that affects the percentage ratios and requires the transaction to be reclassified.
- 4.11.36 The Circular referred to in Rule 4.11.31.02 shall comply with the requirements of these Rules on Circulars on acquisitions and realisations.
- 4.11.37 If, after the production of a Circular and before the completion of a Class 2 transaction, there is a material change to the terms of the transaction, the Company shall comply again separately with Rule 4.11.31 in relation to the transaction.
- 4.11.38 In deciding whether a Circular should be sent to shareholders, the Exchange may aggregate acquisitions or realisations that have taken place since either the publication of the last accounts or the issue of the last Circular, whichever is the later during the twelve (12) months

prior to the date of the latest transaction. Such aggregated transactions may then be treated as if they were one transaction if they were all completed within a short period of time, and the total of transactions is thirty-five percent (35%) or more as defined in Rule 4.11.17.02. For these purposes, the value of transactions in respect of which adequate information has already been issued to shareholders will be included in the net tangible assets or profits of the Company for comparison with the transaction or transactions under consideration. In case of doubt as to aggregation, the Exchange should be consulted at an early stage.

4.11.39 Without prejudice to the generality of the preceding Rule, transactions will normally only be aggregated in accordance with that provision if they:

4.11.39.01 are entered into by the Company with the same party or with parties connected with one another; or

4.11.39.02 involve the acquisition or disposal of Securities or an interest in one particular Company; or

4.11.39.03 together lead to substantial involvement in a business activity which did not previously form part of the Prospects MTF Company's principal activities.

4.11.40 If, under Rule 4.11.17, aggregation results in a class test of thirty-five percent (35%) or more which would require Shareholder approval in terms of Rule such approval is required only for the latest transaction.

4.11.41 Notwithstanding Rule 4.11.38 where acquisitions are entered into since either the publication of the last accounts or the issue of the last circular, whichever is the later, which cumulatively amount to thirty-five percent (35%) or more in any of the percentage ratios, the provisions outlined in Rule 4.11.30 may apply.

4.12.00 Voluntary suspension or termination

4.12.01 When a Prospects MTF Company and/or Compliance or Corporate Advisor makes a request for suspension or termination of their Admission to the Prospects MTF marketplace, they shall complete and submit to the Exchange, the form set out in Appendix 4.3. A Prospects MTF Company and/or Compliance or Corporate Advisor as the case may be, shall in support of such an application, produce an original or authenticated true-copy of all requisite approvals or resolutions in accordance with their relevant constitutional documents and in the case of an Exchange Prospects MTF Company as further mentioned hereunder. The Exchange shall consider such an application and determine whether it has been submitted with all due formalities. Upon due completion of such an application, the Exchange shall issue a Prospects MTF Notice announcing the suspension until further notice or termination of Admission, including the effective dates.

4.12.02 A Prospects MTF Company intending to make an application for the termination of Admission of any of its Securities (hereinafter in this chapter referred to as "Application for termination of Admission") shall:

- 4.12.02.01 obtain approval from its Board of Directors or any other equivalent governing body duly convened for the purpose;
- 4.12.02.02 formulate a resolution in writing that shall be submitted for approval at a meeting of the holders of that security duly convened for that purpose within one (1) month from the date of the said approval by the Directors;
- 4.12.02.03 give advance notice to the security holders of the convening of any such meeting of at least fourteen (14) calendar days prior to the date of such meeting and shall provide the text of the resolution together with an appropriate explanatory memorandum setting out the reasons for the Application for termination of Admission and the arrangements for registration of transfers following any such termination. The notice, resolution and explanatory memorandum shall be in the English and Maltese languages and shall be delivered to the Exchange on the same day of despatch to the Security Holders; and
- 4.12.02.04 ensure that any such meeting complies with the matters set out below:
 - (a) taken by a poll called exclusively for this purpose;
 - (b) approved by the security holders represented and entitled to vote at the meeting for this purpose, holding in the aggregate not less than seventy-five percent (75%) of the nominal value of the outstanding issued amounts of the relevant security of the PROSPECTS MTF Company or such other higher percentage as the Memorandum and Articles of Association or equivalent constitutional documents of the Company may prescribe;
 - (c) not disapproved by Security Holders represented at the meeting holding five percent (5%) or more of the nominal value of the issued securities of the Prospects MTF Company.

4.13.00 Property Companies

General

- 4.13.01 Where an Applicant or a Prospects MTF Company is a Property Company it shall comply with these Rules contained in this Chapter in addition to all other applicable Rules. A Prospects MTF Company that owns Property or which carries out certain Property-related transactions shall also comply with this Chapter where appropriate.

Requirement for a valuation report

- 4.13.02 Where a valuation of any property asset is required under these Rules, the Prospectus, Admission Document or Circular shall include, where appropriate, a statement reconciling the valuation figure with the equivalent figure included in the Issuer's latest published Annual Accounts.

Independence of Valuer

- 4.13.03 A valuation report required to be disclosed under these Rules shall be prepared by a competent and independent Expert unless otherwise authorised by the Exchange, which may upon a written request, in its discretion, permit the valuation to be carried out by a Prospects MTF Applicant's or a Prospects MTF Company's internal valuer.

Valuation Report

Contents of Valuation Report

- 4.13.04 A valuation report to be included in the Prospectus, Admission Document or Circular shall:
- 4.13.04.01 contain the following details which should be summarised in respect of each Property:
- (a) the address;
 - (b) nature of valuer's inspection;
 - (c) a brief description (e.g. land or buildings, approximate site and floor areas);
 - (d) existing use (e.g. shops, offices, factories, residential);
 - (e) relevant planning permissions;
 - (f) any material contravention of statutory requirements;
 - (g) tenure (i.e. freehold, leasehold, emphyteutical grant, etc providing unexpired term);
 - (h) main terms of tenants' leases or sub-leases (including repairing obligations);
 - (i) approximate age of any buildings;
 - (j) present capital value in existing state;
 - (k) terms of any intra-Group lease on Property occupied by the Group (identifying the Properties) to the extent that such leases are taken into account in the valuation;
 - (l) any other matters which materially affect the value (including any assumptions and information on contamination, if any);
 - (m) sources of information and verification; and
 - (n) details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements and other burdens;
- 4.13.04.02 state the name, address and professional qualifications of the valuer;
- 4.13.04.03 be dated and state the effective date of valuation for each Property which, unless otherwise agreed by the Exchange, shall not be more than sixty (60) days prior to the date of publication of the Prospectus, Admission Document or Circular;
- 4.13.04.04 state that the valuation is based on open market value for existing use or, if necessary, depreciated replacement cost subject to adequate profitability;
- 4.13.04.05 state any assumptions on which the valuation is based and, where open market value is the basis of valuation, identify any qualifying words to be

- applied to the definition of open market value and state reasons for the adoption of any such qualification;
- 4.13.04.06 divide the valuation between freehold, long leasehold (over 50 years) and short leasehold Properties;
 - 4.13.04.07 where the Directors have required a valuation of the benefit or detriment of contractual arrangements in respect of Property or where there is thought to be benefit in any options held, show such valuations separately and include a reconciliation of the costs and values;
 - 4.13.04.08 in those cases where Directors or promoters have had an interest in any acquisitions or disposals of any of the Properties or Property Company during the two (2) years preceding the valuation, contain details of the nature and extent of such interests and the date of the transactions and the prices paid or received or other terms on which the transactions were effected. In such cases, the information required shall be provided by the Directors to the valuer for this purpose. Alternatively, the information on interests of Directors or promoters may also be adequately disclosed elsewhere in the Prospectus, Admission Document or Circular;
 - 4.13.04.09 identify any other matter which the valuer considers relevant for the purposes of the valuation; and
 - 4.13.04.10 be carried out in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors (RICS).

Valuations of Property in course of Development

- 4.13.05 Where the valuation is in respect of Property currently being developed the following additional information shall be given in the valuation report:
- 4.13.05.01 whether the relevant planning permits have been obtained, and, if so, the date of the relevant permits and whether there are any material or onerous conditions attached to the issue of such permits;
 - 4.13.05.02 the date when the development is expected to be completed and any estimate of letting or occupation dates;
 - 4.13.05.03 the estimated total cost of completion including, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs;
 - 4.13.05.04 the open market value of the Property in its existing state at the date of valuation;
 - 4.13.05.05 the estimated capital values at current prices and on the basis of current market conditions:
 - (a) after development has been completed; and
 - (b) after the development has been completed and the Property has been let.

Progressive Development

- 4.13.06 Where Property in the course of development is being developed in phases over a period of time by the erection of a number of buildings, each of which is intended to be sold soon after completion of construction, the requirements of Rules 4.13.05.03 and 4.13.05.05 above may be satisfied by the provision of information for each phase or for groups of phases. For this purpose, Property in the course of development includes any phase where, at the date of valuation, work is in progress and any other phase where a start is imminent, all appropriate consents have been obtained and a building contract has been entered into. Later phases, where construction at the date of valuation has not yet started, or where all appropriate consents and permits have not yet been obtained or a building contract has not yet been entered into, may be treated as Properties held for development (see Rule 4.13.07 below).

Properties held for Development

- 4.13.07 Where Property is held for future development the valuation report shall contain the following additional information so far as it is known and relevant at the valuation date:

- 4.13.07.01 whether or not the relevant planning permits have been applied for, whether such applications have been granted or refused and the date of such grant or refusal;
- 4.13.07.02 the nature and a brief description of the proposed development;
- 4.13.07.03 an indication of when it is reasonable to expect development to commence;
- 4.13.07.04 the expected development period; and
- 4.13.07.05 the estimated total costs of the development including, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs.

Valuation of Property for Business Use

- 4.13.08 A Property which is occupied for the purposes of a business should be valued at existing use value. Where the open market value for an alternative use significantly exceeds this basis, the alternative use valuation shall be stated in the valuation report, together with the Directors' estimate of the costs of cessation and removal of the business. Where the alternative use value is significantly lower than the existing use value and the existing use value is no longer appropriate, the alternative use valuation shall be stated in the valuation report.

Overseas Property

- 4.13.09 If the Company owns any overseas Property then this Property shall be shown separately in the valuation report and its basis of valuation clearly identified.

Rentals used in Valuations

- 4.13.10 In respect of each Property which is rented out by the Company, the Net Annual Rent and the estimated Net Annual Rent (based on its current open market rental value) at a specified future date (where this differs materially) shall be included in the valuation report.

Summary of Valuations

- 4.13.11 The valuation report shall include a summary of the number of Properties and the aggregate of their valuations shall be split to show the separate totals for the freehold and leasehold

Properties. Negative values shall be shown separately and not aggregated with the other valuations. Separate totals shall be given for:

- 4.13.11.01 properties valued on an open market basis;
- 4.13.11.02 properties valued on an existing use value basis;
- 4.13.11.03 properties valued on a depreciated replacement cost basis; and
- 4.13.11.04 for any overseas Properties.

Condensed Format

- 4.13.12 If the Properties held are too numerous to enable the Company to comply with the normal requirements for a valuation report, the Exchange may consent to a suitably condensed format in the relevant Prospectus, Admission Document or Circular. The full valuation report shall be available for inspection.
- 4.13.13 The Exchange may authorise the omission of any specific item of information in the valuation report if the Exchange considers that disclosure would be seriously detrimental to the Company and omission is not likely to mislead investors with regard to facts and circumstances, knowledge of which is essential for the assessment of the Securities in question.

Continuing Obligations

- 4.13.14 In addition to their continuing obligations, Property Companies shall also provide for regular independent valuations of their Property portfolio after a Class of their Securities become Admitted to Prospects MTF as agreed to with the Exchange.

CHAPTER 5

OBLIGATIONS OF SECURITIES HOLDERS IN EQUITY SECURITIES

5.00.00 Disclosure Obligations in respect of significant holdings

- 5.00.01 In the case of Admitted Equity Securities to Prospects MTF any securities holder who acquires or disposes securities to which voting rights are attached in a Prospects MTF Company, (hereinafter “the Company”) shall notify the Company of the proportion of voting rights of the Company held by such securities holder, directly or indirectly, as a result of the acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of five percent (5%), ten percent (10%), fifteen percent (15%), twenty percent (20%), twenty-five percent (25%), thirty percent (30%), fifty percent (50%), seventy-five percent (75%) and ninety percent (90%) of all voting rights. Such thresholds shall be calculated on a fully diluted basis, i.e. taking the aggregate position of all the said securities and any underlying securities to which they relate.
- 5.00.02 The voting rights shall be calculated on the basis of all the shares to which voting rights are attached even if the exercise thereof is suspended.
- 5.00.03 This information shall also be given in respect of all the shares which are in the same Class and to which voting rights are attached.
- 5.00.04 The Company and the Exchange shall also be notified in terms of Rule 5.00.01 when the proportion reaches, exceeds or falls below the thresholds specified in the same Rule, as a result of events changing the breakdown of voting rights.
- 5.00.05 The thresholds referred to in Rule 5.00.01 shall be calculated on the basis of the information made available to the public by the Company at the end of each calendar month, of the total number of voting rights and capital, during which an increase or decrease of such total number has occurred.
- 5.00.06 Where the Company is incorporated or registered in a non-EU or EEA State, the notification shall be made for equivalent events.
- 5.00.07 The notification requirement defined in Rule 5.00.01 shall also apply to a natural or legal person who is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:
- 5.00.07.01 voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company in question;
 - 5.00.07.02 voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
 - 5.00.07.03 voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares its intention of exercising them;
 - 5.00.07.04 voting rights attaching to shares in which that person or entity has the right of usufruct;

- 5.00.07.05 voting rights which are held, or may be exercised within the meaning of Rule 5.00.07.01 to 5.00.07.04 above, by an undertaking controlled by that person or entity;
- 5.00.07.06 voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at its discretion in the absence of specific instructions from the shareholders;
- 5.00.07.07 voting rights held by a third party in its own name on behalf of that person or entity;
- 5.00.07.08 voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at its discretion in the absence of specific instructions from the shareholders.
- 5.00.08 The obligation to notify the Company in terms of Rule 5.00.01 shall be an individual obligation incumbent upon each shareholder, or each natural person or legal entity as referred to in Rule 5.00.07, or both in case the proportion of voting rights held by each party reaches, exceeds or falls below the thresholds laid down in Rule 5.00.01. In the circumstances, however, referred to in Rule 5.00.07.01 the said notification obligation shall be a joint and several, collective obligation shared by all the parties to the agreement.
- 5.00.09 In the circumstances referred to in Rule 5.00.07.08, if a shareholder gives the proxy in relation to one shareholder meeting, notification may be made by means of a single notification when the proxy is given provided it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.
- 5.00.10 If in the circumstances referred to in Rule 5.00.07.08 the proxy holder receives one or several proxies in relation to one shareholder meeting, notification may be made by means of a single notification on or after the deadline for receiving proxies provided that it is made clear in the notification what the resulting situation in terms of voting rights will be when the proxy may no longer exercise the voting rights at its discretion.
- 5.00.11 When the duty to make notification lies with more than one natural person or legal entity, notification may be made by means of a single common notification but this does not release any of those persons from their responsibilities in relation to the notification.
- 5.00.12 A natural or legal person shall make a notification in terms of Rule 5.00.01 in respect of any qualifying financial instruments held by such person, directly or indirectly, which result in an entitlement to acquire, on such holder's own initiative alone, under a formal agreement, shares to which voting rights are attached, of a Company whose shares are admitted on Prospects MTF and provided that such person enjoys, on maturity, either the unconditional right to acquire the underlying shares or the discretion as to his right to acquire such shares or not.
- 5.00.13 For the purposes of the preceding Rule 5.00.12:
- “qualifying financial instruments” means transferable securities and options, futures, swaps, forward rate agreements and any other derivative contracts, as referred to in paragraphs 1 to 10 of the Second Schedule to the Investment Services Act (Cap. 370 of the Laws of Malta); and
- “formal agreement” means an agreement which is binding under applicable law.

- 5.00.14 A person referred to in Rule 5.00.12 shall aggregate and notify the Company of the underlying share and the Exchange all qualifying financial instruments relating to the same underlying Company.
- 5.00.15 If a qualifying financial instrument relates to more than one underlying share, a separate notification shall be made to each Company of the underlying shares.
- 5.00.16 The notification required under Rules 5.00.01 and 5.00.07 shall include the following information:
- 5.00.16.01 the resulting position in terms of voting rights;
 - 5.00.16.02 the chain of Controlled Undertakings through which voting rights and/or financial instruments are effectively held, if applicable;
 - 5.00.16.03 the date on which the threshold was reached or crossed;
 - 5.00.16.04 the identity of the person entitled to exercise voting rights, even if that person is not entitled to exercise voting rights under the conditions laid down in Rule 5.00.07;
 - 5.00.16.05 for instruments with an exercise period:
 - 5.00.16.05.01 an indication of the date or time period where shares will or can be acquired, if applicable;
 - 5.00.16.05.02 the date of maturity or expiration of the instrument;
 - 5.00.16.05.03 name of the underlying Company.
- 5.00.17 For the purposes of the notification referred to in the preceding Rule 5.00.16, the resulting position in terms of voting rights shall be calculated by reference to the total number of voting rights and capital as last disclosed by the Company by company announcement disclosing the total number of voting rights and capital at the end of each calendar month during which an increase or decrease of such total number has occurred.
- 5.00.18 The notification that is required to be made to the Company in terms of Rule 5.00.01 shall be effected as soon as possible, but not later than four (4) trading days following the date on which the shareholder, or the natural or legal person representing the shareholder:
- 5.00.18.01 learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect; or
 - 5.00.18.02 is informed about the events changing the breakdown of voting rights.
- 5.00.19 For the purposes of Rule 5.00.18.01, the shareholder, or the natural or legal person representing the shareholder shall be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two (2) trading days following the transaction in question.
- 5.00.20 An undertaking, being a shareholder of a Company, shall be exempted from notifying the Company of any changes in its holding as required under Rule 5.00.01 if the notification is made by its Parent Undertaking or, where the Parent Undertaking is itself a Controlled Undertaking, by its own Parent Undertaking.

- 5.00.21 Upon receipt of the notification in terms of Rule 5.00.01 but no later than three (3) trading days thereafter, the Company shall make the notification available to the public and shall make a Company Announcement including all the information contained in the notification.
- 5.00.22 Rule 5.00.01 shall not apply to:
- 5.00.22.01 shares acquired for the sole purpose of clearing and settling within the usual short settlement cycle not exceeding two (2) trading days following the execution of the transaction;
 - 5.00.22.02 shares held by Custodians in their Custodian capacity provided such Custodians can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means;
 - 5.00.22.03 acquisitions or disposal of a major holding reaching or crossing the five percent (5%) or other thresholds therein mentioned by a Market Maker acting in its capacity of a Market Maker and complying with the conditions and operating requirements set out in Rule 5.00.23; and
 - 5.00.22.04 shares provided to or by the members of the European System of Central Banks in carrying out their functions as monetary authorities, including shares provided to or by members of the European System of Central Banks under a pledge or repurchase or similar agreement for liquidity granted for monetary policy purposes or within a payment system;
- Provided that the above shall apply with regards to transactions lasting for a short period and the voting rights attaching to such shares are not exercised.
- 5.00.23 A Market Maker shall be exempted in terms of Rule 5.00.22.03 provided that, such Market Maker:
- 5.00.23.01 is authorised in Malta or its home member state under Directive 2004/39/EC within the EU or in the EEA or another reputable jurisdiction recognised by the Exchange;
 - 5.00.23.02 does not intervene in the management of the Company concerned;
 - 5.00.23.03 does not exert any influence on the Company to buy such shares or back the share price; and
 - 5.00.23.04 notifies the Exchange within the time limit laid down in Rule 5.00.18 that it conducts or intends to conduct market-making activities on a particular Company.
- 5.00.24 Where the Market Maker ceases to conduct market-making activities on the Company concerned, it shall notify the Exchange accordingly.
- 5.00.25 The Exchange may require the Market Maker undertaking market-making activities with respect to Securities of a Company with Malta as its Home Member State within the EU, as referred to in Rule 5.00.22.03, to identify the shares or financial instruments held for market-making activity purposes, in which case the Market Maker may make such identification by any verifiable means.
- 5.00.26 If the Market Maker is unable to identify the shares or financial instruments concerned, the Exchange may require him to hold them in a separate account for identification purposes.

- 5.00.27 Voting rights held in the trading book, as defined in Article 11 of Directive 2006/49/EC on the capital adequacy of investment firms and credit institutions (recast), of a credit institution or investment firm shall not be counted for the purposes of Rule 5.00.01 provided that:
- 5.00.27.01 the voting rights held in the trading book do not exceed five percent (5%); and
 - 5.00.27.02 the credit institution or investment firm ensures that the voting rights attaching to shares held in the trading book are not exercised nor otherwise used to intervene in the management of the Company.
- Notification by management companies and investment firms*
- 5.00.28 For the purposes of Rules 5.00.29.01 and 5.00.31 “direct instruction” and “indirect instruction” shall have the following meaning:
- “direct instruction” means any instruction given by the Parent Undertaking, or another Controlled Undertaking of the Parent Undertaking, specifying how the voting rights are to be exercised by the management company or investment firm in particular cases;
- “indirect instruction” means any general or particular instruction, regardless of the form, given by the Parent Undertaking, or another Controlled Undertaking of the Parent Undertaking, that limits the discretion of the Management Company or investment firm in relation to the exercise of the voting rights in order to serve specific business interests of the Parent Undertaking or another Controlled Undertaking of the Parent Undertaking.
- 5.00.29 The Parent Undertaking of a Management Company shall not be required to aggregate its holdings with the holdings managed by the Management Company under the conditions laid down in Directive 85/611/EEC, provided that:
- 5.00.29.01 it does not interfere by giving direct or indirect instructions or it does not interfere in any other way in the exercise of the voting rights held by that management company; and
 - 5.00.29.02 the Management Company is free to exercise, independently of the parent undertaking, the voting rights attached to the assets it manages.
 - 5.00.29.03 Where the parent undertaking, or another Controlled Undertaking of the parent undertaking, has invested in holdings managed by such management Company and the Management Company has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the parent or another Controlled Undertaking of the parent undertaking, the holdings of the Parent Undertaking shall be aggregated with its holdings through the Management Company.
- 5.00.30 The Parent Undertaking of an investment firm authorised under Directive 2004/39/EC shall not be required to aggregate its holdings with the holdings which such investment firm manages on a client-by-client basis within the meaning of Article 4(1), point 9, of Directive 2004/39/EC provided that:
- 5.00.30.01 the investment firm is authorised to provide such portfolio management under point 4 of Section A of Annex I to Directive 2004/39/EC;
 - 5.00.30.02 it may only exercise the voting rights attached to such shares under instructions given in writing or by electronic means or it ensures that individual portfolio management services are conducted independently of

- any other services under conditions equivalent to those provided for under Directive 85/611/EEC by putting into place appropriate mechanisms;
- 5.00.30.03 it does not interfere by giving direct or indirect instructions or it does not interfere in any other way in the exercise of the voting rights held by that investment firm; and
- 5.00.30.04 the investment firm is free to exercise, independently of the parent undertaking, the voting rights attached to the assets it manages.
- 5.00.31 Where the parent undertaking, or another Controlled Undertaking of the parent undertaking, has invested in holdings managed by such investment firm and the investment firm has no discretion to exercise the voting rights attached to such holdings and may only exercise such voting rights under direct or indirect instructions from the parent or another Controlled Undertaking of the parent undertaking, the holdings of the Parent Undertaking shall be aggregated with its holdings through the investment firm (Art 12(5) 2nd para of TD).
- 5.00.32 A Parent Undertaking which does not aggregate its holdings in terms of Rules 5.00.29 or 5.00.30 shall, without delay, notify the Exchange the following information:
- 5.00.32.01 a list of the names of those Management Companies and investment firms, indicating the competent authorities that supervise them or that no competent authority supervises them, but with no reference to the issues concerned;
- 5.00.32.02 in the case of a Management Company, a statement that the Parent Undertaking complies with the conditions laid down in Rule 5.00.29;
- 5.00.32.03 in the case of an investment firm, a statement that the Parent Undertaking complies with the conditions laid down in Rules 5.00.30.03 and 5.00.30.04.
- 5.00.33 The Parent Undertaking shall update the list referred to in Rule 5.00.32.01 on an ongoing basis.
- 5.00.34 Where a Parent Undertaking intends to avail itself of the exemptions contained in Rules 5.00.29 or 5.00.30 only in relation to the financial instruments referred to in Rule 5.00.12, it shall notify to the Exchange only the list referred to in Rule 5.00.32.01.
- 5.00.35 The Exchange may request a Parent Undertaking of a Management Company or of an investment firm to demonstrate that:
- 5.00.35.01 the organisational structures of the Parent Undertaking and the Management Company or investment firm are such that the voting rights are exercised independently of the Parent Undertaking;
- 5.00.35.02 the persons who decide how the voting rights are to be exercised act independently;
- 5.00.35.03 if the Parent Undertaking is a client of its Management Company or investment firm or has holdings in the assets managed by the management company or investment firm, there is a clear written mandate for an arms-length customer relationship between the Parent Undertaking and the management company or investment firm.
- 5.00.36 The Parent Undertaking shall be deemed to satisfy Rule 5.00.35 if as a minimum the Parent Undertaking and the Management Company or investment firm have established written policies and procedures that are reasonably designed to prevent the distribution of

information between the Parent Undertaking and the Management Company or investment firm in relation to the exercise of voting rights.

CHAPTER 6

CIRCULARS

Circulars

- 6.00.01 A Prospects MTF Company shall send an explanatory Circular to the holders of its Securities in the following cases:
- 6.00.01.01 allotment of securities;
 - 6.00.01.02 increase in the Prospects MTF Company's authorised share capital;
 - 6.00.01.03 capitalisation or bonus issues;
 - 6.00.01.04 granting of scrip dividends;
 - 6.00.01.05 acquisition and resale by the Prospects MTF Company of its own Securities;
 - 6.00.01.06 redemption of debt securities;
 - 6.00.01.07 amendments to the Prospects MTF Company's Memorandum and Articles of Association;
 - 6.00.01.08 Related Party Transactions;
 - 6.00.01.09 a Class 2 transaction referred to in Rule 4.11.17.02;
 - 6.00.01.10 a merger;
 - 6.00.01.11 without prejudice to Rule 6.00.39 below, when notice of a meeting which includes any business, other than Ordinary Business at an annual general meeting, is sent to holders of Securities;
 - 6.00.01.12 employee share schemes, the grant of share-based schemes, including share options, to Directors and any changes made to such schemes; and
 - 6.00.01.13 discounted option arrangements.

Contents of all Circulars

- 6.00.02 Any Circular sent by a Prospects MTF Company to holders of its Securities admitted to trading on Prospects MTF shall:
- 6.00.02.01 contain the name, registered office and, if different, head office of the Prospects MTF Company;
 - 6.00.02.02 provide a clear and adequate explanation of its subject matter giving due prominence to its essential characteristics, benefits and risks;
 - 6.00.02.03 if voting or other action is required, contain all information necessary to allow the holders of the Securities to make a properly informed decision;

- 6.00.02.04 if voting or other action is required, contain a heading drawing attention to the importance of the document and advising holders of Securities who are in any doubt as to what action to take to consult appropriate independent advisers;
- 6.00.02.05 where voting is required, contain a recommendation from the Directors of the Prospects MTF Company as to the voting action holders of Securities should take, indicating whether or not the proposal described in the Circular is, in the opinion of the Directors of the Prospects MTF Company, in the best interests of the holders of Securities as a whole;
- 6.00.02.06 contain a declaration by its Directors in the following form (with appropriate modifications):

“All the Directors of the Company, whose names appear on page [], accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors who have taken all reasonable care to ensure that such is the case the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.”;

- 6.00.02.07 state that where any or all of the Securities have been sold or transferred by the addressee, the Circular and any other relevant documents, or copies thereof, should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee;
- 6.00.02.08 not include any reference to a specific date on which Securities will be marked “ex” any benefit or entitlement which has not been notified to Prospects MTF;
- 6.00.02.09 where the Prospects MTF Company intends to issue Securities to be admitted on Prospects MTF, include a statement that application has been or will be made for the admission of the relevant Securities on Prospects MTF or an appropriate negative statement and, if known, a statement on the following matters:
 - 6.00.02.09.01 the dates when the Securities are expected to be admitted on Prospects MTF and when dealings are expected to commence on Prospects MTF;
 - 6.00.02.09.02 how the new Securities rank for dividend or interest;
 - 6.00.02.09.03 whether the new Securities rank pari passu with any existing Securities already admitted on Prospects MTF;
 - 6.00.02.09.04 the nature of the document of title;
 - 6.00.02.09.05 the proposed date of issue;
 - 6.00.02.09.06 the treatment of any fractions;
 - 6.00.02.09.07 whether or not the Security will be dematerialised; and
 - 6.00.02.09.08 the Securities will be admitted on Prospects MTF;

- 6.00.02.10 where applicable include a statement whether or not all the Securities that will be issued by the Prospects MTF Company are being offered in whole or in part to the public;
- 6.00.02.11 where a person is named in the Circular as having advised the Prospects MTF Company or its Directors, contain a statement that such adviser has given and has not withdrawn its written consent to the inclusion of the reference to the adviser's name in the form and context in which it is included and where a statement or report attributed to a person as an Expert is included in the Circular, contain a declaration that such statement or report is included, in the form and context in which it is included, with the consent of that person;
- 6.00.02.12 contain a statement that the following documents or certified copies thereof will be available for inspection at the Prospects MTF Company's registered office or principal place of business in Malta for at least fourteen (14) days from the date of publication of the Circular:
- 6.00.02.12.01 the Memorandum and Articles of Association or other constitutive documents of the Prospects MTF Company;
 - 6.00.02.12.02 all reports, letters and other documents, valuations and statements by any Expert any part of which is reproduced or referred to in the Circular including any written consents from Experts;
 - 6.00.02.12.03 the last Annual Financial Report and the half-yearly financial report, if any, of the Prospects MTF Company; and
- 6.00.02.13 include a valuation report prepared by an independent Expert in compliance with the requirements of these Rules on Property Companies where the Prospects MTF Company makes significant reference to the valuation of Property.
- 6.00.03 If another Rule provides that a Circular of a particular type must include specified information, that information is (unless the contrary intention appears) in addition to the information required under Rule 6.00.02.
- Formal Authorisation of Circulars*
- 6.00.04 A Circular other than:
- 6.00.04.01 the Circulars referred to in Rules 6.00.07 to 6.00.11, 6.00.14 to 6.00.16 and 6.00.36 to 6.00.40; or
 - 6.00.04.02 a Circular relating only to a proposed change of name of the Prospects MTF Company
- shall not be circulated or made available publicly until it has received the formal authorisation of the Exchange in final form.
- 6.00.05 To obtain the authorisation of the Exchange in terms of Rule 6.00.04, a copy of the relevant Circular must be submitted at least ten (10) Business Days prior to the intended publication date of such Circular:

- 6.00.06 Where a Circular submitted for authorisation is amended, a copy of the amended draft must be submitted, appropriately annotated, to show all the amendments so made.

Authority to Allot Securities

- 6.00.07 A Circular in connection with a resolution proposing to grant the Directors of the Prospects MTF Company authority to allot relevant Equity Securities must include:

- 6.00.07.01 a statement of the maximum amount of relevant Securities which the Directors will have authority to allot and the percentage which that amount represents of the total ordinary share capital in issue as at a date not more than one (1) month prior to the date of the Circular;
- 6.00.07.02 a statement by the Directors as to whether they have any present intention of exercising the authority, and if so for what purpose; and
- 6.00.07.03 a statement as to when the authority will lapse.

Increase in Prospects MTF Company's Authorised Share Capital

- 6.00.08 A Circular in connection with a resolution proposing to increase the Prospects MTF Company's authorised share capital must include a statement of the proposed percentage increase in the authorised share capital of the relevant Class.

Capitalisation or Bonus Issues

- 6.00.09 A Circular in connection with a resolution proposing a capitalisation or bonus issue shall include:

- 6.00.09.01 the record date;
- 6.00.09.02 details of the pro rata entitlement; and
- 6.00.09.03 a description of the nature and amount of reserves which are to be capitalised.

Scrip Dividends

- 6.00.10 A Circular containing an offer to shareholders of the right to elect to receive Shares in lieu of all or part of a cash dividend must include:

- 6.00.10.01 a statement of the total number of shares that would be issued if all eligible shareholders were to elect to receive shares in respect of their entire shareholdings, and the percentage which that number represents of the equity shares in issue at the date of the Circular;
- 6.00.10.02 details of the equivalent cash dividend forgone to obtain each share or the basis of the calculation of the number of shares to be offered in lieu of cash;
- 6.00.10.03 a statement of the total cash dividend payable and applicable tax credit on the basis that no elections for the scrip dividend alternative are received;
- 6.00.10.04 a statement of the date for ascertaining the share price used as a basis for calculating the allocation of shares;
- 6.00.10.05 details of the pro rata entitlement;

- 6.00.10.06 the record date; and
- 6.00.10.07 a form of election relating to the scrip dividend alternative which:
 - 6.00.10.07.01 is worded so as to ensure that shareholders must elect positively in order to receive shares in lieu of cash; and
 - 6.00.10.07.02 includes a statement that the right is non-transferable.
- 6.00.11 Any proposal whereby shareholders are entitled to complete a mandate in order to receive shares in lieu of future cash dividends must include, in addition to the requirements set out in Rule 6.00.10:
 - 6.00.11.01 the basis of the calculation of the number of Shares to be offered in lieu of cash;
 - 6.00.11.02 a statement of the last date for lodging notice of participation or cancellation in order for that instruction to be valid for the next dividend;
 - 6.00.11.03 details of when adjustment to the number of Shares subject to the mandate will take place;
 - 6.00.11.04 details of when cancellation of a mandate instruction will take place;
 - 6.00.11.05 a statement of whether or not the mandate instruction must be in respect of a shareholder's entire holding;
 - 6.00.11.06 the procedure for notifying shareholders of the details of each scrip dividend; and
 - 6.00.11.07 a statement of the circumstances, if known, under which the Directors may decide not to offer a scrip alternative in respect of any dividend.

Acquisition by Prospects MTF Company of its own Shares
- 6.00.12 A Circular in connection with a resolution proposing to give the Prospects MTF Company authority to purchase its own Securities must include the following information:
 - 6.00.12.01 a statement of the Directors' intentions regarding utilisation of the authority sought;
 - 6.00.12.02 the method by which the Prospects MTF Company intends to finance the acquisition and the number of Equity Securities to be acquired in that way;
 - 6.00.12.03 duration and timing of the proposed acquisition;
 - 6.00.12.04 details regarding the maximum and minimum price to be paid;
 - 6.00.12.05 the Prospects MTF Company's intentions subsequent to acquisition namely whether Prospects MTF Company intends to cancel the securities or hold them for resale; and
 - 6.00.12.06 a statement showing the impact of the acquisition on the financial position of the Prospects MTF Company, based on the assumption that the authority sought will be used in full at the maximum price allowed and this assumption must be stated.

Resale by Prospects MTF Company of its own Securities

- 6.00.13 A Circular in connection with a resolution proposing to give the Prospects MTF Company authority to resell its own Securities must include the following information:
- 6.00.13.01 details regarding the maximum and minimum price at which the Securities are to be sold;
 - 6.00.13.02 the number of Securities which the Prospects MTF Company intends to sell; and
 - 6.00.13.03 the duration and timing of the sale.

Redemption of debt securities

- 6.00.14 A Circular in connection with a resolution proposing to redeem a Debt Security admitted on Prospects MTF prior to its due date for redemption must include:
- 6.00.14.01 an explanation of the reasons for the early redemption;
 - 6.00.14.02 a statement of the Market Values for the Securities on the first dealing day in each of the six (6) months before the date of the Circular and on the latest practicable date prior to despatch of the Circular;
 - 6.00.14.03 a statement of any interests of any Director in the Securities;
 - 6.00.14.04 if there is a trustee, or other representative, of the holders of the Securities to be redeemed, a statement that the trustee, or other representative, has given its consent to the issue of the Circular or stated that it has no objection to the resolution being put to a meeting of the holders of the Securities;
 - 6.00.14.05 the timetable for redemption; and
 - 6.00.14.06 an explanation of the procedure to be followed by the holders of the Securities.
- 6.00.15 The Circular must not contain specific advice as to whether or not to accept the proposal for redemption.

Amendments to the Memorandum and Articles of Association

- 6.00.16 The Circular referred to in Rule 4.11.14 shall comply with the relevant requirements of Rule 6.00.02 and shall include:
- 6.00.16.01 the full terms of the text of the resolution; and
 - 6.00.16.02 an explanation of the effect of the proposed amendments.

Related Party Circular

- 6.00.17 The Circular referred to in Rule 4.01.02.02 shall include:

- 6.00.17.01 in the case of a transaction where the Related Party is (or was within the twelve (12) months before the transaction) a Director, or a Connected Person of a Director, of the Prospects MTF Company (or any other Group Company) the information specified by the following Rules in respect of that Director:
- 6.00.17.01.01 a statement showing the interest of each Director of the Prospects MTF Company or a Connected Person of such Director in the Share Capital of the Prospects MTF Company or any member of the Group distinguishing between beneficial and non-beneficial interests, or an appropriate negative statement;
 - 6.00.17.01.02 all relevant particulars regarding the nature and extent of any interests of Directors of the Prospects MTF Company in transactions which are or were unusual in their nature or conditions or significant to the business of the Group, and which were effected by the Group during the current or immediately preceding Financial Year or during an earlier Financial Year and remain in any respect outstanding or unperformed or an appropriate negative statement; and
 - 6.00.17.01.03 the total of any outstanding loans granted by any member of the Group to the Directors of the Prospects MTF Company and also any guarantees provided by any member of the Group for their benefit.
- 6.00.17.02 full particulars of the transaction, including the name of the Related Party concerned and of the nature and extent of the interest of such party in the transaction;
- 6.00.17.03 a statement by the Directors (other than any Director who is a Related Party, or who is a Director of a Related Party, in respect of the transaction) that the transaction is fair and reasonable so far as the shareholders of the Prospects MTF Company are concerned and that the Directors have been so advised by an independent adviser acceptable to the Exchange;
- 6.00.17.04 where applicable, a statement that the Related Party will abstain from voting at the meeting;
- 6.00.17.05 if the transaction also falls within Rule 4.11.17.02, the information required by Rules 6.00.18 to 6.00.26, unless already covered by this section;
- 6.00.17.06 details of any other transactions entered into by the Prospects MTF Company (or any of its Subsidiary Undertakings) with the same Related Party;
- 6.00.17.07 the fact that the Audit Committee has not approved the proposed Related Party Transaction together with the reasons thereto; and
- 6.00.17.08 an explanation by the Prospects MTF Company as to why it wishes to enter into the Related Party transaction notwithstanding the non-approval of the Audit Committee.

Circular relating to acquisitions and realisations

- 6.00.18 The Circular that is required to be sent by a Prospects MTF Company to its shareholders in terms of Rule 4.11.31.02 (hereinafter referred to as a “Class 2 Circular”) must contain:
- 6.00.18.01 the information given in the Company Announcement issued in terms of Rule 4.11.31.01, unless already provided elsewhere in the Circular;
 - 6.00.18.02 a summary of the principal commercial terms of the transaction including any conditions that need to be satisfied for the closure of the transaction;
 - 6.00.18.03 a statement of the effect of the acquisition or disposal on the earnings, assets, liabilities and trading prospects of the Prospects MTF Company and, where applicable, the Group, together with a statement setting out any special trade factors or risks;
 - 6.00.18.04 in the case of an acquisition of an interest in an Undertaking, the financial information required by Rules 6.00.19 to 6.00.26;
 - 6.00.18.05 in the case of an acquisition or disposal of an asset other than an Undertaking, an asset valuation report prepared by an independent Expert valuer containing a description of such asset, the method of valuation that has been used as well as a statement that the consideration paid by the Prospects MTF Company is equal to the value of the said asset;
 - 6.00.18.06 in the case of an acquisition or disposal of Property or of a Property Company which is not listed, a valuation report prepared by an independent Expert in compliance with the requirements of these Rules on Property Companies;
 - 6.00.18.07 in so far as is known to the Prospects MTF Company, the name of any person other than a Director of the Prospects MTF Company who, directly or indirectly, currently owns or will, as a result of the transaction, own five percent (5%) or more of the Prospects MTF Company’s capital, together with the amount of each such person’s ownership or, if there are no such persons, an appropriate negative statement;
 - 6.00.18.08 information on any legal or arbitration proceedings of the Undertaking or the asset which is the subject of the transaction (including any such proceedings which are pending or threatened of which the Prospects MTF Company is aware) which may have a significant effect on the Prospects MTF Company and/or the Group’s financial position, or an appropriate negative statement;
 - 6.00.18.09 a description of any significant change in the financial or trading position of the Prospects MTF Company or, where applicable, of the Group, and of the Undertaking the subject of the transaction, which has occurred since the end of the last Financial Year for which either audited financial statements or interim financial statements have been published, or an appropriate negative statement;
 - 6.00.18.10 a statement showing any interest that a Director within the Prospects MTF Company or the Group, or a Connected Person of such Director, may have in the transaction to be entered into by the Prospects MTF Company, or any advantages (including any shares that may be issued to him) that such persons may derive from the transaction;
 - 6.00.18.11 a statement that the documents referred to in Rules 6.00.02.12.01 to 6.00.02.12.03, or certified copies thereof, in respect of the Undertaking the subject of the transaction will be available for inspection at the Prospects

MTF Company's registered office or principal place of business in Malta for at least fourteen (14) days from the date of publication of the Circular;

- 6.00.18.12 if the total emoluments receivable by the Directors of the Prospects MTF Company will be varied as a result of the transaction, full particulars of the variation; if there will be no variation, a statement to that effect.

Financial Information in a Class 2 Circular

- 6.00.19 If a Prospects MTF Company is required to prepare a Class 2 Circular for the purposes of the transaction referred to in Rule 6.00.18.04, such circular is to contain selected financial information regarding the Undertaking the subject of the transaction and its Subsidiary Undertakings, if any, (hereinafter collectively referred to as the "target"). The selected financial information must provide the key figures that summarise the financial condition of the target.
- 6.00.20 The selected financial information referred to in Rule 6.00.19 must cover a period of three (3) Financial Years up to the end of the latest financial period for which the target or its parent has prepared its Annual Financial Statements or a lesser period if the target has been in operation for less than three (3) years.
- 6.00.21 Where the target is obliged to prepare audited financial statements, the selected financial information should be extracted from such audited financial statements.
- 6.00.22 If the Class 2 Circular is dated more than nine (9) months after the end of the last audited Financial Year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six (6) months of the Financial Year. Such interim financial information must include comparative data from the same period in the prior Financial Year, except that the requirement for comparative balance sheet information may be satisfied by presenting the yearend balance sheet information.

Profit forecasts and profit estimates

- 6.00.23 If a Prospects MTF Company chooses to include a profit forecast or a profit estimate in a class 2 Circular, it must comply with the requirements for a profit forecast or profit estimate set out in Building Block 13 of Annex I of EC Regulation 809/2004.
- 6.00.24 Where the Prospects MTF Company prepares consolidated Annual Financial Statements, the profit forecast or profit estimate must be prepared on a consolidated basis.

Pro forma financial information

- 6.00.25 If a Prospects MTF Company chooses to include pro forma financial information in a class 2 Circular, such information must be presented in the manner laid down by Building Block 20.2 of Annex I and by Annex II of EC Regulation 809/2004.
- 6.00.26 Rule 6.00.25 shall be without prejudice to the right of the Exchange to request the insertion of pro forma financial information in a class 2 Circular should the circumstances so require.

Mergers

- 6.00.27 For the purposes of this section:
- "company being acquired" means the company or companies whose assets and liabilities are wholly acquired by another Company and which, upon the coming into effect of a merger, is or are dissolved without having to be wound up;

“merging Companies” means two or more Companies which deliver all their assets and liabilities to a newly formed Company.

6.00.28 A Circular in connection with a resolution for the approval of a merger of the Prospects MTF Company with another company or companies shall include:

- 6.00.28.01 a summary of the principal commercial terms of the merger including any conditions that need to be satisfied for the effectiveness and validity of the merger;
- 6.00.28.02 a statement of the effect of the merger on the earnings, assets, liabilities and trading prospects of the company resulting from the merger and, where applicable, the Group, together with a statement setting out any special trade factors or risks;
- 6.00.28.03 the financial information required by Rules 6.00.29 to 6.00.35;
- 6.00.28.04 in so far as is known to the Prospects MTF Company, the name of any person other than a Director of the Prospects MTF Company who, directly or indirectly, currently owns own five percent (5%) or more of the capital of the Prospects MTF Company, or will, as a result of the merger, own five percent (5%) or more of the Company resulting from the merger, together with the amount of each such person’s ownership or, if there are no such persons, an appropriate negative statement;
- 6.00.28.05 information on any legal or arbitration proceedings of the company being acquired or of the merging companies (including any such proceedings which are pending or threatened of which the Prospects MTF Company is aware) which may have a significant effect on the company resulting from the merger and/or the Group’s financial position, or an appropriate negative statement;
- 6.00.28.06 a description of any significant change in the financial or trading position of the Prospects MTF Company or, where applicable, of the Group, and of the company being acquired or of the merging companies, as the case may be, which has occurred since the end of the last Financial Year for which either audited financial statements or interim financial statements have been published, or an appropriate negative statement;
- 6.00.28.07 a statement showing any interest that a Director within the Prospects MTF Company or the Group, or a Connected Person of such Director, may have in the merger, or any advantages (including any shares that may be issued to him) that such persons may derive from the merger;
- 6.00.28.08 a statement that the documents referred to in Rules 6.00.02.12.01 to 6.00.02.12.03, or certified copies thereof, in respect of the Company being acquired or the merging companies will be available for inspection at the registered office or principal place of business in Malta of the respective companies for at least fourteen (14) days from the date of publication of the Circular;
- 6.00.28.09 if the total Emoluments receivable by the Directors of the Prospects MTF Company will be varied as a result of the merger, full particulars of the variation; if there will be no variation, a statement to that effect;
- 6.00.28.10 the intentions of the acquiring company or the merging companies, as the case may be:

- 6.00.28.10.01 for the continuance of the business of the Company resulting from the merger explaining any major changes intended to be introduced in the business, including the redeployment of fixed assets of the company resulting from the merger and setting out the long term commercial justification for the proposed merger; and
- 6.00.28.10.02 for the continued employment of the existing employees of the company being acquired or the merging companies, as the case may be, setting out the extent of any steps to be taken towards terminating such employment; and
- 6.00.28.10.03 in respect of the Admissibility to Listing or otherwise of the Securities of the acquiring company or of the company resulting from the merger.

6.00.28.11 a statement as to the rights of the dissenting shareholders.

Financial Information to be included in a Circular relating to a merger

- 6.00.29 In addition to the information referred to in Rule 6.00.28, a Circular issued in connection with a merger is to contain selected financial information regarding the company being acquired or the merging companies, as the case may be. The selected financial information must provide the key figures that summarise the financial condition of the company being acquired or the merging companies.
- 6.00.30 The selected financial information referred to in Rule 6.00.29 must cover a period of three (3) Financial Years up to the end of the latest financial period for which the Company being acquired or the merging companies have prepared their Annual Financial Statements or a lesser period if the said companies have been in operation for less than three (3) years.
- 6.00.31 Where the company being acquired or the merging companies are obliged to prepare audited financial statements, the selected financial information should be extracted from such audited financial statements.
- 6.00.32 If the Circular is dated more than nine (9) months after the end of the last audited Financial Year, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six (6) months of the Financial Year. Such interim financial information must include comparative data from the same period in the prior Financial Year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year end balance sheet information.

Profit forecasts and profit estimates

- 6.00.33 If a profit forecast or a profit estimate is included in the Circular referred to in Rule 6.00.28, the requirements for a profit forecast or profit estimate set out in Building Block 13 of Annex I of EC Regulation 809/2004 must be complied with.

Pro forma financial information

- 6.00.34 If pro forma financial information is included in the Circular referred to in Rule 6.00.28, such information must be presented in the manner laid down by Building Block 20.2 of Annex I and by Annex II of EC Regulation 809/2004,

- 6.00.35 Rule 6.00.34 shall be without prejudice to the right of the Exchange to request the insertion of pro forma financial information in a Circular prepared in terms of Rule 6.00.28 should the circumstances so require.

Employee share schemes and share-based schemes granted to Directors

- 6.00.36 A Circular issued to shareholders in connection with the approval of an employee share scheme or a Directors' share-based scheme shall:

- 6.00.36.01 include either the full text of the scheme or a description of its principal terms including provisions relating to the matters referred to in Rule 4.00.11; and
- 6.00.36.02 if the scheme is not circulated to shareholders, include a statement that it will be available for inspection:
- 6.00.36.02.01 from the date of the dispatch of the Circular until the close of the relevant general meetings, or, if later for at least fourteen (14) days at the registered or head office of the Prospects MTF Company; and
- 6.00.36.02.02 at the place of the general meeting for at least fifteen (15) minutes prior to and during the meeting.

Amendments to employee share schemes or share-based schemes granted to Directors

- 6.00.37 A Circular issued to shareholders in connection with any proposed amendments to an employee share scheme or a share-based scheme granted to directors (if the scheme would require Shareholder approval in terms of Rule 4.00.08) shall:

- 6.00.37.01 include an explanation of the effect of the proposed amendments; and
- 6.00.37.02 include the full terms of the proposed amendments, or a statement that the full text of the scheme as amended will be available for inspection as required in Rule 6.00.36.02.

Discounted option arrangements

- 6.00.38 A Circular issued to shareholders in connection with the approval of discounted option arrangements shall contain:

- 6.00.38.01 details of the persons to whom the options, warrants or rights are to be granted; and
- 6.00.38.02 a summary of the principal terms of the said options, warrants or rights.

Miscellaneous

- 6.00.39 Whenever holders of Securities authorised as Admitted to Prospects MTF are sent a notice of meeting which includes any business, other than Ordinary Business at an annual general meeting, an explanatory Circular must accompany the notice. If such other business is to be considered at or on the same day as an annual general meeting, the explanation may be incorporated in the Directors' report.

- 6.00.40 A Circular or other document convening an annual general meeting need not comply with Rules 6.00.02.03, 6.00.02.04, 6.00.02.05 and 6.0.02.07.

Lodging of Circulars

- 6.00.41 A copy of any Circular in its final form (whether or not it is required to be submitted to the Exchange for authorisation) must be lodged with the Exchange at the same time as it is circulated to the shareholders.
- 6.00.42 Where the Circular, or the transaction or matter to which it relates, has unusual features, the Exchange must be consulted at an early stage. If there is doubt about whether something is unusual, reference should be made to the Exchange.

CHAPTER 7

TAKEOVERS

7.00.00 Introduction

- 7.00.01 This Chapter applies in relation to Takeover Bids when all or some of the securities of the offeree Company are admitted on Prospects MTF.
- 7.00.02 Any Takeover Bid referred to in the preceding Rule shall be regulated by the provisions of this Chapter of the Rules that are guided by the relevant provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on Takeover Bids.
- 7.00.03 In the event that any of these Rules are in conflict with the provisions of the said Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on Takeover Bids, the provisions of the Directive shall prevail.
- 7.00.04 The provisions of this Chapter shall not apply to Takeover Bids for securities issued by companies, the object of which is the collective investment of capital provided by the public, which operate on the principle of risk-spreading and the Units of which are, at the holders' request, repurchased or redeemed, directly or indirectly, out of the assets of those companies. Action taken by such Companies to ensure that the stock exchange value of their Units does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or redemption.

7.01.00 Definitions

- 7.01.01 In this Chapter, unless the context otherwise requires, the following expressions have the meaning hereby assigned to them:

'Acting In Concert' means any person who cooperates with the Offeror or the Offeree Company on the basis of an agreement, either express or tacit, either oral or written, aimed either at acquiring Control of the Offeree Company or at frustrating the successful outcome of a Bid. Subsidiary undertakings of any person cooperating with the Offeror or the Offeree Company shall be deemed to be persons Acting In Concert with that other person and with each other.

'Announce' means publish or make 'available to the public'.

'Control' or 'Controlling Interest' means the acquisition by a person or the acquisition by persons Acting In Concert with him which, when added to any existing holdings of those Securities of the person and/or to holdings of those Securities of persons Acting In Concert with him, directly or indirectly give him fifty percent plus one of the voting rights of a Company.

'Multiple-Vote Securities' means Securities included in a distinct and separate class and carrying more than one vote each.

'Offeree Company' means a Company, the Securities of which are the subject of a Bid. 'Offeror' means any natural or legal person making a Bid.

‘Parties To The Bid’ means the Offeror, the board of directors if the Offeror is a Company, the Offeree Company, holders of Securities of the Offeree Company and the board of directors of the Offeree Company, and persons Acting In Concert with such parties.

‘Securities’ mean transferable Securities carrying voting rights in a Company.

‘Takeover Bid’ or ‘Bid’ means a public offer, other than by the Offeree Company itself, made to the holders of the Securities of a Company to acquire all or some of those Securities, whether mandatory or voluntary, which follows or has, as its objective, the acquisition or Control of the Offeree Company.

“Target Company” means an Issuer of Securities for which the Offeror is obliged to make or has made a takeover Bid.

“Voluntary Bid” means a Bid made to all the holders of Securities of a Company for all their holdings when the person making such a Bid does not have a Controlling Interest in the Company.

7.02.00 Responsibility of the Exchange

7.02.01 The Exchange shall be competent to supervise a Bid where the offeree Company is a Company whose Securities are exclusively admitted on Prospects MTF in compliance with applicable legislation which shall prevail over these Rules up to the extent of any inconsistency therewith. Where the Offeree Company Securities are admitted on Prospects MTF as well as other markets, the Exchange shall also be competent to supervise a Bid if the Securities of the Offeree Company were first admitted to trading on Prospects MTF but has not since been admitted on any other regulated market.

7.03.00 Mandatory Bid

7.03.01 Where a person acquires a Controlling Interest as a result of his own acquisition or the acquisition by persons Acting In Concert with him, such a person shall make a Bid as a means of protecting the minority Shareholders of that Company. Such a Bid shall be addressed at the earliest opportunity to all the holders of those Securities for all their holdings at the equitable price as determined in accordance with the provisions of Rule 7.03.31:

Provided that where Control has been acquired following a voluntary Bid made to all the holders of Securities for all their holdings the obligation to launch a Mandatory Bid shall not apply.

7.03.02 To calculate the threshold required to acquire a Controlling Interest, the following shall, *inter alia*, be included and added to the voting rights held by the Offeror:

7.03.02.01 voting rights held by persons acting in their own name but on behalf of the Offeror;

7.03.02.02 voting rights held by persons acquired and controlled directly by the Offeror or through intermediaries;

7.03.02.03 voting rights attached to Securities held by the Offeror which are lodged by way of security, except where the holder of the security Controls the voting rights and declares his intention of exercising them, in which case they shall be regarded as his voting rights.

- 7.03.03 Where acquisition of Control takes place as a result of acquisition of holdings by persons Acting In Concert, the obligation to make a Bid shall lie with the person having the highest percentage of voting rights.
- 7.03.04 Notwithstanding anything contained in this Chapter, where the Offeree Company is a regulated Company registered in Malta, a person must obtain the written consent of the competent authority before:
- 7.03.05 Upon becoming aware that any person intends taking any of the actions set out in Rule 7.03.04 , it shall also be the duty of the Offeree Company and 7.03.04.01 acquiring directly or indirectly a Controlling Interest in the Offeree Company;
 - 7.03.04.02 increasing directly or indirectly, an existing holding which is not a Controlling Interest but which results in that person acquiring a Controlling Interest in the Offeree Company;
 - 7.03.04.03 reducing, directly or indirectly, a Controlling Interest so as to cause it to cease to be a Controlling Interest;
 - 7.03.04.04 divesting itself, directly or indirectly, of a Controlling Interest.
- of its Board of Directors to notify the Exchange and other competent authority forthwith.
- 7.03.06 In Rules 7.03.04 and 7.03.05 above the expressions:
- 7.03.06.01 “regulated Company” means an Offeree Company which is authorised, licensed or otherwise supervised in Malta in terms of the Banking Act, the Financial Institutions Act, the Investment Services Act, the Insurance Business Act and the Insurance Brokers and Other Intermediaries Act, the Trusts and Trustees Act and the Special Funds (Regulation) Act;
 - 7.03.06.02 “competent authority” means the Malta Financial Services Authority in Malta or any other supervisory or regulatory authority under applicable law.
- Obligation to announce*
- 7.03.07 An Offeror shall inform the Exchange of a Bid and shall announce his decision to launch the Bid within seven (7) days of acquiring a Controlling Interest.
- 7.03.08 The Bid must be announced only after the Offeror ensures that he can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
- 7.03.09 By way of consideration the Offeror may offer Securities, cash or a combination of both provided that a cash consideration must be offered as an alternative in all cases.
- 7.03.10 As soon as the Bid shall have been announced, the Board of Directors of the Offeree Company and the Offeror shall inform the representatives of their respective employees or, where there are no such representatives, the employees themselves.
- Offer Document*
- 7.03.11 An Offeror shall draw up and make public, not later than twenty-one (21) calendar days from announcing his decision to launch a Bid, an offer document containing the information necessary to enable the holders of the Offeree Company’s Securities to reach a properly

informed decision on the Bid, which offer document shall be communicated to the Exchange prior to it being made available to the public.

- 7.03.12 When the offer document is published, the Board of Directors of the Offeree Company and of the Offeror shall communicate the offer document to the representatives of their respective employees or, where there are no such representatives, to the employees themselves.

Exemptions concerning Mandatory Bids

- 7.03.13 The Exchange may grant exemptions from the obligation to make a Mandatory Bid on the basis of a written application in the following circumstances:

- 7.03.13.01 Control of the Target Company was obtained as a result of reduction of the Offeree Company's share capital;
- 7.03.13.02 Control of the Target Company was acquired as a result of a merger or division;
- 7.03.13.03 Control of the Target Company was obtained through the acquisition of Securities with the intention to sell within a short term;
- 7.03.13.04 Control has been obtained by an existing shareholder acquiring Securities following an increase in capital as a result of executing his right of pre-emption and not through the purchase of Securities acquired from other persons;
- 7.03.13.05 Control was obtained following a transmission of Securities 'causa mortis' as a result of which the person's number of voting rights in the Target Company increased.

Details of offer document

- 7.03.14 The offer document shall specify at least the following information:

- 7.03.14.01 the terms of the Bid;
- 7.03.14.02 the identity of the Offeror and, where the Offeror is a Company, the status, name and registered office of that Company;
- 7.03.14.03 the Securities or, where appropriate, the Class or Classes of Securities for which the Bid is made;
- 7.03.14.04 the consideration offered for each security or Class of Securities and, in the case of a Mandatory Bid, the method employed in determining it, with particulars of the way in which that consideration is to be paid;
- 7.03.14.05 the compensation offered for the rights which might be removed as a result of the "breakthrough rule" laid down in Rules 7.03.43 to 7.03.48, with particulars of the way in which that compensation is to be paid and the method employed in determining it;
- 7.03.14.06 the maximum and minimum percentages or quantities of Securities which the Offeror undertakes to acquire;
- 7.03.14.07 details of any existing holdings of the Offeror, and of persons Acting In Concert with him, in the Offeree Company;

- 7.03.14.08 all the conditions to which the Bid is subject;
- 7.03.14.09 the Offeror's intentions with regard to the future business of the Offeree Company and, in so far as it is affected by the Bid, the Offeror Company and with regard to the safeguarding of the jobs of their employees and management, including any material change in the conditions of employment, and in particular the Offeror's strategic plans for the two Companies and the likely repercussions on employment and the locations of the companies' places of business;
- 7.03.14.10 the time allowed for acceptance of the Bid;
- 7.03.14.11 where the consideration offered by the Offeror includes Securities of any kind, information concerning those Securities;
- 7.03.14.12 information concerning the financing for the Bid;
- 7.03.14.13 the identity of persons Acting In Concert with the Offeror or with the Offeree Company and, in the case of companies, their status, names, registered offices and relationships with the Offeror and, where possible, with the Offeree Company;
- 7.03.14.14 the national law which will govern contracts concluded between the Offeror and the holders of the Offeree Company's Securities as a result of the Bid and the competent courts to settle any disputes.
- 7.03.15 A report on the consideration offered, drawn up by one or more Experts who are independent of the Offeror or Offeree Company, shall be appended to the offer document.
- 7.03.16 The Expert's report must confirm that the Offeror has sufficient resources to meet the consideration to be provided on full acceptance of the offer and to pay any debts incurred in connection with the offer.
- 7.03.17 The Exchange may request that the parties to a Bid shall provide it with all the information in their possession concerning the Bid at any time on request.
- Sufficient time and information for acceptance*
- 7.03.18 The holders of the Securities of an Offeree Company must have sufficient time and information to enable them to reach a properly informed decision on the Bid.
- 7.03.19 The time allowed for the acceptance of a Bid shall be determined in the offer document and shall be not less than four weeks nor more than ten weeks from when the offer document is made available to the public.
- The opinion of the Board of Directors of the Offeree Company on the Bid*
- 7.03.20 The Board of Directors of the Offeree Company must advise and give its views to the holders of Securities on the effects of implementation of the Bid on employment, conditions of employment and the locations of the Company's places of business.
- 7.03.21 In this respect, the Board of Directors of the Offeree Company shall draw up and make available to the public a document setting out its opinion of the Bid and the reasons on which it is based, including its views on the effects of implementation of the Bid on all the Company's interests and specifically employment, and on the Offeror's strategic plans for the Offeree Company and their likely repercussions on employment and the locations of the Company's places of business as set out in the offer document in accordance with Rule 7.03.14.09.

7.03.22 The Board of Directors of the Offeree Company shall at the same time communicate that opinion to the representatives of its employees or, where there are no such representatives, to the employees themselves.

7.03.23 Where the Board of Directors of the Offeree Company receives in good time a separate opinion from the representatives of its employees on the effects of the Bid on employment, that opinion shall be appended to the document.

Board of Directors to call general meeting

7.03.24 During the period referred to in Rule 7.03.26 below, the Board of Directors of the Offeree Company shall obtain the prior authorisation of the Shareholders in a general meeting given for this purpose before taking any action, which may result in the frustration of the Bid and in particular before issuing any shares which may result in a lasting impediment to the Offeror's acquiring Control of the Offeree Company.

7.03.25 Notice of the meeting convened for the approval of the action referred to above must contain, or be accompanied by, full particulars of the proposed action and a statement explaining the reasons for and significance of such action.

7.03.26 Such authorisation shall be mandatory at least from the time the Board of Directors of the Offeree Company receives the information that a decision has been taken to make a Bid until the result of the Bid is published or the Bid lapses :

Provided that seeking alternative Bids does not require such authorisation.

7.03.27 In the case of decisions taken before the beginning of the period referred to in Rule 7.03.26 above and not yet partly or fully implemented, the Shareholders in general meeting shall approve or confirm any decision which does not form part of the normal course of the Company's business and the implementation of which may result in the frustration of the Bid.

7.03.28 For the purpose of obtaining the prior authorisation, approval or confirmation of the Shareholders referred to in Rules 7.03.24 and 7.03.27 a general meeting can be convened at shorter notice than that stipulated in the Memorandum or Articles of Association provided that the meeting does not take place within two weeks of notification.

Defensive tactics

7.03.29 If a Target Company has received a takeover notice or has reason to believe that a bona fide offer is imminent, the Board of Directors of the Company must not take or permit any action, in relation to the affairs of the Target Company that could effectively result in:

7.03.29.01 an offer being frustrated; or

7.03.29.02 the holders of Securities of the Target Company being denied an opportunity to decide on the merits of an offer:

Provided that the Board of Directors of a Target Company may take or permit the kind of action referred to above if:

7.03.29.03 the action has been approved by an ordinary resolution of the Target Company; or

7.03.29.04 the action is taken or permitted under a contractual obligation entered into by the Target Company, or in the implementation of proposals approved by the Board of Directors of the Target Company, and the obligations were

entered into, or the proposals were approved, before the Target Company received the takeover notice or became aware that the offer was imminent; or

- 7.03.29.05 if Rules 7.03.29.03 and 7.03.29.04 above do not apply, the action is taken or permitted for reasons unrelated to the offer with the prior approval of the Exchange.

Provided that the notice of the meeting containing the proposed resolution for the approval of the action referred to in Rule 7.03.29.03 above must contain, or be accompanied by:

- 7.03.29.06 full particulars of the proposed action; and
- 7.03.29.07 the reasons for it; and
- 7.03.29.08 a statement explaining the significance of the resolution under these Rules.

Equitable price

- 7.03.30 The purchase price for Securities that are the object of a Mandatory Bid must be equitable.
- 7.03.31 The equitable price to be paid for Securities is the highest price determined by the following criteria:
- 7.03.31.01 the price offered for the security should not be below the weighted average price of the security or the security transactions made on a Prospects MTF Market during the previous six (6) months;
- 7.03.31.02 the price offered for the security should not be below the highest price paid for the security by the Offeror or persons Acting In Concert with the Offeror during the previous six (6) months;
- 7.03.31.03 the price offered for the security should not be below the weighted average price paid for the security by the Offeror or persons Acting In Concert with the Offeror during the previous six (6) months;
- 7.03.31.04 the price of the security should not be lower than ten percent (10%) below the weighted average price of the security within the previous ten (10) trading days.

- 7.03.32 If, after the Bid has been announced and before the offer closes for acceptance, the Offeror or any person Acting In Concert with him purchases Securities that are priced higher than the offer price, the Offeror shall increase his offer so that it is not less than the highest price paid for the Securities acquired.

Squeeze-out rights

- 7.03.33 Following a Bid made to all the holders of the Offeree Company's Securities for all of their Securities, Rules 7.03.34 to 7.03.37 shall apply.
- 7.03.34 Where the Offeror holds Securities representing not less than ninety percent of the capital carrying voting rights and ninety per cent of the voting rights in the Offeree Company, or where, following acceptance of the Bid, the Offeror has acquired or has firmly contracted to acquire Securities representing not less than ninety percent of the Offeree Company's capital carrying voting rights and ninety per cent of the voting rights comprised in the Bid, the Offeror has the right to require all the holders of the remaining Securities to sell him those Securities

at a fair price and shall take the same form as the consideration offered in the Bid or, alternatively, in cash.

7.03.35 In order to establish a fair price the Offeror must appoint an independent Expert to draw up a report determining the price considered to be a fair and reasonable value of those Securities, which price must however be equivalent to or higher than the equitable price.

7.03.36 To calculate the threshold referred to in Rule 7.03.34, the voting rights indicated in Rules 7.03.02.01 to 7.03.02.03 shall be included and added to the voting rights of the Offeror.

7.03.36.01 Where the Securities of the Offeree Company are divided into different Classes, the Offeror shall exercise the right of squeeze-out only in the Class in which the threshold laid down in Rule 7.03.34 has been reached.

7.03.37 If the Offeror wishes to exercise the right of squeeze-out he shall do so within three (3) months at the end of the time allowed for acceptance of the Bid.

Sell-out rights

7.03.38 Following a Bid made to all the holders of the Offeree Company's Securities for all of their Securities, Rules 7.03.39 to 7.03.41 shall apply.

7.03.39 A holder of remaining Securities may require the Offeror to buy his Securities from him at a fair price under the same circumstances as provided for in Rule 7.03.34.

7.03.40 In order to establish a fair price the holders of the remaining Securities must appoint an independent Expert to draw up a report determining the price considered to be a fair and reasonable value of those Securities, which price must however be equivalent to or more than the equitable price.

7.03.41 Rules 7.03.35 to 7.03.37 shall also apply *mutatis mutandis*.

Opting in and Opting out

7.03.42 By decision taken in General Meeting, the holders of Securities of an Offeree Company registered in Malta and whose Securities are admitted on Prospects MTF may:

7.03.42.01 where the restrictions laid down in Rules 7.03.43 to 7.03.48 below do not exist, the holders of the Securities may opt to apply any or all of the restrictions (an "opting-in resolution"); or

7.03.42.02 where the restrictions laid down in Rules 7.03.43 to 7.03.48 below exist, the holders of the Securities may opt not to apply any or all of the restrictions (an "opting-out resolution");

7.03.42.03 an opting-in resolution or an opting-out resolution must specify the date from which it is to have effect (the "effective date");

7.03.42.04 the effective date of an opting-in resolution may not be earlier than the date on which the resolution is passed and the effective date of an opting-out resolution may not be earlier than the first anniversary of the date on which the opting-in resolution was registered with the Registrar;

7.03.42.05 an opting-in or opting-out resolution can only be taken after prior written authorisation has been sought and obtained from the Exchange:

Provided that if the Securities of the Offeree Company are admitted to trading on any other market outside Malta, the relevant regulatory authority of such other state shall be notified of the decision taken under this Rule.

- 7.03.43 Any restrictions on the transfers of Securities provided for in the Articles of Association of the Offeree Company shall not apply vis-à-vis the Offeror during the time allowed for acceptance of the Bid laid down in Rule 7.03.19 above.
- 7.03.44 Any restrictions on the transfer of Securities provided for in contractual agreements between the Offeree Company and holders of its Securities, or in contractual agreements between holders of the Offeree Company's Securities entered into after the coming into force of this Chapter, shall not apply vis-à-vis the Offeror during the time allowed for acceptance of the Bid laid down in Rule 7.03.19 above.
- 7.03.45 Restrictions on voting rights provided for in the Articles of Association of the Offeree Company shall not have effect at the general meeting of the holders of the Securities which decides on any defensive measures in accordance with Rule 7.03.24 above.
- 7.03.46 Restrictions on voting rights provided for in contractual agreements between the Offeree Company and holders of its Securities, or in contractual agreements between holders of the Offeree Company's Securities entered into after the coming into force of this Chapter, shall not have effect at the general meeting of the holders of the Securities which decides on any defensive measures in accordance with Rule 7.03.24 above.
- 7.03.47 Multiple-vote Securities shall carry only one vote each at the general meeting of the holders of the Securities which decides on any defensive measures in accordance with Rule 7.03.24 above.
- 7.03.48 Where, following a Bid, the Offeror holds seventy-five percent (75%) or more of the capital carrying voting rights, no restrictions on the transfer of Securities or on voting rights referred to in Rules 7.03.43 and 7.03.44 above nor any extraordinary rights of the holders of Securities concerning the appointment or removal of board members provided for in the Articles of Association of the Offeree Company shall apply; multiple-vote Securities shall carry only one vote each at the first general meeting of the holders of Securities following closure of the Bid, called by the Offeror in order to amend the Articles of Association or to remove or appoint board members.
- To that end, the Offeror shall have the right to convene a general meeting of the holders of Securities at short notice, provided that the meeting does not take place within two weeks of notification.
- 7.03.49 Where rights are removed on the basis of any one of Rules 7.03.43 to 7.03.48 above, equitable compensation shall be provided for any loss suffered.

7.03.49.01 The amount of equitable compensation to be granted to the person who suffers loss as a result of any act or omission that would, but for the provisions of Rules 7.03.43 to 7.03.48 above, be a breach of agreement, shall be determined by the Offeror in the offer document as required by Rule 7.03.14.05 above.

7.03.49.02 Where the holder of the rights removed on the basis of any one of Rules 7.03.43 to 7.03.48 above feels that the compensation offered by the Offeror in accordance with this Rule is insufficient, such person may apply to the court for a determination of the amount of compensation it considers just and equitable against any person who would, but for Rules 7.03.43 to 7.03.49 above, be liable to the holder of such rights for committing or inducing the breach.

7.03.50 Rules 7.03.45 to 7.03.48 shall not apply to Securities where the restrictions on voting rights are compensated for by specific pecuniary advantages.

7.03.51 Rules 7.03.42 to 7.03.50 shall not apply when the Government of Malta holds Securities conferring special rights in the Offeree Company.

Competing Bids

7.03.52 Any person may, during the acceptance period, launch a Bid, hereinafter a “competing Bid”, to compete with the initial Bid made by the Offeror.

7.03.52.01 Where competing Bids are made for the Securities of the Offeree Company, the provisions of this Chapter shall apply to each such Bid.

7.03.53 A person shall announce his decision to launch a competing Bid and must inform the Exchange of the Bid.

7.03.54 The person making a competing Bid shall, not later than twenty-one (21) calendar days from announcing his decision to Bid, draw up an offer document as provided for in Rule 7.03.14.

7.03.55 The holders of Securities of the Offeree Company shall have the right to choose between the initial Bid and any competing Bid.

7.03.56 Where there are competing Bids and the initial Offeror does not withdraw his Bid, the period for acceptance of the initial Bid shall be extended automatically to the time allowed for acceptance of the competing Bid as provided for in the offer document:

Provided that the time allowed for the acceptance period of the competing Bid shall be not less than four weeks from when the offer document of the competing Bid was made available to the public;

Provided further that the time allowed for the acceptance period of the initial Bid and the competing Bid together must not exceed ten weeks from when the offer document of the initial offer was made available to the public.

7.03.57 The extension of the acceptance period shall be communicated to the Exchange and made public.

Revision of a Bid

7.03.58 An Offeror may revise a Bid only in the following circumstances:

7.03.58.01 to increase the consideration;

7.03.58.02 to increase an existing component to the consideration;

7.03.58.03 to add a cash component to the consideration;

7.03.58.04 to extend the time allowed for the acceptance of a Bid but not beyond the maximum period of ten weeks as provided in Rule 7.03.19.

7.03.59 The Offeror may revise the terms of the Bid at any time not later than fourteen (14) calendar days before the end of the period allowed for acceptance of a Bid.

7.03.60 The Offeror shall communicate to the Exchange his intention to revise the Bid prior to the revised Bid being made public.

7.03.61 Notwithstanding the provision of Rule 7.03.19, where a Bid has been revised, the time allowed for the acceptance of the revised Bid shall be automatically extended by fourteen (14) days:

Provided that the extension does not go beyond the maximum period of ten weeks as provided in Rule 7.03.19.

7.03.62 On announcing his intention to revise a Bid, the Offeror shall without delay draw up and make public a supplementary document setting out the amendments to the offer document, which revised document shall be communicated to the Exchange prior to it being made public.

7.03.63 Where the revision of a Bid increases the consideration offered, the Offeror must provide the increased consideration to each person whose Securities are taken up, whether or not the person accepted the offer before or after the revision was made.

7.03.64 The conditions of the revised Bid shall also stipulate that Shareholders who have made an offer to the Offeror have the right to withdraw their acceptances or offers.

Lapsing of a Bid

7.03.65 The takeover Bid automatically lapses if, at the end of the acceptance period, none of the holders of Securities of the Offeree Company have taken up the offer. In the event that the offer was not successful the Offeror is not authorised to make a new offer for the same Offeree Company during a period of one (1) year from when the Bid lapses.

7.03.66 The Offeror and the Offeree Company shall without delay inform the Exchange and announce the lapsing of the Bid.

Disclosure of the results of Bids

7.03.67 The Offeror and the Offeree Company shall inform the Exchange and make public the necessary, relevant and complete results of the takeover by not later than ten (10) calendar days from the closing of the acceptance period.

7.03.68 The Announcement about the results shall contain at least the following information:

7.03.68.01 the absolute number of Securities of every kind of Securities acquired by the Offeror during the acceptance period;

7.03.68.02 the ratios of the different Classes and types of Securities that were included in the takeover Bid;

7.03.68.03 separate calculations for the participation and voting rights acquired by the Offeror and persons Acting In Concert.

Irrevocability of Bids

7.03.69 When a Bid has been announced in accordance with Rule 7.03.07 above, it may be withdrawn or declared void only in the following circumstances:

7.03.69.01 where there are competing Bids and the Offeror decides to withdraw his Bid as provided for in Rule 7.03.56;

7.03.69.02 where a condition of the Bid announced in the offer document in accordance with Rule 7.03.14.08 is not fulfilled;

7.03.69.03 in exceptional circumstances and with the authorisation of the Exchange, explaining why the Bid cannot be put into effect for reasons beyond the Control of the parties to the Bid.

7.03.70 The Offeror shall without delay announce the decision to withdraw the Bid.

APPENDIX 2.1 - Deleted

**Formal Application
for Admission of an Admissions / Compliance / Corporate
Advisor**

How to use this Application Form

1. Applicants must submit a completed Application Form together with any supporting documents to:

The Prospects MTF Admissions Committee
Malta Stock Exchange Plc
Garrison Chapel
Castille Place
Valletta VLT 1063

2. The Application Form should be completed, as appropriate, in the case of both legal persons or individuals applying to become Advisors for Prospects MTF.
3. Where the applicant already holds a license issued under the Investments Services Act or other legislation in another equivalent jurisdiction, a copy of the said license is to be appended to the Application.
4. The Application should be read in conjunction with the Financial Markets Act [Cap. 345 of the Laws of Malta] and any regulations made thereunder and the Prospects MTF Rules issued by the Malta Stock Exchange plc which can be accessed via the following link:<https://borzamalta.com.mt/ProspectsMTF/Documents/Prospects%20MTF%20Rules.pdf>.
5. Applications will only be considered provided that all relevant sections have been duly completed and supporting documents have been appended.
6. Should space provided not be sufficient, additional information may be entered on a separate sheet with the heading "*Continuation to Section ____*" duly signed and dated.
7. Misleading or incorrect information on any material point shall render the application invalid.
8. All information submitted in the application is for the sole use of the Exchange and will not be divulged to third parties other than the Competent Authority as deemed appropriate.

1.00 SECTION 1 –ADVISOR

1.01 Applicant's Name: _____

Professional Accreditation or Warrant:

Investment, banking or other financial institution Licence Reference No.

Date and Place of Issue:- _____

(Kindly append a certified true copy of the relevant accreditation, warrant licence):

Position being applied for	Admission Advisor <input type="checkbox"/>	Compliance Advisor <input type="checkbox"/>
	Corporate Advisor <input type="checkbox"/>	

1.02 **Address** *:

Address: _____

Telephone No: _____

Fax No: _____

E-mail: _____

Web: _____

Contact Person: _____

** The above information will appear on the list of approved Advisors on the Prospects MTF Website and all communications will be addressed accordingly.*

2.00 SECTION 2 – PARTNERS, DIRECTORS, OFFICERS AND EMPLOYEES

To be completed as may be appropriate. Where not applicable kindly cross out and indicate as N/A. Kindly append certified copies of Identity Documents (ID Card or Passport in respect of all individuals indicated in this section).

2.01 Partners,Chairman and Directors

PARTNER	Full Name and Surname	_____
	Identity Card / Passport No.	_____
	Date of Appointment	_____
PARTNER	Full Name and Surname	_____
	Identity Card / Passport No.	_____
	Date of Appointment	_____
PARTNER	Full Name and Surname	_____
	Identity Card / Passport No.	_____
	Date of Appointment	_____
CHAIRMAN	Full Name and Surname	_____
	Identity Card / Passport No	_____
	Date of Appointment	_____
DIRECTOR	Full Name and Surname	_____

APPENDIX 3.1

Identity Card / Passport No _____

Date of Appointment _____

DIRECTOR Full Name and Surname _____

Identity Card / Passport No _____

Date of Appointment _____

DIRECTOR Full Name and Surname _____

Identity Card / Passport No _____

Date of Appointment _____

DIRECTOR Full Name and Surname _____

Identity Card / Passport No _____

Date of Appointment _____

2.02 Officers and Employees

[Including Chief Executive, Managing Director, Secretary to Board as applicable and other employees in a position of trust and/or directly engaged in the role of a Prospects MTF Advisor.]

<u>Full Name & Surname</u>	<u>Position</u>	<u>ID Card No./</u> <u>Passport No.</u>	<u>Date of Appointment</u>
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_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2.03 Qualified Personnel in terms of Rule 3.01.09.02:

<u>Full Name & Surname</u>	<u>Position</u>	<u>ID Card No./ Passport No.</u>	<u>Date of Appointment</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

2.04 Director(s)/Officer(s) appointed to sign:

	<u>Full Name & Surname</u>	<u>Position</u>	<u>ID Card No./ Passport No.</u>
(i)	_____	_____	_____
(ii)	_____	_____	_____

Specimen Signatures:

(i) _____

(ii) _____

Kindly attach the appropriate Board Resolution in respect of the above appointment/s.

3.00 SECTION 3 - SHAREHOLDING

In the case of a corporate, please give details of the shareholding in the firm applying for an Advisor and any voting rights attached thereto of each of the individuals mentioned in Section 2 above where applicable [a “NIL” reply is required where no shareholding is applicable].

<u>Full Name & Surname</u>	<u>Position</u>	<u>ID Card/ Passport No.</u>	<u>Shareholding</u>	<u>Rights</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

4.00 SECTION 4 – OTHER BUSINESS INTERESTS

On supplementary sheets as may be necessary, kindly provide answers to the following questions for **each** of the individuals mentioned in Section 2 above [“NIL” returns are also required where applicable].

(i) Are you a director, officer or employee of any companies or corporations engaged in relevant activities similar to those of the applicant?

YES

☐

NO

☐

If YES, please provide details.

(ii) Do you have any controlling interest, directly or indirectly in any public company?

YES ☐

NO ☐

If YES, please provide details.

5.00 SECTION 5 – COMPETENCY ASSESSMENT

- 5.01 For **each** of the individuals referred to in Sections 2.02 and 2.03, Advisors are to submit the Prospects MTF Advisor Competency Assessment Information sheet (Appendix 3.1.1) in relation to their professional qualifications, experience, related training and any other details which are deemed appropriate for the competency assessment of these individuals within their role with the Prospects MTF Advisor.

A CV together with a Certificate of Good Conduct and an authenticated copy of an identification document, also need to be provided.

- 5.02 Where an Advisor is outsourcing some of the responsibilities to other experts, the Advisor needs to provide details of such outsourced experts as indicated in Sections 1–4 above and relevant details of any outsourcing agreements entered into. The Competency Assessment (Appendix 3.1.1) referred to in Section 5.01 where applicable needs also be completed.
-

6.00 SECTION 6 – PROCEDURES

Kindly append a copy of the procedures you have in place to prevent and detect conflicts of interest in performing your role as an Advisor.

7.00 SECTION 7 - DECLARATION

Declaration by Applicant

1. We/I declare that the information contained in this application is complete and correct.
2. We/I declare that the Admissions/Compliance/Corporate Advisor's (*delete as appropriate*), officers and employees are aware of the provisions of the Financial Markets Act, any regulations made thereunder and the Prospects MTF Rules that may be in force from time to time and will comply with and be bound by all such relevant provisions.
3. We/I declare that the Admissions/Compliance/Corporate Advisor (*delete as appropriate*) shall be responsible for and be bound by all the actions and omissions of its partners, officers and employees and any outsourced experts in their activities in connection with or contributions to Malta Stock Exchange plc.
4. We/I declare that the Admissions/Compliance/Corporate Advisor (*delete as appropriate*) shall keep Malta Stock Exchange plc notified of any significant changes in the information supplied in this application which occur after the date of submission of the application and prior to receiving notification of the Malta Stock Exchange plc's decision.
5. We/I shall maintain the appropriate independence and impartiality on a continuing basis in the relationship with our/my client applicant/admitted Prospects MTF companies and promptly, diligently and accurately reply to queries or requests for information made by the Malta Stock Exchange and immediately advise the Malta Stock Exchange of any possible breach of the Prospects MTF Rules.

Signature _____ Signature _____

NAME IN BLOCKS: _____ NAME IN BLOCKS: _____

Designation _____ Designation _____

Signed on behalf of [name of applicant Advisor] _____ on [date]

_____.

Prospects MTF Advisor Competency Assessment Information	
(To be completed by each individual referred to in Sections 2.02 and 2.03 of Appendix 3.1)	
Section 1 – General	
Name and Surname	
Contact telephone number	
Email address	
Company details and address if different from that supplied in Section 1.00 of Appendix 3.1	
Date of Birth	
Place of Birth	
Nationality	
Years of experience in the financial services sector Years: _____	Experience in: Legal/Accounting and Auditing/Regulatory/Other <i>Other</i> . If <i>Other</i> please specify:
Past engagements and experience: fill in as applicable:	
Company name Registration number	
Date of engagement with the Licence No.	<i>From: dd/mm/yyyy To: dd/mm/yyyy</i>
Type of Licence	
Company name Registration number	
Date of engagement with the Licence No	<i>From: dd/mm/yyyy To: dd/mm/yyyy</i>

Type of Licence	
Regulatory Approvals:	
Are you currently approved by any regulatory body in Malta/EU Jurisdiction/Other?	
In case of EU and Other please specify country and regulatory body	
Academic Qualifications:	<p>Please list academic degree/s and/or diploma/s, stating the name and address of the conferring University/Institution and the year of conferment.</p> <p><i>(Applicants who have obtained qualification from a University/Institution are required to provide a certified true copy of the qualification/s)</i></p>
<p><i>If applicable, please provide any additional information about your areas of expertise and experience that demonstrates your competences in the role you are applying for:</i></p>	
Declarations and Convictions	
<p>Are there any contractual impediments or restrictions through any previous occupation or employment which may preclude you in any way from taking up your duties/advisory position? YES/NO (delete as appropriate). If yes, please specify:</p>	

Have you at any time been found in breach of regulations or convicted of any offence, criminal or otherwise by Tribunal or Court? YES/NO

If yes, give full details of the forum which determined the breach, offence or conviction and/or full particulars of its decision, the offence and the penalty imposed and the date of conviction/ decision.

Are you or any entity with which you are associated, the subject of any current criminal investigations and/ or proceedings? YES/NO (delete as appropriate).

If yes, please specify:

Section 2 (to be filled in by *Qualified Personnel* in terms of section 2.03 of Appendix 3.1)

Are you a member of a Professional Body/ies? Yes/No

If yes, please specify:

Academic Qualifications:

Please list academic degree/s and/or diploma/s, stating the name and address of the conferring University/Institution and the year of conferment.

(Applicants who have obtained qualification from a University /Institution are required to provide a certified true copy of the qualification/s)

Professional Reference

Contact details

Professional Reference

Contact details

APPENDIX 3.2

REQUEST BY COMPANY FOR TERMINATION OF AN ADVISOR

Information to be submitted as appropriate to the Prospects MTF Admissions Committee by the Prospects MTF Company:

1. Name of Admissions/Compliance/Corporate Advisor;
2. Name of the Prospects MTF Company making the request for Termination;
3. Date of when Termination is to become effective;
4. Date of Board Decision or equivalent Governing Body when the decision to terminate has been taken.

(Kindly append a copy of the Board Resolution duly signed, or letter of termination as may be appropriate indicating, when such decision of termination was taken giving specific reasons for the decision to terminate)

Additional information to be provided by Prospects MTF Company:

5. Should a substitute Admissions/Compliance/Corporate Advisor already have been selected, please indicate the name of the selected Admissions/Compliance/Corporate Advisor as well as the date of commencement of new appointment.

(Kindly append a copy of the Board Resolution duly signed, when such decision of appointment was taken. Should a substitute Advisor not have been appointed at the time of submission of above information, kindly indicate the expected date for selection of substitute Advisor)

Name:

Signature:

Date:

APPENDIX 3.3

ADMISSIONS/COMPLIANCE/CORPORATE ADVISOR REQUEST FOR TERMINATION OF ENGAGEMENT WITH PROSPECTS MTF COMPANY

Information to be submitted as appropriate to the Prospects MTF Admissions Committee:

1. Name of Admissions/Compliance/Corporate Advisor;
2. Name of the Prospects MTF Company making the request for Termination;
3. Date of when Termination is to become effective;
4. Date of Board Decision or equivalent Governing Body when the decision to terminate the services of Admissions/Compliance/Corporate Advisor was taken.

(Kindly append a copy of the Board Resolution duly signed, or letter of termination as may be appropriate indicating, when such decision of termination was taken giving specific reasons for the decision to terminate)

Additional information to be provided by Prospects MTF Company:

5. Should a substitute Admissions/Compliance/Corporate Advisor already have been selected, please indicate the name of the selected Admission/Compliance/Corporate Advisor as well as the date of commencement of new appointment.

(Kindly append a copy of the Board Resolution duly signed, when such decision of appointment was taken. Should a substitute Admissions/Compliance/Corporate Advisor not have been appointed at the time of submission of above information, kindly indicate the expected date for selection of substitute Admissions/Compliance/Corporate Advisor)

Name:

Signature:

Date:

APPENDIX 4.1 -SUMMARY OF DOCUMENTATION FOR ADMISSION

Subject to such modifications that the Exchange may require under Rules 4.04.00 and 4.05.00, the following Admission Documents shall be required by Applicants:

Table 1 - Documentation required for Admission

Documentation		Issue/Offer of securities to the public as defined under Article 2 (3) of the Companies Act	Carve-outs defined under the Article 2 (3) (b) of the Companies Act
1.	A prospectus drawn up under applicable law.	Yes (Appendix 4.4)	No
2.	Company Admission Document.	No	Yes (Appendix 4.5)
3.	An Accountant's Report.	Yes (Appendix 4.6)	Yes (Appendix 4.6)
4.	Audited Accounts, audited under the International Standards on Auditing, which must be audited by an "Auditor" as defined in Rule 1.01.02.	Included in the Accountants Report (Appendix 4.6)	Yes
5.	Financial Sustainability Forecasts for all Admitted securities, including management assumptions thereon and the financial impact of dividends on such forecasts in the case of Admitted Equity Securities.	Yes (Appendix 4.7)	
6.	A Declaration by the Admissions/Compliance/Corporate Advisor about the suitability of the Company for admission to Prospects MTF.	Yes (Appendix 4.9)	

Documentation		Issue/Offer of securities to the public as defined under Article 2 (3) of the Companies Act	Carve-outs defined under the Article 2 (3) (b) of the Companies Act
7.	A Declaration of compliance with the minimum standard undertakings in the Admissions/Compliance/Corporate Advisor Agreement signed by both the applicant or Prospects MTF Company and the Admissions/Compliance/Corporate Advisor, in the format required by the Exchange.	Yes (Appendix 4.9)	
8.	Business specialist reports required by the Exchange.	Where applicable - minimum requirements to be agreed with the Exchange as required from time to time	
9.	A completed and signed Directors' declaration.	See Appendix 4.11	
10.	An electronic copy of the Memorandum and Articles of Association or equivalent constitutional documents of the Applicant as obtaining with the Registrar of Companies as obtaining under the Act or equivalent registration mechanism under any other applicable law.		
11.	A Board Resolution sanctioning the application.		
12.	Formal notices.	See Appendix 4.15	
13.	Application forms to subscribe for or purchase Securities.	See Appendix 4.18	
14.	The Admission Checklist.	Yes Appendix 4.14	

Documentation		Issue/Offer of securities to the public as defined under Article 2 (3) of the Companies Act	Carve-outs defined under the Article 2 (3) (b) of the Companies Act
15.	Any other document or additional information to any of the above, that the Exchange shall require	As required	

**FORMAL APPLICATION
FOR ADMISSION OF FINANCIAL INSTRUMENTS
TO PROSPECTS MTF**

APPENDIX 4.2

To: The Prospects MTF Admissions Committee
Malta Stock Exchange plc
Garrison Chapel
Castille Place
Valletta VLT 1063
Malta

Date: _____

We, _____ [Name of Issuer] hereby apply for the under mentioned financial instruments to be admitted to Prospects MTF subject to the provisions of the Financial Markets Act (Cap. 345 of the Laws of Malta) and any regulations made thereunder, admission rules, continuing listing obligations and disclosure requirements contained in the Prospects MTF Rules issued by the Malta Stock Exchange and the Bye-laws of Malta Stock Exchange plc.

APPENDIX 4.2

SECTION 1 - ISSUER DETAILS

Name of Issuer : _____

Registered Office : _____

Telephone Nº : _____

Fax Nº : _____

E-mail : _____

Date of Registration : _____

Country of Registration: _____

Registration Nº : _____

Income Tax

Registration Nº : _____

APPENDIX 4.2

SECTION 2 - SHARE CAPITAL		
<i>Authorized Amount</i>	<i>in</i>	<i>Issued (and paid up) Include the present issue (if applicable)</i>

SECTION 3 – DESCRIPTION OF FINANCIAL INSTRUMENTS

Amounts and descriptions of financial instruments for which application is being made (include distinctive numbers if any):

[illegible]

APPENDIX 4.2

SECTION 4 – DECLARATIONS RE: FINANCIAL INSTRUMENTS

The financial instruments for which application is now made:

(a) are/are not identical in all respects :

(b) are/are not identical in all respects with an existing class of the financial instruments:

(c) are not listed or dealt in any other market(s)are listed or dealt on the following market(s):

(d) have been in the previous six months, or will be subject of an application for admission on the following market(s):

APPENDIX 4.2

SECTION 5 – SUBSTANTIAL SHAREHOLDINGS		
So far as is known, or can be ascertained after reasonable enquiry by the Directors of the Company, the under mentioned is/are (a) substantial shareholder(s) of the Company or of its holding company:		
Name	Address	Extent of Holding and in which company

APPENDIX 4.2

SECTION 6 – DIRECTORS’ DECLARATION *[to be signed by all Directors of the Issuer]*

1. We declare that:

- (a) All the admission requirements contained in the Prospects MTF Rules issued by the Malta Stock Exchange plc, insofar as applicable and required to be met or fulfilled prior to application, have been met or fulfilled in relation to the Issuer and the financial instruments for the admission of which application is now made; and
- (b) there are no other facts bearing on the Issuer’s application for admission of its securities to Prospects MTF, which, in our opinion, should be disclosed to the Malta Stock Exchange plc.

2. We undertake to comply with the Prospects MTF Rules, continuing obligations and disclosure standards presently in force and as they may from time to time be amended by the Board of Directors of Malta Stock Exchange plc.

Director

Director

Director

Director

Director

Director

Director

Director

APPENDIX 4.2

SECTION 7 - DETAILS OF ADMISSIONS/CORPORATE ADVISOR

Admissions/Corporate Advisor's

Name : _____

Address : _____

Signed : _____
Admissions/Corporate Advisor
(Delete as appropriate)

COMPLIANCE ADVISOR DETAILS: (In the case where an application is submitted by an Admissions Advisor the Compliance Advisor details must be completed in the following section.)

Name : _____

Address : _____

Signed : _____
Compliance Advisor

NOTE

This Application for Admission to Prospects MTF must be duly signed and must be accompanied by the documents as indicated in Appendix 4.1 to these Rules.

APPENDIX 4.3

A) VOLUNTARY SUSPENSION OR TERMINATION OF ADMISSION BY A PROSPECTS MTF COMPANY:

1. Name of Prospects MTF Company;
2. Name, Class and Nominal Value per security of the relevant Prospects MTF security for which termination of Admission is being sought;
3. Number of issued securities for which termination of Admission is being sought;
4. Date of Meeting of the Board of Directors or other equivalent Governing Body of the Prospects MTF Company held in terms of these Rules;
5. Result of the Vote taken at the Meeting referred to in paragraph 4 above;

(Please attach a certified true copy of the minutes of the Meeting when the said vote was taken and the result of the said vote)

6. Date of circulation of Notice, Resolution and Explanatory Memorandum to the holders of the Security to be removed from Prospects MTF;
7. Date of Meeting of the holders of the Prospects MTF security to be removed;
8. Percentage amount of the Nominal Value of the Prospects MTF Security to be removed held by the holder/s represented at the meeting referred to in paragraph 7 above;
9. Name of the Chairman presiding at the Meeting referred to in paragraph 7 above;
10. Results of the poll taken at the Meeting referred to in paragraph 7 above in terms of percentage levels to the nearest three decimal places of the Nominal Value of the Issued Security held by security holders signifying:
 - i) Approval of the Resolution; and
 - ii) Disapproval of the Resolution.

(Attach a certified true copy of the minutes of the Meeting when the said poll was taken and of the result of the said poll).

11. Date of Issue of the Circular referred to in these Rules;
12. Date of this Application for delisting.

NAME:

SIGNATURE:

**B) VOLUNTARY SUSPENSION OR RESIGNATION BY AN APPROVED
ADMISSIONS/COMPLIANCE/CORPORATE ADVISOR:**

1. Name of Admissions/Compliance/Corporate Advisor;
2. Date of Meeting of the Board of Directors or other equivalent Governing Body of the Admissions/Compliance/Corporate Advisor held in terms of these Rules;
3. Result of the Vote taken at the Meeting referred to in paragraph 2 above; (Please attach a certified true copy of the minutes of the Meeting when the said vote was taken and the result of the said vote);
4. In case of an Admissions/Compliance/Corporate Advisor who has Engagements with one or more Prospects MTF Companies the submission of Appendix 3.3 and confirmation that its obligations under Prospects MTF Rule 4.09.01.02 have been fulfilled.

NAME:

SIGNATURE:

APPENDIX 4.4 - PROSPECTUS

The contents of a prospectus shall be governed by the disclosure requirements defined:

1. For a Company set up in Malta, in accordance with the Capital Markets Rules and where appropriate, the requirements laid out by the Prospectus Directive as transposed into the Companies Act;
2. For a Company set up in another EU Member State, any other applicable legislation transposing that Directive; or
3. For a Company set up in any other Recognised Jurisdiction, any other relevant legislation that the Exchange considers to afford equivalence to that of the Companies Act;

Provided that where more stringent requirements apply under these Rules such requirements shall prevail.

In addition, a prospectus shall also include the Key Information consisting of a summary of the most pertinent matters relating to the issue including but not limited to the information required in the Company Admission Document Template as laid out Appendix 4.5

The exemptions from publishing a prospectus applying under Capital Markets Rule 4.7 shall *mutatis mutandis* also extend to a Prospects MTF Company.

APPENDIX 4.5 - COMPANY ADMISSION DOCUMENT REQUIREMENTS

Note: This template document applies only where the applicable law does not impose the requirement for the issue of a full prospectus and where the issue is not made to retail investors.

The Company Admission Document will include the following requirements in the following order:

1. Front cover page:
 - (i.) Name and details of Company and securities being admitted including date of Admission.
 - (ii.) Name and corporate logo of Admissions/Compliance/Corporate Advisor, Reporting Accountant, Lawyer, Lead Manager, Broker, Underwriter, Registrar and Specialist Advisors as appropriate.
 - (iii.) Disclaimer: "The MSE accepts no responsibility for the completeness or accuracy of this document and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document."
 - (iv.) The Malta Stock Exchange (Exchange) has authorised the admission of these securities on the Prospects MTF, a multilateral trading facility operated by the Exchange. This means that the said instruments are in compliance with the Admission Requirements set out in the Exchange Bye-Laws. In providing this authorisation, the Exchange does not give any certification regarding the potential risks in investing in the said instruments and such authorisation should not be deemed or construed as a representation or warranty as to the safety of investing in such instrument.
 - (v.) Risk Warning: "INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID. INVESTORS SHOULD SEEK APPROPRIATE ADVICE THEREFORE BEFORE MAKING ANY INVESTMENT."
 - (vi.) Electronic communication of all information required to be disclosed under these Rules and/or applicable law to all holders of admitted securities, prior to, upon or following Admission of any of its securities to Prospects MTF. Details of such electronic communication shall be outlined in the Admission Document including necessary identification and security arrangements.
2. Declaration: The Prospects MTF Company's Board of Directors shall be liable for the Company Admission Document and shall include a declaration:
 - (i.) a declaration as to this liability and the accuracy of the Company Description; and

- (ii.) that information contained in the information document is true, fair and reflects the facts and the information document does not omit any facts that could affect its significance and valuation of financial instruments introduced to trading, and the document provides a reliable description of risk factors related to the valuation and participation in trading in given instruments.
- 3. Signature: The Company Admission Document and any supplement thereto shall be dated and signed by every person who is named therein as a Director.
- 4. Description of issuing company: Description of the Company, including the business model, a description of the market(s) within which it is or will be operating, organisation, key individuals and the demonstrated competence to manage the business and ability to realise the published forecasts, licenses, any intellectual / industrial property rights (including pending applications), competitive situation, barriers to entry for the Company and competitors, most significant risk factors and associated risk management models and the reasons for the decision to apply for Admission;
- 5. Description of the issue: information about the securities to be to be admitted to and traded on Prospects MTF, including where appropriate to the type of the issue:
 - (i.) Type of admission
 - (ii.) Size and pricing of offer
 - (iii.) Timetable of events
 - (iv.) Details of securities from the Company's articles of association or equivalent constitutional documents including transferability and fungibility terms;
 - (v.) Reasons for the float and the gross and net proceeds and the planned use thereof;
 - (vi.) Information on the Company's share capital, rights attaching to such capital and the breakdown by share class and other securities types;
 - (vii.) Information on the Company's debt and guarantee structures and/or of any guarantor and their financial track record where available; and
 - (viii.) Incentive and dilution schemes.
- 6. Key Information: A summary of the most pertinent matters relating to the issue.
- 7. Inside Information factors: The key factors which in the company's opinion could significantly affect the price or value of its specific financial instruments.
- 8. Advisors together with statements of independence: to the company including but not limited to the Admissions/Compliance/Corporate Advisor, a broker including any liquidity provider, lawyer, Accountant, Auditor, specialist advisors required for the Company;
- 9. Unique Selling Points and rationale for proposed offer price: Include competitive advantages and expected duration/monetisation of such advantage, description of significant

contracts/patents and the state of development of core businesses, technologies, or research/development, etc;

10. Historic Financial Statements:

- (i.) Where available, the Company's most recent Annual Reports including financial statements for the previous two years and where applicable the general financial trend over the last two years. Such financial statements shall be prepared on an IFRS basis, but where such statements are prepared according to alternative GAAP, the Company shall state the material departure from IFRS and provide a reconciliation with IFRS;
- (ii.) For Companies with no previous trading record, a Financial Sustainability Forecast (see Appendix 4.7) together with assumptions shall be presented together with an appropriate Accountant's report;
- (iii.) For the same periods and on the bases shown in sub-paragraph I above, the same information shall also be provided for any guarantors of the Company and in the case the Company forms part of a Group, the financial statements shall also provide a consolidated view for the Group.

11. Financial Sustainability: An explanation together with the assumptions stating whether the Company possesses sufficient financial resources in order to be able to conduct the planned business for at least twelve months after the first day of Admission. It shall also be made clear when the Company expects to be (a) profitable and (b) cash flow positive and how the Company intends to finance its operation until such time.

12. Executives, Non-Executives and Management: Description of the Prospects MTF Company's Board of Directors, independent Corporate Governance structures, the management of the Company. Specific information on:

- (i.) the Executives, Non-Executives and Management team's suitability to achieve the objectives of the company together with their qualifications, relevant previous track records;
- (ii.) compliance or explanation of any deviations therefrom with the Competent Authority's corporate governance requirements under the Capital Markets Rules;
- (iii.) any information about historical or on-going bankruptcy, insolvency, liquidation or similar proceedings shall be disclosed with regard to the Prospects MTF Company and the members of its Board of Directors;

13. Ownership structure and related matters:

- (i.) Description of the ownership structure, including any shareholdings in the Company held by the Prospects MTF Company's Board of Directors, senior management and the Admissions/Compliance/Corporate Advisor and their Connected Persons, if any;

- (ii.) Description of any incentive programs including share based programs and the associated lock-in arrangements;
 - (iii.) Description of significant changes in securities holdings in the year prior to Admission;
 - (iv.) Description of any transactions with persons discharging managerial responsibilities in the Prospects MTF Company, board members, or their Connected Persons, major owners or another company within the same group as the applicant;
 - (v.) Any lock-in arrangements as detailed in these Rules; and
 - (vi.) Any dealing restrictions as defined in these Rules
14. Deleted.
15. Litigation: Any pending litigation likely to materially impact the Company;
16. Specialist reports: In the case of specialist issues Experts reports from suitably qualified independent Experts. Specialist issuers include technology, exploration/extraction rights, mining companies or property companies.
17. A statement on the omission of any required information.
18. Back Cover: The name, postal address and internet address of the Admissions/Compliance/Corporate Advisor, Reporting Accountant, Lawyer, Lead Manager, Broker, Underwriter, Registrar and Specialist Advisors as appropriate.

The exemptions from publishing a prospectus applying under Capital Markets Rule 4.7 shall *mutatis mutandis* also extend to a Prospects MTF Company that has issued a Company Admission Document.

APPENDIX 4.5.1 - PROSPECTS MTF COMPANY ADMISSION DOCUMENT
TEMPLATE FOR SECURITIES TO BE ADMITTED TO PROSPECTS MTF

THIS SIMPLIFIED DOCUMENT IS TO BE AVAILABLE ONLY WHERE A PROSPECTUS IS NOT REQUIRED
UNDER APPLICABLE LAW.

Full Name of the Company:

Country of registration:

Company's Registration No:

Country of Applicable Law:

Amount and Full Designation of Securities of Company for which Admission is sought:

--

International Securities Identification Number:

--

This Company Admission Document (hereinafter "the Document") is made in the context of an application for Admission of _____ (*automatic insert of amount and full designation of the securities from front page*) hereinafter referred to as the "**Securities**", to Prospects MTF where no offer of securities to the public is being made _____.¹ Prospects MTF is a market of the Malta Stock Exchange ("MSE") designed specifically for Small and Medium sized businesses.

This Document contains information about [automatic INSERT FULL NAME OF COMPANY from front page] (the "Company") as the issuer of these Securities for which an Application is being made for Admission on Prospects MTF.

This Document is dated [insert date - dd/mm/yyyy]. The MSE has authorised the issue of this Document. **BY SO DOING, THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES.**

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THIS ADMISSION DOCUMENT AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ADMISSION DOCUMENT.

THE DIRECTORS OF THE COMPANY, WHOSE NAMES APPEAR UNDER THE HEADING "ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES" HEREUNDER, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

INVESTING IN COMPANIES ADMITTED TO Prospects MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES ("SMEs") TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

¹ Insert appropriate reference shown in italics below as to why this is not an issue of securities to the public:

as an Introduction; or
for Maltese issuers, under sub-paragraph Article 2 (3) (b) of the Companies Act, Chapter 386 of the Laws of Malta; or
for foreign issuers insert any equivalent applicable law; and
delete the footnote

IMPORTANT INFORMATION²

THE INFORMATION CONTAINED IN THIS DOCUMENT IN RESPECT OF THE COMPANY AND ITS BUSINESS, IN COMPLIANCE WITH THE RULES OF PROSPECTS MTF.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE COMPANY OTHER THAN THOSE CONTAINED IN THIS DOCUMENT AND OTHER DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE COMPANY, ITS DIRECTORS, OR ADVISERS. THE ADVISERS ENGAGED BY THE COMPANY FOR THE PURPOSE OF THIS SECURITIES ISSUE ARE ACTING EXCLUSIVELY FOR THE COMPANY.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE COMPANY SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

THIS DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE COMPANY'S SECURITIES TO PROSPECTS MTF.

THE CONTENTS OF THE COMPANY'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE COMPANY'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE SECURITIES ISSUED BY THE COMPANY.

ALL ADVISERS TO THE COMPANY HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE COMPANY IN RELATION TO THIS ADMISSION DOCUMENT AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS DOCUMENT HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE COMPANY ARE

² The information in this section may need to be modified by a Company and their Admissions/Corporate Advisor depending upon the specifics of an application and delete this footnote in the final version.

AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED UNDER APPLICABLE LAW, AND IN CASE OF ANY PERSON ACQUIRING ANY SECURITIES PURSUANT TO THIS DOCUMENT, HE SHALL SUBMIT TO THE JURISDICTION OF THE RELEVANT COURTS AS DETERMINED BY THE APPLICABLE LAW, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE COMPANY TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF THE SECURITIES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE ADMISSION DOCUMENT AS A WHOLE.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON APPLICABLE LAW AND ARE SUBJECT TO CHANGES THERETO.

COMPANY ADVISORS

(Complete as appropriate; if any of the fields below do not apply please delete)

Admissions/ Compliance/Corporate Advisor

Name:
Address:
Logo:

Reporting Accountant

Name:
Address:
Logo:

Auditor

Name:
Address:
Logo:

Company Lawyer

Name:
Address:
Logo:

Placement Broker

Name:
Address:
Logo:

Market Maker

Name:
Address:
Logo:

Underwriter

Name:
Address:
Logo:

Registrar

Name:
Address:
Logo:

Specialist Advisors

Name:
Address:
Logo:
Capacity:

DIRECTORS

Further details about each of the Directors is given in the section headed “Board of Directors”

Directors' Full Names	Directors' Signatures (Scanned Images)	Dated (as front cover)
		[Automatically filled from front cover]

TABLE OF CONTENTS

GLOSSARY OF TERMS

TIMETABLE

[Insert key dates concerning a placement offer, issuance and Admission of Securities - delete fields which may be inapplicable]

Issuance of Formal Notice	
Application forms available	
Pre-Placement Date Closing	
Intermediaries Offer	
Opening Offer Period	
Closing Offer Period	
Expected announcement on the basis of acceptance	
Expected dispatch of allotment advices and refund unallocated monies (if any)	
Expected Admission of securities on Prospects MTF	
Expected start of trading on Prospects MTF	
Expected first interest payment or dividend	
Insert any additional dates	

SUMMARY OF THE COMPANY

Please insert a description of the Company with the following minimum details (where relevant insert cross-reference to any fuller disclosure later in the document)

- [Insert Full Legal and Commercial Name of Company] is a public / private³ limited liability company validly established under the law of Malta and / or any other Recognised Jurisdiction [Insert Country];
- The Company's registered office and headquarters;
- Place of registration and domicile;
- Registration number;
- Telephone;
- Email address;
- Website;
- Authorised and issued share capital of the Company including any divisions into classes;
- Any issued debt capital and other borrowings (including structure and guarantees);
- Salient features of the Company's Memorandum & Articles of Association e.g. Main Business Objects, Appointment and Removal of Directors, Directors Powers;
- History and important events in the development of the Company;
- The Company's group structure and inter-group companies' dealings;
- Substantial Securities Holders and their Connected Persons (including any material dealings with such holders or persons);
- Company's Administrative, Management and Supervisory Bodies including their powers and functions;
- Summary of the Company's compliance with corporate governance standards;
- Description of the business sectors & geographical markets in which the Company operates;
- The Company's business including principal products or services;
- Information about the Company's customer base;
- A description of the markets and locations in which the Company operates;
- The Company's business model;
- Any dependence by the Company upon licences, patents (or similar);
- A description of the competitive and commercial environment in which the Company operates including barriers to entry;
- Summary of the Company's key risks and related risk management models;
- Summary of contingent liabilities; and
- Any other matter necessary for investors to understand the Company's business

³ Delete as appropriate

Additional Information about an Investing Company

Is the Company an Investing Company (other than one which qualifies as a Collective Investment Scheme)?

- ☐ Yes
☐ No

If Yes, then set out the following in respect of the Company's investments and proposed investments; if No this section on Investing Companies should disappear:

Investment Information

business sectors for investment;
geographical spread of such investments;
strategy for diversification of investment and risk;
management of such investments and assessment of risks involved; and
Directors' and managers expertise in the proposed business sectors.

Additional Information about a Property Company

Does the Company qualify as a Property Company?

- ☐ Yes
☐ No

[If Yes, the following statement should appear: if No then this section on Property Company should disappear],

The Company is a Property Company which complies with Chapter 7 of the Capital Markets Rules.

[Include link to Chapter 7 of the Capital Markets Rules]

Current Trading and Prospects MTF

Please describe the Company's Current Trading and Prospects MTF

DESCRIPTION OF AND RIGHTS ATTACHING TO THE SECURITIES

Please insert a description of the Company's Securities with the following minimum details as appropriate and delete where inapplicable:

- Description of Securities including registration, form, denomination and title
- Ranking
- Pre-emptive rights
- Voting Powers and the granting of Proxies
- Dividends
- Interest and Yield
- Record and Payment Dates
- Guarantors and Guarantees
- Redemption and purchase
- Events of default
- Transferability of Securities
- Further issues and further indebtedness
- Rights in the event of a winding up and liquidation of assets
- Notices
- Meetings of Securities Holders
- Authorisations and Approvals (how resolutions are passed)
- The Securities structure after an offering
- Other complete as appropriate

PROCEEDS OF ANY ISSUE

Is the Company raising any funds at the time of Admission?

- ☐ Yes
☐ No

If No, the "Proceeds of Any Issue", "Use of Proceeds", and "Terms and Conditions relating to applications in the case of a Placement Offer" sections should disappear.

If yes, please complete the following table; if no, this section on proceeds should disappear:

Gross Proceeds	
Costs of Issue	
Net Proceeds Receivable by Company	
Details of any fund raising (such as any placing) at the time of Admission	

If above table completed, please also complete

USE OF PROCEEDS

State the intended use of Proceeds of any Fund-raising at the time of Admission

	Currency	Amount
Purpose 1		
Purpose 2		
Purpose 3		
Purpose 4		

Terms and Conditions relating to applications in the case of a Placement Offer

Please insert a template (see Addendum) including the relevant terms and conditions relating to applications from subscribers in the case of a placement offer, amended as appropriate.

Terms and Conditions attaching to the Securities:

Please insert any obligations attaching to the Securities such as:

Obligation to disclose information to the Company as to the Beneficial Ownership of Equity Securities
Payments of calls in the case of non-fully paid-up equity securities
Details of any sanctions in the event of non-payment of calls as and when due

SELECTED FINANCIAL INFORMATION

Insert an introductory description on material aspects of financial information.

Extract pro-forma financial information covering:

1. Balance Sheet at the most recent date under IFRS
2. Profit and Loss for the most recent period under IFRS
3. Front page of the Financial Sustainability Forecast together with any explanation on the assumptions for achieving financial sustainability

Insert a cross reference to a section which covers:

1. Full audited accounts if available or business plan for new Companies
2. All information presented should be not more than 9 months out of date
3. An Accountants Report.

RISK FACTORS

Please describe, in order of priority, the main risks to the Company, its business and securities, including where relevant-but not limited to - such non-exhaustive matters listed hereunder:

Risks about the market within which the Company operates:

- Barriers to entry;
- Concentration Risk;
- Environmental Conditions e.g.:
 - Political developments and dependence on Government/Regional or Supranational Authorities;
 - Country risk;
 - Legal context and any dependent changes thereto;
 - Fluctuations in key inputs;
 - Availability of finance;
- Seasonality;
- Consumer trends;
- Competition;
- Country Risk;
- Timing;
- Others as required

Risks about the Issuer and its business:

- Sales;
- Input Costs/Supply;
- Personnel and track record in the industry;
- Information Technology;
- Technological change;
- Innovation;
- Licences, permissions, termination;
- Intellectual Property;
- Timing, required milestones and contingencies;
- Distribution and Franchise Relationships;
- Jurisdictional Risk;
- Regulatory and Taxation;
- Reputation Risk;
- Financial Risk,
- Financial viability and measures to be taken to make the Company viable;
- Tenure/term of assets / rights, their valuations and liquidity;
- Credit Risk;
- Interest;
- Foreign Exchange Risk;
- Cost increases;
- Counterparty Risk;
- Contingent Liabilities;
- Taxation;
- Financial sustainability and funding;
- Project delays and impact;

Risks about the Securities

- Securities Risk (for dominant Securities Holders)
- Risks associated with indebtedness
- Risks pertaining to the securities which are to be Admitted e.g.
 - no prior market;
 - secondary market liquidity;
 - price referencing and liquidity support;
 - price volatility;
 - future sales by existing shareholders;
 - uncertainty of corporate actions;
 - currency risk;
 - value of investments - can rise or fall.

Lock-ins

Has the Company:

(i) Yet to demonstrate profitability for a period of at least twelve (12) consecutive months?

☐ Yes

☐ No

(ii) Forecast a loss for more than six (6) months out of the next twenty four (24) months?

☐ Yes

☐ No

(iii) A business heavily reliant on the continuing holding of Substantial Shareholders?

☐ Yes

☐ No

[If the answer to any one of the above is yes then the following statement should appear; if No to all then this section on Lock-ins should disappear]

The Company has been deemed a new business under the Prospects MTF rules, Substantial Shareholders will be precluded from disposing of their Equity Securities for a period of two years from the Admission Date.

Has the Company been granted any exemptions to the Lock-in rule 4.02.01?

☐ Yes

☐ No

If yes, please state the exemptions granted by the Exchange

Detail here any exemptions granted by the Exchange
--

BOARD OF DIRECTORS & MANAGEMENT

Full Name of Director [1]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

Full Name of Director [2]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

Full Name of Director [3]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

Full Name of Director [4]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

Full Name of Director [5]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

Full Name of Director [6]
Role (e.g. CEO, Chairman, Non-executive)
Previous Relevant Experience specifying successes and failures
Any Bankruptcies
Insolvencies or Administrations of any Company where the director was a director
Any unspent convictions (other than minor road traffic offences)
Any disqualifications or criticisms by regulatory authorities
Other Current Directorships
Directorships in previous five years

CVs

Senior Management

Please provide names and functions of any key managers, qualifications, employees not on the board

Name	Role
Name	Role
Name	Role

CVs

Name of Compliance Officer

Please state the name of the Company's Compliance Officer here
--

CVs

Directors Remuneration / Emoluments including payments and benefits in kind

Insert here the full aggregate remuneration

Directors Shareholdings (including those of Connected Persons)

Name	Number	%

Powers of Directors

Please describe the rights, powers and policies of the Board of Directors for each Director if appropriate:

Policies regarding Remuneration of Directors
Loans to Directors as at the date of this Admission Document
Powers to grant loans to Directors
Appointment and Removal of Directors
Powers to act on behalf of Company
Frequency of Board meetings
Powers to commit the Company

CORPORATE GOVERNANCE

Do you comply with the relevant Corporate Governance standards published by the Competent Authority?

- ☐ Fully Compliant
- ☐ Partially Compliant
- ☐ Non-Compliant

If Partially Compliant or Non-Compliant, does the Company meet any other equivalent standards in case its securities are already admitted to trading in another Recognised Jurisdiction

- ☐ Yes
- ☐ No

If yes, please name the Recognised Jurisdiction with whose Corporate Governance the Company complies and clarify any divergence with the Competent Authority's Governance Code

Where the answer to either of the above two questions is No or Partially Compliant, please detail how and why the Company does not meet those corporate Governance standards

Deviation from the Competent Authority's Governance Code (or Equivalent in Recognised Jurisdiction) -

Code requirement	How Company does not comply	Why Company does not comply
1 The Board		
2 Chairman and Chief Executive		
3 Composition of the Board		
4 The Responsibilities of the Board		
5 Board Meetings		
6 Information and Professional Development		
7 Evaluation of the Board's Performance		
8 Committees		
9 Relations with shareholders and with the market		
10 Institutional Shareholders		
11 Conflicts of Interest		
12 Corporate Social Responsibility		

Save as set out above the Company Complies with the Competent Authority's codes on corporate Governance.

In all cases, please add a statement here from the Company's auditors about Corporate Governance compliance

The Company has an Audit Committee comprised of the following executive / non - executive members:

Membership of Audit Committee

Name	Qualifications	Role
		Independent Non-executive Director and Chairman
		Independent Non-executive Directors
		Executive or Non-Executive

All Related Party transactions require prior approval of the above Audit Committee

- ☐ Yes
☐ No

DEALING RESTRICTIONS

The Company has adopted an internal dealing code restricting dealings in its securities by Directors and relevant employees in accordance with Rule 4.03.00.

THE COMPANY'S ARTICLES OF ASSOCIATION/GOVERNING CONSITUTION

The Company's Memorandum of Association and Articles (and/or other Constitutional Documents) satisfy the requirements of the Rules in respect of Prospects MTF

- ☐ Yes
- ☐ No

Summary of Constitutional Documents

Summary of any unusual provisions

Link to complete Constitutional Documents

Please upload a link here to Complete Articles

THE COMPANY'S SHARE CAPITAL

Description of the Company's securities for which Admission is sought

Are the shares fully paid?

- ☐ Yes
☐ No

If yes, the statement that "the securities are fully paid" should appear; if no the following should appear, "the securities are partly paid

please provide details of how the terms and conditions upon which partly paid shares may become fully paid e.g. timing of calls and consequences of non-payment

Currency denomination/designation of securities by type/nominal value
Voting rights
Ability to vote for removal/appointment of Directors
Statement as to free transferability including any restrictions agreed by MSE
All shares of same class rank pari passu
All other information necessary for investors to understand the nature of the securities including relevant tax matters

Details Proxy Rights

Details on how holders of securities admitted to Prospects MTF may exercise their rights by proxy, subject to the law of the country in which the Prospects MTF Company is incorporated, including proxy forms that must satisfy the following requirements as appropriate
Be sent with the notice convening a meeting of holders of securities admitted to Prospects MTF and entitled to vote at the meeting;
Provide for two-way voting on all proposed resolutions (except for procedural resolutions) as well as any other voting procedure in election of Directors
State that a holder of securities is entitled to appoint a proxy of his own choice and provide a space for insertion of the full name of such proxy and identification details as required;
State that if it is returned without an indication as to how the proxy shall vote on any particular matter, the proxy will exercise his discretion as to whether, and if so, how he votes; and
Where the resolutions to be proposed include the re-election of retiring Directors, the proxy forms must allow shareholders to vote for individual candidates irrespective of whether they are new candidates or retiring incumbents of the post

Method of electronic communication with shareholders

Please insert detail here

Share Incentivisation or Option Schemes

Please insert a description of any incentivisation such as share award or share option schemes

Substantial Shareholders

Please insert the names and holdings of all Substantial Shareholders in the Company

Name	holding	%

SPECIALIST REPORTS

Please insert any Specialist reports here such as Geologists or Technology Reports

Historic Financial Statements:

Does the Company have Annual reports for the last two years?

- ☐ Yes
- ☐ No

If yes,

Upload, the Company's most recent Annual Reports including financial statements for the previous two years

Where such report and accounts have not been prepared on an IFRS basis, material departure from IFRS should be explained and provide a reconciliation with IFRS;

If No

Please upload an Accountant's report on the Company

CLEARING AND SETTLEMENT OF COMPANY'S SHARES

Please insert a full description of how shares are cleared and settled

ADDITIONAL INFORMATION

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the company:

1
2
3
4
5
6

Website

Please state the Company's website address

Indebtedness Statement

As at,

Insert day/month/year

Which was the latest practicable date prior to the date of this Admission Document, the indebtedness of the Company was:

Please insert description of the level and type of the Company's indebtedness at the said date

No Significant Change

Save as disclosed in this Admission Document the Board of Directors are not aware of any significant change in the Company's financial position following completion of the Accounts or accountants report.

- ☐ Yes (to Confirm)
- ☐ No (to reject above statement)

If No, please detail the significant change

Litigation Statement

Neither the Company nor any member of the Group is or has been engaged in nor, so far as the Company or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this ADMISSION DOCUMENT, a significant effect on the Company's financial position or profitability.

- ☐ Yes (to confirm above statement)
- ☐ No (to reject above statement)

If No, please give details of any such litigation

Working Capital Statement

Having made due and careful enquiry, the Directors are of the opinion that the Company has sufficient working capital available for current operating requirements, for at least the next twelve (12) months from the date of this Admission Document and up to

Insert number of Months

under the operating assumptions contained in the Financial Sustainability forecast contained below.

Financial Sustainability Financial Sustainability Report

The Directors confirm that:

The Prospects MTF Company has sufficient working capital available for current operating requirements, for at least the next twelve (12) months from the date of publication of the relevant document and up to [insert months] under the operating assumptions contained in the Financial Sustainability forecast;

Such representation has been given after having made a complete, careful and due enquiry by the Prospects MTF Company and the required financing facilities exist; and

The related profit and loss forecasts are based on realistic and achievable assumptions stated therein clearly distinguishing between assumptions which the Directors of the Prospects MTF Company can influence and assumptions about factors which are exclusively outside their influence; and

a report has been prepared by independent accountants or auditors stating that in their opinion the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit and loss and cash flow forecast are consistent with the accounting policies of the Prospects MTF Company.

Upload excel spread sheet in template format

Other Documentation

Please upload any other documentation that is being sent to shareholders in connection with the Admission (e.g. AGM or EGM notices where applicable)

Please upload other documentation herewith

FINANCIALS

EXPERTS REPORTS IF ANY

TAXATION

TERMS AND CONDITIONS OF THE ISSUE

STATEMENT OF INTERESTS OF DIRECTORS, ADVISORS AND EXPERTS

LIST OF DOCUMENTS AVAILABLE FOR INSPECTION

Annex 1 - Authorised Financial Intermediaries

Annex 2 - Specimen Application Form

Annex 3 - The Guarantee, Nature and Scope

Annex 4 - Financial Statements

APPENDIX 4.6 - ACCOUNTANT'S REPORT TEMPLATE

Content and scope agreed between the Admissions/Corporate Advisor (on behalf of the Company) and the Reporting Accountant based around the Prospects MTF template, the headings of which are shown below. Compiled by the Reporting Accountant and addressed to Directors as a private background document, although extracts "short form" may be included in any prospectus. Source accounting information shall be extracted from the Company's official accounting records. The Exchange may request access to the document.

1. Financial Performance: Includes an analysis of relevant:
 - (i.) Trading record and Profit & Loss
 - (ii.) Cash flows
 - (iii.) Balance sheets
 - (iv.) Financial trends
 - (v.) Key performance indicators
 - (vi.) Financial impact of barriers to entry
 - (vii.) Capital expenditure
 - (viii.) Liabilities (and contingent liabilities)
 - (ix.) Financing arrangements
 - (x.) Summary from the Financial Sustainability Forecasts as required under Appendix 4.7
2. Business Operations including:
 - (i.) Structure
 - (ii.) Range of services/products
 - (iii.) Market, barriers to entry, competition
 - (iv.) Trading conditions
 - (v.) Machinery and factories/offices
 - (vi.) Research and development
 - (vii.) Dependency on key customers
 - (viii.) Dependency on key suppliers

3. Financial Management Information:
 - (i.) Financial Reporting Procedures
 - (ii.) Management information
 - (iii.) Report on controls and their reliability
 - (iv.) Frequency of data
 - (v.) Management review/consideration/circulation
 - (vi.) Risk assessment, risk mitigation and escalation: examples may include:
 - (i.) Inadequate financial reporting
 - (ii.) Vulnerability to competition/innovation
 - (iii.) Legal title/patent rights – can a company enforce?
 - (iv.) Trading risks - dependency on few customers, insufficient market share,
 - (v.) HR risks - dependency on key staff
 - (vi.) Ability to overcome or retain barriers to entry
 - (vii.) Accounting policies and practices
4. Report on corporate governance
5. Human Resource information:
 - (i.) CVs and roles of key management and staff
 - (ii.) Key managers/business staff
 - (iii.) Payment, bonuses and basis of remuneration data
 - (iv.) Dependency on any individuals/contracts
 - (v.) Succession planning
 - (vi.) Headcount and forecast
 - (vii.) Pensions, loans and liabilities pertaining to staff
 - (viii.) Incentive and dilution schemes
6. Other matters may include:
 - (i.) Patents/Legal Rights
 - (ii.) Insurance

- (iii.) Taxation
- (iv.) Lawsuits
- (v.) Contingent liabilities

7. Appendix: CVs and relevant experience of the reporting accountant

APPENDIX 4.7 - FINANCIAL SUSTAINABILITY FORECASTS

An excel spreadsheet based on the Prospects MTF template available from the Exchange's website (https://borzamalta.com.mt/ProspectsMTF/Documents/Financial_Sustainability_Model.xlsx) based on the financial accounting and forecasting principles in Appendix 4.6 the Accountant's Report Template together with the following representation from the Directors of the Prospects MTF Company co-signed by the Admissions/Corporate Advisor:

The Directors confirm that:

1. the Prospects MTF Company has sufficient working capital available for current operating requirements, for at least the next twelve (12) months from the date of publication of the relevant document and up to [insert months] under the operating assumptions contained in the Financial Sustainability forecast; and
2. such representation has been given after having made a complete, careful and due enquiry by the Prospects MTF Company and the required financing facilities exist; and
3. the related profit and loss forecasts are based on realistic and achievable assumptions stated therein clearly distinguishing between assumptions which the Directors of the Prospects MTF Company can influence and assumptions about factors which are exclusively outside their influence; and
4. a report has been prepared by independent Accountants or Auditors stating that in their opinion the forecast or estimate has been properly compiled on the basis stated and that the basis of accounting used for the profit and loss and cash flow forecast are consistent with the accounting policies of the Prospects MTF Company.

Directors' signatures

Co-signed by the Admissions/Corporate Advisor

APPENDIX 4.8 - GUIDANCE NOTES ON FINANCIAL INFORMATION REQUIREMENTS IN TABLE 1

All financial information shall be prepared on the following basis:

1. Reports of annual earnings figures and half-yearly reports shall always include the following including any necessary re-statements where there is a change in accounting policy:
 - (i.) A summarised profit and loss statement for the financial year and the most recent half-yearly period, including comparative figures for the same period during the previous financial year;
 - (ii.) The summary balance sheet as of the close of the current reporting period, including comparative figures from the close of the most recent financial year;
 - (iii.) A summary report showing changes in shareholders capital during the financial year and half-yearly period, including comparative figures for the same period during the previous financial year;
 - (iv.) An up-to-date extract of the securities register relevant for the Company;
 - (v.) The net earnings per share for the financial year and the half-yearly period including comparative figures for the same period during the previous financial year. Information shall be provided before and after the dilution effects of any instruments including outstanding convertible debentures, corporate warrants, and options schemes;
 - (vi.) Information regarding the number of outstanding shares of each class of shares at the close of the reporting period and the average number of outstanding shares for the financial year and half-yearly period, including comparative figures for the same period during the previous financial year. The information shall be provided both before and after the dilution effects of any instruments including outstanding convertible debentures, corporate warrants, and options schemes;
 - (vii.) Explanations of the earnings trend and financial position during the most recent half-yearly period including, inter alia, the effect of significant extraordinary events;
 - (viii.) A cash flow statement in summary for the financial year and half-yearly period, including comparative figures for the same period during the previous financial year;
 - (ix.) Where information relating to the future is provided, the corresponding information provided in the previous report as well as any changes published since the previous report should also be stated; and
 - (x.) Information regarding:

- a) the planned date of publication of the next report of annual earnings figures or half-yearly report;
- b) proposed allocation of profits;
- c) information in respect of the planned date of the annual general meeting of shareholders; and
- d) information as to where and when the annual report and financial statements will be made available to the public.

**APPENDIX 4.9 - DECLARATION BY ADMISSIONS/COMPLIANCE/CORPORATE ADVISOR
REGARDING SUITABILITY OF COMPANY FOR ADMISSION TO PROSPECTS MTF**

This will be part of the Application and will state the following:

I/We declare that:

we have been appointed to serve as Admissions/Compliance/Corporate Advisors (*Delete as appropriate*) to [*insert name of Prospects MTF Company*] hereinafter the Company, by virtue of an Admissions/Compliance/Corporate Advisor (*Delete as appropriate*) Agreement [*insert date of agreement*] that the Company fully complies with the minimum requirements for such agreements made out under Appendix 4.17.

I/We warrant that, after having made a complete, careful and due enquiry:

1. each of the Company's directors accepts full responsibility, collectively and individually, for its compliance with these rules; and
2. the Company, satisfies the requirements for Admission to Prospects MTF, is thus suitable for Admission to Prospects MTF and in particular has disclosed all relevant information and that the applicant will not endanger the reputation and integrity of Prospects MTF or the Exchange;
3. the Company has established procedures which provide a reasonable basis for its Directors to make proper judgements as to its financial position and prospects; and
4. the Company has Directors who understand the nature of the responsibilities they will be undertaking in respect of being admitted to Prospects MTF.

I/We also warrant that I/We will fully co-operate with the Exchange in any inquiry regarding my/our function as an Admissions/Compliance/Corporate Advisor (*Delete as appropriate*), including my/our relationship with the Company.

Name:

Position:

Company:

Date:

APPENDIX 4.10 – ADMISSION OF COMPANIES ALREADY ADMITTED ON EQUIVALENT MARKETS

Under MIFID 2 this requires the authorization of the Company and, therefore, will require a template including an official notarized authorization from the Company.

1. Name of Company seeking Admission to Prospects MTF
2. Name of market/s on which Applicant Company is already admitted
3. Date of Admission of Applicant Company on equivalent market/s
4. Details of securities admitted to the equivalent market/s
5. Details of Registrar/CSD where issued securities are held
6. Date of Board Decision or of equivalent Governing Body to make application for Admission to Prospects MTF

(Kindly append copy of Board Resolution or equivalent, duly signed, indicating decision to apply for Admission to Prospects MTF)

Name:

Signature:

Date:

APPENDIX 4.11 - DECLARATION BY COMPANY ABOUT ITS SUITABILITY FOR ADMISSION

I/We [insert name of Company] hereby apply to be admitted to Prospects MTF and am/are fully compliant with these Rules.

Insert name, date, address and signature of each Director.

Insert name, date and address of a witness for each Director's signature.

DECLARATION BY COMPANY ABOUT SUPPLEMENTARY DISCLOSURES

I/We [insert name of Company] hereby apply to be admitted to Prospects MTF and am/are fully compliant with these Rules.

Insert name, date, address and signature of each Director.

Insert name, date and address of a witness for each Director's signature.

APPENDIX 4.12 – LOCK-IN ARRANGEMENTS

All lock-in arrangements are proprietary, negotiated between the Company and its key stakeholders eg. Shareholders and executives/management. The lock-in arrangements template will be a form on the website, uploading a .pdf declaration from the company of its lock-in arrangements together with a statement of compliance or explanation of any deviation from the requirements of the Rules.

Lock-in Arrangements

Name of Prospects MTF Company:

Date of commencement of lock-in:

Date of expiry of lock-in arrangements:

Stakeholder Details to whom lock-in arrangements apply:

- Name
- Position (Shareholder, etc)
- Identification No (ID Card/Passport No)
- Address
- No of shares held being subject of lock-in

(Kindly append Board Resolution duly signed indicating the above)

Request for Renewal of Lock-in Arrangements

Name of Prospects MTF Company:

Date of expiry of lock-in arrangements:

Date of commencement & expiry of renewal of lock-in arrangements:

Stakeholder Details to whom lock-in arrangements apply:

- Name
- Position (Shareholder, etc)
- Identification No (ID Card/Passport No)
- Address
- No of shares held being subject of lock-in

(Kindly append Board Resolution duly signed indicating the above and clearing stating the reason for request for renewal)

Exemption from Lock-in Arrangements

Name of Company:

Stakeholder Details in regard of whom exemption from Lock-in Arrangements are being made:

- Name
- Position
- Identification No
- Address
- No of shares held being subject of exemption

Kindly append:

- *Board Resolution duly signed giving the above details and clearly stating reasons for request of exemption*
- *Draft Company Announcement/extract from Admission Document/Notification as may be appropriate indicating exemption, details of stakeholders to whom applicable and reasons for such exemption*

Name:

Signature:

Date:

APPENDIX 4.13 – EXEMPTION FROM RESTRICTED DEALINGS

Name of Prospects MTF Company:

Stakeholder Details in regard of whom exemption from restricted dealings are being made:

- Name
- Position
- Identification No.
- Address
- No. of shares held being subject of exemption

Kindly append:

- *Board Resolution duly signed giving the above details and clearly stating reasons for request of exemption*

Name :

Signature:

Date:

APPENDIX 4.14 - COMPANY ADMISSION CHECKLIST

A context sensitive checklist will be created on the Prospects MTF website based on the workflow process for an application, allowing the Applicant to submit and save drafts, final version and the checklist will be self-generating depending upon the type and size of offer.

APPENDIX 4.15 - CONTINUING OBLIGATIONS FOR PROSPECTS MTF COMPANIES - KEY FORMAL NOTICES

The following are some of the key notices that Prospects MTF Companies are required to submit to the Exchange from time to time. The list is not exhaustive and other specific notices can be created by a Prospects MTF Company in consultation with their Admissions/Compliance/ Corporate Advisor:

- Change in Appointment of Directors
- Notice of General Meetings
- Change in Appointment of the Admissions/Compliance/Corporate Advisor:
 - Company Notice
 - Admissions/Compliance/Corporate Advisor Notice
- Within the category of corporate actions Table 2 it will include:
 - Dividends
 - Interest Payments
 - Redemptions
 - Squeeze Out
 - Share Purchase
 - Company issue data change
 - Instrument data change
 - Bonus issue
 - Cancellation
 - Conversion
 - Split
 - Consolidation
 - Rights issue
 - Merger
 - Demerger
- Other Notices

APPENDIX 4.16 - INSIDE INFORMATION

In connection with the Inside Information, the following information shall be published via a Company Announcement:

- The name of the Compliance/Corporate Advisor;
- The name of the Company; and
- A description of the type of information being published.

The announcements include all items in Table 1 and Table 2 of the Rules.

APPENDIX 4.17 - STANDARD UNDERTAKINGS FOR ADMISSIONS/COMPLIANCE/CORPORATE ADVISOR AGREEMENT

The following are the minimum requirements that such an Agreement will need to specifically cover:

- Glossary/definitions
- The role and responsibilities of the Admissions/Compliance/Corporate Advisor
- The roles and responsibilities of the Prospects MTF Company
- The Admissions and Compliance or Corporate Advisor's services and deliverables including details of qualified persons.
- The Admissions and Compliance or Corporate Advisor's rights of access to the Prospects MTF Company, its personnel and information
- The Admissions and Compliance or Corporate Advisor's contact details including qualified persons
- The Admissions and Compliance or Corporate Advisor's responsibilities for other advisors
- Independence of the Admissions and Compliance or Corporate Advisor
- Conflicts of interest
- Fees, payments and payments in kind
- Duration of Agreement
- Acceptance Procedure
- Intellectual property
- Public relations
- Confidentiality and right of disclosure to the Exchange and incoming Admissions and Compliance or Corporate Advisors
- Contract changes
- Contract suspension, termination and notice period
- Mediation and/or arbitration
- Responsibility for Loss
- Legal Basis
- Language

- Force Majeure
- Notices
- Employment
- Appendices including standard warranty requirements

In line with Rule 4.01.01.09 (a) a Company shall appoint and retain an Admissions and Compliance or Corporate Advisor in accordance with the minimum standard undertakings outlined above. As per declaration of compliance required under Appendix 4.9 the Admissions and Compliance or Corporate Advisor must ensure that the Company fully complies with the minimum requirements mentioned above. If the Exchange becomes aware or has reason to believe that the requirements of the Admissions and Compliance or Corporate Advisor Agreement entered into are not being adhered to, the Exchange may request clarifications as well as take disciplinary action if deemed necessary. As part of this process the Exchange may request the Admissions and Compliance or Corporate Advisor to submit the Admissions and Compliance or Corporate Advisor Agreement entered into with the Company. If the agreement entered into is not in line with these standard undertakings, the Exchange may request the submission of a new Admissions and Compliance or Corporate Advisor Agreement that is compliant to the requirements outlined in this Appendix.

APPENDIX 4.18 – APPLICATION FORM TO SUBSCRIBE FOR OR PURCHASE SECURITIES

This Application Form will be in the form of applications as already extant for the Regulated Market and will include the following details:

- Applicant Name
- Address
- Telephone/Mobile
- E-mail
- Value/volume of securities for which subscription/application is being made
- Tax details – residents/non-residents
- Interest mandate – direct credit instructions
- Declaration
- Signature/s
- Date
- Signatures/stamps of intermediaries

Notes to the application on how to complete form

APPENDIX 4.19 - DELETED

APPENDIX 4.20 –PROSPECTS’ COMPANIES APPLICATION DOCUMENTS

- An authenticated declaration by the prospective Prospects MTF company appointing the Admissions and/or Compliance Advisors or the Corporate Advisor in terms of its application and continuing compliance as applicable.
- Admission Documents as outlined in Appendix 4.1
- Checklist – Case sensitive checklist will be created based on workflow process for an application, allowing the Admission/Corporate Advisors to submit and save drafts and final version.
- Suitability Declaration – Appendix 4.11
- Admissions/Compliance/Corporate Advisor Due Diligence Declaration – Appendix 4.21

APPENDIX 4.21 – DECLARATION BY ADVISOR/S REGARDING DUE DILIGENCE IN RESPECT OF COMPANY FOR ADMISSION TO PROSPECTS MTF

This will be part of the Application and will state the following:

I/We (name of individual representing the company) declare that:

I/We have been appointed to serve as Admissions/Compliance/Corporate Advisor (*delete as appropriate*) to (insert name of Prospects MTF Company) hereinafter the Company, by virtue of a Admissions/Compliance/Corporate Advisor Agreement (insert date/s of agreement/s) that having made complete and proper due diligence enquiries, the Company and its stakeholders fully comply with the Prevention of Money Laundering and Funding of Terrorism Regulations (PMLFTR).

I/We also warrant that I/We will fully co-operate with the Exchange in any inquiry in this regard.

Name of Admission/ Corporate Advisor:

Signature

(Name & Surname)

Date:

Signature

(Name & Surname)

(Where applicable details of Compliance Advisor)

Name of Compliance Advisor:

Signature

(Name & Surname)

Date:

Signature

(Name & Surname)

APPENDIX 4.22 - DELETED

APPENDIX 4.23 – FORMAL NOTICE OF ADMISSION

On approval of an Applicant's Admission Documents, the Exchange shall issue a formal notice to the public, prior to the publication of the Admission Documents. The Notice shall contain the following minimum information:

1. Name of Prospects Company
2. Details of security/ies being admitted to the Prospects List including volume/amount as may be appropriate
3. Date of Admission
4. Any other details as may be appropriate.

Name:

Signature:

Date:

APPENDIX 4.24 – GUIDELINES ON FINANCIAL METRICS

The Exchange may consider the following financial metrics as part of its assessment to accept or otherwise an application to be admitted to Prospects MTF:

1. **Total Debt to EBITDA:**

$$\frac{\text{Total Debt}^*}{\text{Earnings before Interest, Tax, Depreciation and Amortisation}}$$

2. **Interest Cover Ratio, calculated as follows:**

$$\frac{\text{Earnings before Interest, Tax, Depreciation and Amortisation}}{\text{Interest expense}}$$

3. **Debt to Equity Ratio, calculated as follows:**

$$\frac{\text{Total Debt}^*}{\text{Equity}^{**}}$$

4. **Enterprise Value to EBITDA:**

$$\frac{\text{EV}^{***}}{\text{Earnings before Interest, Tax, Depreciation and Amortisation}}$$

5. **Debt to Assets Ratio, calculated as follows:**

$$\frac{\text{Total Debt}^*}{\text{Total Assets}}$$

* where Total Debt means short and long term debt (including bank loans, third party loans, related party loans, finance lease obligations) and bank overdrafts

** where Equity means Total Equity i.e. issued share capital and reserves

*** where EV means total equity (including preferred shares and minority interest) plus total debt less total cash. This ratio will primarily be utilised where an Issuer is admitting shares to Prospects MTF.

The Exchange would be analysing the above ratios based on the financial statements submitted in accordance with Rule 2.01.01.02(c). In order to assess the financial strength of entities endeavouring to seek admittance, the Exchange will benchmark the above ratios against the median values of companies prevailing at the point of admission to the Prospects MTF and against the Applicant's industry sector. To this effect Admissions/Corporate Advisors will be asked to submit their own calculation of these industry benchmarks where applicable.