



MALTA STOCK EXCHANGE PROSPECTS

PROSPECTS MTF NOTICE 01/2021

We would like to draw the attention of all Corporate Advisors to the **revised** Prospects MTF Rules (“the Rules”), which have been approved by the MFSA and which are effective as from the date of this Notice. The updated Rules can be accessed from the Exchange’s website via the following link:

<https://borzamalta.com.mt/ProspectsMTF/Documents/Prospects%20MTF%20Rules.pdf>

1. Prospects MTF Rule 3.01.09.02 (first paragraph), which read:

“employ, directly contract or in-source, at least two designated qualified persons who shall serve as liaison persons as described hereunder. Such qualified persons shall be able to demonstrate the following:”

now reads:

“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:”

2. Prospects MTF Rule 3.01.09.02 (f), which read:

“successful accreditation and aptitude levels through (a) formal education and training (including periodic updates) provided by the Exchange regarding these Rules and Prospects MTF requirements and (b) a formal interview by the Exchange;”

now reads:

“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:

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Prospects is an MTF approved by the Malta Financial Services Authority and operated by Malta Stock Exchange plc

- 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.”

3. Prospects MTF Rule 3.02.02.01, which read:

“maintain a contractual services agreement for the period during which it serves as the Corporate Advisor, including but not limited to the services specified in Appendix 4.17. Any changes to this agreement shall be notified to the client company and the Exchange immediately.”

now reads:

“maintain a contractual services agreement for the period during which it serves as the Corporate Advisor, 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 Corporate Advisor Agreement entered into is to be replaced by a new agreement in the future, the Corporate 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.”

4. Prospects MTF Rule 4.11.30, which read:

“In the case of a Class 1 transaction, the Company shall make a Company Announcement as soon as possible after the terms of the transaction are agreed.”

now reads:

“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.”

5. Prospects MTF Rule 4.11.37, which read:

“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 4.11.30 in relation to the transaction.”

now reads:

“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.”

6. Requirement No.14 under Appendix 4.5 of the Prospects MTF Rules, which read:

“Announcement: the date of the first annual general shareholder meeting following the application as well as the scheduled date for first publication of the audited or unaudited annual earnings figures or half-yearly report following such application, as the case may be;”

has now been **deleted**.

7. The first sentence of Appendix 4.17 of the Prospects MTF Rules, which read:

“The following is a guidance note on the content such an Agreement will need to specifically cover:”

now reads:

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

8. A new paragraph at the end of Appendix 4.17 of the Prospects MTF Rules has been added, as follows:

“In line with Rule 4.01.01.09 (a) a Company shall appoint and retain a Corporate Advisor in accordance with the minimum standard undertakings outlined above. As per the declaration of compliance required under Appendix 4.9 the 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 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 Corporate Advisor to submit the 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 Corporate Advisor Agreement that is compliant to the requirements outlined in this Appendix.”

9. Appendix 4.1 of the Prospects MTF Rules, Table 1 No. 7, which read:

“Yes (Appendix 4.17)”

now reads:

“Yes (Appendix 4.9)”

Any clarifications required in relation to these Rules are to be forwarded to the Prospects Office by email on prospects@borzamalta.com.mt.

Please be guided accordingly.

PROSPECTS MTF OFFICE

7 January 2021