

# AIM Rules for Companies

<b>Introduction</b>	<b>1</b>
<b>Part One – AIM Rules</b>	<b>3</b>
Retention and role of a nominated adviser	3
Applicants for AIM	3
Special conditions for certain applicants	4
Principles of disclosure	5
General disclosure of price sensitive information	5
Disclosure of corporate transactions	5
Disclosure of miscellaneous information	7
Half-yearly reports	8
Annual accounts	8
Publication of documents sent to shareholders	9
Restriction on deals	9
Provision and disclosure of information	9
Corporate action timetables	10
Company information disclosure	10
Further issues of securities following admission	10
Language	11
AIM company and directors' responsibility for compliance	11
Ongoing eligibility requirements	12
Nominated advisers	12
Maintenance of orderly markets	13
Sanctions and appeals	13
<b>Schedules</b>	<b>14</b>
Schedule One	14
Schedule Two	16
Schedule Three	19
Schedule Four	22
Schedule Five	22
Schedule Six	23
Schedule Seven	23
<b>Glossary</b>	<b>24</b>
<b>Part Two – Guidance Notes</b>	<b>33</b>
Eligibility for AIM	33
Applicants for AIM	33
Special conditions for certain applicants	34
Principles of disclosure	35
General disclosure of price sensitive information	36
Disclosure of corporate transactions	36
Disclosure of miscellaneous information	37
Half-yearly reports and accounts	38
Publication of documents sent to shareholders	39
Restrictions on dealings	39
Provision and disclosure of information	40
Corporate action timetables	40
Further issues of securities following admission	41
Ongoing eligibility requirements	42
Maintenance of orderly markets	43
Sanctions and appeals	44
Schedule One	44
Schedule Two	45
Schedule Three	46

# Introduction

**AIM** opened on 19 June 1995, and is regulated ~~by London Stock~~[the Exchange plc](#).

Formatted: Font: Bold

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

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

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

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

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

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

# Part One – AIM Rules

## Retention and role of a nominated adviser

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

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

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

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

## Applicants for AIM

### Pre-admission announcement

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

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

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

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

### Admission document

3. An **applicant** must produce an **admission document** disclosing the information specified by [Schedule Two](#). ~~This document must be available publicly, free of charge, for at least one month from the admission of the applicant's securities to AIM.~~

A **quoted applicant** is not required to produce an **admission document** unless otherwise required by the **Prospectus Rules**.

### Omissions from admission documents

4. The **Exchange** may authorise the omission of information from an **admission document** (other than a **Prospectus**) of an **applicant** where its **nominated adviser** confirms that:

- ◆ the information is of minor importance only and not likely to influence assessment of the **applicant's** assets and liabilities, financial position, profits and losses and prospects; or
- ◆ disclosure of that information would be seriously detrimental to the **applicant** and its omission would not be likely to mislead investors with regard to facts and circumstances necessary to form an informed assessment of the **applicant's** securities.

### Application documents

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

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

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

### Admission to AIM

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

### Special conditions for certain applicants

#### Lock-ins for new businesses

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

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

#### Investing companies

8. Where the **applicant** is an **investing company**, a condition of its **admission** is that it raises a minimum of £3 million in cash via an equity fundraising on, or immediately before, **admission**.

An **investing company** must state and follow an **investing policy**.

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

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

## Other conditions

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

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

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

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

## Principles of disclosure

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

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

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

## General disclosure of price sensitive information

11. An **AIM company** must issue **notification** without delay of any new developments which are not public knowledge concerning a change in:

- ◆ its financial condition;
- ◆ its sphere of activity;
- ◆ the performance of its business; or
- ◆ its expectation of its performance,

which, if made public, would be likely to lead to a substantial movement in the price of its **AIM securities**.

## Disclosure of corporate transactions

### Substantial transactions

12. A substantial transaction is one which exceeds 10% in any of the **class tests**. It includes any transaction by a subsidiary of the **AIM company** but excludes any transactions of a revenue nature in the ordinary course of business and transactions to raise finance which

do not involve a change in the fixed assets of the **AIM company** or its subsidiaries.

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

### Related party transactions

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

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

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

### Reverse take-overs

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

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

Any agreement which would effect a reverse take-over must be:

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

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

### Fundamental changes of business

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

- ◆ conditional on the consent of its **shareholders** being given in general meeting;
- ◆ **notified** without delay disclosing the information specified by **Schedule Four** and insofar as it is with a **related party**, the additional information required by rule 13; and

- ◆ accompanied by the publication of a circular containing details of the disposal and any proposed change in business together with the information specified above and convening the general meeting.

Where the effect of the proposed disposal is to divest the **AIM company** of all, or substantially all, of its trading business, activities or assets the **AIM company** will, upon completion of the disposal, be treated as an **investing company**. The **notification** and circular containing the information specified by **Schedule Four** convening the general meeting must also state its **investing policy** to be followed going forward which must also be approved by **shareholders**.

The **AIM company** will then have to make an acquisition or acquisitions which constitute a reverse takeover under rule 14 or otherwise implement the **investing policy** approved at the general meeting to the satisfaction of the **Exchange** within twelve months of becoming an **investing company**.

Where an **AIM company** proposes to take any other action, the effect of which is that it will cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets (including the cessation of all, or substantially all, of the **AIM company's** business), the above requirements to **notify** the action, publish a circular setting out its **investing policy** going forward, obtain **shareholder** consent for that **investing policy** and implement it within twelve months of taking such action, will apply. **Shareholder** consent for the action itself will not be required.

### Aggregation of transactions

16. Transactions completed during the twelve months prior to the date of the latest transaction must be aggregated with that transaction for the purpose of determining whether rules 12, 13, 14 and/or 19 apply where:
- ◆ they are entered into by the **AIM company** with the same **person** or **persons** or their **families**;
  - ◆ they involve the acquisition or disposal of securities or an interest in one particular business; or
  - ◆ together they lead to a principal involvement in any business activity or activities which did not previously form a part of the AIM company's principal activities.

### Disclosure of miscellaneous information

17. An **AIM company** must issue **notification** without delay of:
- ◆ any **deals** by **directors** disclosing, insofar as it has such information, the information specified by **Schedule Five**;
  - ◆ any **relevant changes** to any **significant shareholders**, disclosing, insofar as it has such information, the information specified by **Schedule Five**;
  - ◆ the resignation, dismissal or appointment of any **director**, giving the date of such occurrence and for an appointment, the information specified by **Schedule Two paragraph (g)** and any shareholding in the company;
  - ◆ any change in its accounting reference date;
  - ◆ any change in its registered office address;
  - ◆ any change in its legal name;

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

### Half-yearly reports

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

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

### Annual accounts

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

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



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

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

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

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

### Publication of documents sent to shareholders

20. Any document provided by an **AIM company** to its **shareholders**, must be made available pursuant to rule 26 and its provision must be **notified**.

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

### Restriction on deals

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

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

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

### Provision and disclosure of information

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

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

- ◆ to co-operate with any **person** responsible for supervision or regulation of financial services or for law enforcement;
- ◆ to enable it to discharge its legal or regulatory functions, including instituting, carrying on or defending proceedings; or

- ◆ for any other purpose where it has the consent of the **person** from whom the information was obtained and, if different, the **person** to whom it relates.

### Corporate action timetables

24. An **AIM company** must inform the **Exchange** in advance of any **notification** of the timetable for any proposed action affecting the rights of its existing **shareholders**.
25. Any amendments to the timetable proposed by the **AIM company**, including amendment to the publication details of a **notification**, must be immediately disclosed to the **Exchange**.

### Company information disclosure

26. Each **AIM company** must from **admission** maintain a website on which the following information should be available, free of charge:
  - ◆ a description of its business and, where it is an **investing company**, its **investing policy** and details of any **investment manager** and/or **key personnel**;
  - ◆ the names of its **directors** and brief biographical details of each, as would normally be included in an **admission document**;
  - ◆ a description of the responsibilities of the members of the board of **directors** and details of any committees of the board of **directors** and their responsibilities;
  - ◆ its country of incorporation and main country of operation;
  - ◆ where the **AIM company** is not incorporated in the **UK**, a statement that the rights of **shareholders** may be different from the rights of **shareholders** in a **UK** incorporated company;
  - ◆ its current constitutional documents (e.g. its articles of association);
  - ◆ details of any other exchanges or trading platforms on which the **AIM company** has applied or agreed to have any of its securities (including its **AIM securities**) admitted or traded;
  - ◆ the number of **AIM securities** in issue (noting any held as **treasury shares**) and, insofar as it is aware, the percentage of **AIM securities** that is **not in public hands** together with the identity and percentage holdings of its **significant shareholders**. This information should be updated at least every 6 months.
  - ◆ details of any restrictions on the transfer of its **AIM securities**;
  - ◆ its most recent annual report published pursuant to rule 19 and all half-yearly, quarterly or similar reports published since the last annual report pursuant to rule 18;
  - ◆ all **notifications** the **AIM company** has made in the past 12 months;
  - ◆ its most recent **admission document** together with any circulars or similar publications sent to **shareholders** within the past 12 months; and
  - ◆ details of its **nominated adviser** and other key advisers (as might normally be found in an **admission document**).

Formatted: Font: Bold

### Further issues of securities following admission

### Further admission documents

27. A further **admission document** will be required for an **AIM company** only when it is:
- ◆ required to issue a **Prospectus** under the **Prospectus Rules** for a further issue of **AIM securities**; or
  - ◆ seeking **admission** for a new class of securities; or
  - ◆ undertaking a reverse take-over under rule 14.

### Omissions from further admission documents

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

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

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

### Applications for further issues

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

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

Under a **block admission** an **AIM company** must **notify** the information required in [Schedule Six](#) every six months.

### Language

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

### AIM company and directors' responsibility for compliance

31. An **AIM company** must:
- ◆ have in place sufficient procedures, resources and controls to enable it to comply with these rules;
  - ◆ seek advice from its **nominated adviser** regarding its compliance with these rules whenever appropriate and take that advice into account;
  - ◆ provide its **nominated adviser** with any information it reasonably requests or requires in order for that **nominated adviser** to carry out its responsibilities under these rules and the **AIM Rules for Nominated Advisers**, including any proposed changes to the board of **directors** and provision of draft **notifications** in advance;

- ◆ ensure that each of its **directors** accepts full responsibility, collectively and individually, for its compliance with these rules; and
- ◆ ensure that each **director** discloses to the **AIM company** without delay all information which the **AIM company** needs in order to comply with rule 17 insofar as that information is known to the **director** or could with reasonable diligence be ascertained by the **director**.

## Ongoing eligibility requirements

### Transferability of shares

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

### Securities to be admitted

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

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

Formatted: Font: Bold

34. *[Deleted pursuant to AIM Notice 27]*

### Retention of a broker

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

### Settlement

36. An **AIM company** must ensure that appropriate settlement arrangements are in place. In particular, save where the **Exchange** otherwise agrees, **AIM securities** must be eligible for electronic settlement.

### General

37. An **AIM company** must pay **AIM fees** set by the **Exchange** as soon as such payment becomes due.
38. Details of an **AIM company** contact, including an e-mail address, must be provided to the **Exchange** at the time of the application for **admission** and the **Exchange** must be immediately informed of any changes thereafter.

## Nominated advisers

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

## Maintenance of orderly markets

### Precautionary Suspension

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

Suspensions are effected by a **dealing notice**.

### Cancellation

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

Formatted: Font: Bold

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

**Cancellations** are effected by a **dealing notice**.

## Sanctions and appeals

### Disciplinary action against an AIM company

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

43. *[Deleted pursuant to AIM Notice 27]*

### Disciplinary process

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

### Appeals

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

## Schedule One

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

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

### Supplement to Schedule One, for quoted applicants only

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

- (a) the name of the **AIM Designated Market** upon which its securities have been traded;
- (b) the date from which its securities have been so traded;

- (c) confirmation that, following due and careful enquiry, it has adhered to any legal and regulatory requirements involved in having its securities traded upon such market or details of where there has been any breach;
- (d) a website address where any documents or announcements which it has made public over the last two years (in consequence of having its securities so traded) are available;
- (e) details of its intended strategy following **admission** including, in the case of an **investing company**, details of its **investing policy**;
- (f) a description of any significant change in financial or trading position of the **quoted applicant** which has occurred since the end of the last financial period for which audited statements have been published;
- (g) a statement that its **directors** have no reason to believe that the working capital available to it or its group will be insufficient for at least twelve months from the date of its **admission**;
- (h) details of any lock-in arrangements pursuant to rule 7;
- (i) a brief description of the arrangements for settling transactions in its securities;
- (j) a website address detailing the rights attaching to its securities;
- (k) information equivalent to that required for an **admission document** which is not currently public, including any information that would be required as part of an **admission document** by the **Notes**;
- (l) a website address of a page containing its latest published annual report and accounts which must have a financial year end not more than nine months prior to **admission**. The accounts must be prepared in accordance with rule 19. Where more than nine months have elapsed since the financial year end to which the latest published annual report and accounts relate, a website address of a page containing a set of interim results covering the period from the financial year end to which the latest published annual report and accounts relate and ending no less than six months from that date;
- (m) the number of each class of securities held as **treasury shares**.

## Schedule Two

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

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

### **Annex I:**

- Selected Financial Information (Section 3);
- The information required under sub-section 8.1;
- Operating and financial review (Section 9);
- Capital Resources (Section 10);
- Research and Development , Patents and Licences (Section 11);
- Profit Forecasts or Estimates (Section 13) (*NB - Paragraph (d) below continues to apply*);
- Administrative, Management, and Supervisory Bodies and Senior Management (Section 14). (*NB - Paragraph (g) below continues to apply*);
- Remuneration and Benefits (section 15);
- The information required under sub-section 16.3;
- Pro forma financial information (sub-section 20.2);
- Documents on Display (section 24);
- For **admission documents** issued prior to 1 January 2007, the information required under sub-sections 6.2 and 6.3;
- The information required under sub-section 17.2 of **Annex I** with respect to persons other than **directors**.

### **Annex II:**

- Annex II in its entirety.

### **Annex III:**

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



- (ii) the information required by paragraph (a) above is amended as follows: the information required by subsection 20 of **Annex I** must be presented in accordance with one of the applicable standards set out in rule 19.
- (c) a statement by its **directors** that in their opinion having made due and careful enquiry, the working capital available to it and its group will be sufficient for its present requirements, that is for at least twelve months from the date of **admission** of its securities;
- (d) where it contains a profit forecast, estimate or projection (which includes any form of words which expressly or by implication states a minimum or maximum for the likely level of profits or losses for a period subsequent to that for which audited accounts have been published, or contains data from which a calculation of an approximate figure for future profits or losses may be made, even if no particular figure is mentioned and the words "profit" or "loss" are not used):
  - (i) a statement by its **directors** that such forecast, estimate or projection has been made after due and careful enquiry;
  - (ii) a statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast, estimate or projection. The assumptions must be readily understandable by investors and be specific and precise;
  - (iii) confirmation from the **nominated adviser** to the **applicant** that it has satisfied itself that the forecast, estimate or projection has been made after due and careful enquiry by the **directors** of the **applicant**; and
  - (iv) such profit forecast, estimate or projection must be prepared on a basis comparable with the historical financial information;
- (e) on the first page, prominently and in bold, the name of its **nominated adviser** and the following paragraphs:

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

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

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

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

- (f) where rule 7 applies, a statement that its **related parties** and **applicable employees** have agreed not to dispose of any interests in any of its **AIM securities** for a period of twelve months from the **admission** of its securities;
- (g) the following information relating to each **director** and each proposed **director**:
  - (i) the **director's** full name and age together with any previous names;
  - (ii) the names of all companies and partnerships of which the **director** has been a **director** or partner at any time in the previous five years, indicating whether or not the **director** is still a **director** or partner;
  - (iii) any unspent convictions in relation to indictable offences;
  - (iv) details of any bankruptcies or individual voluntary arrangements of such **director**;

- (v) details of any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors generally or any class of its creditors of any company where such **director** was a **director** at the time of or within the twelve months preceding such events;
  - (vi) details of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such **director** was a partner at the time of or within the twelve months preceding such events;
  - (vii) details of receiverships of any asset of such **director** or of a partnership of which the **director** was a partner at the time of or within the twelve months preceding such events; and
  - (viii) details of any public criticisms of such **director** by statutory or regulatory authorities (including recognised professional bodies), and whether such **director** has ever been disqualified by a court from acting as a **director** of a company or from acting in the management or conduct of the affairs of any company;
- (h) the name of any **person** (excluding professional advisers otherwise disclosed in the **admission document** and trade suppliers) who has:
- (i) received, directly or indirectly, from it within the twelve months preceding the application for **admission to AIM**; or
  - (ii) entered into contractual arrangements (not otherwise disclosed in the **admission document**) to receive, directly or indirectly, from it on or after **admission** any of the following:
    - ◆ fees totalling £10,000 or more;
    - ◆ its securities where these have a value of £10,000 or more calculated by reference to the issue price or, in the case of an introduction, the expected opening price; or
    - ◆ any other benefit with a value of £10,000 or more at the date of **admission**;
 giving full details of the relationship of such **person** with the **applicant** and of the fees, securities or other benefit received or to be received;
- (i) the name of any **director**, or member of a **director's family**, who has a **related financial product** referenced to its **AIM securities** or securities being **admitted**, together with the date and terms of the **related financial product(s)** and the detailed nature of the exposure;
- (j) where it is an **investing company**, details of its **investing policy**.
- (k) the information required by the **Notes** and any other information which it reasonably considers necessary to enable investors to form a full understanding of:
- (i) the assets and liabilities, financial position, profits and losses, and prospects of the **applicant** and its securities for which admission is being sought;
  - (ii) the rights attaching to those securities; and
  - (iii) any other matter contained in the **admission document**.

## Schedule Three

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

### The Gross Assets test

$$\frac{\text{Gross assets the subject of the transaction}}{\text{Gross assets of the AIM company}} \times 100$$

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

1. The “Gross assets of the **AIM company**” means the total of its fixed assets plus total current assets. These figures should be taken from the most recent of the following:
  - (a) the most recently **notified** consolidated balance sheet; or
  - (b) where an **admission document** has been produced for the purposes of **admission** following a reverse takeover, any pro forma net asset statement published in the **admission document** may be used, provided it is derived from information taken from the last published audited consolidated accounts and that any adjustments to this information are clearly shown and explained; or
  - (c) in a case where transactions are aggregated pursuant to rule 16, the most recently **notified** consolidated balance sheet (as at a date prior to the earliest aggregated transaction).
2. The “Gross assets the subject of the transaction” means:
  - (a) in the cases of an acquisition of an interest in an undertaking which will result in consolidation of the undertaking’s net assets in the accounts of the **AIM company**, or a disposal of an interest in an undertaking which will result in the undertaking’s net assets no longer being consolidated in the accounts of the **AIM company**, the assets the subject of the transaction means the value of 100% of the undertaking’s assets, irrespective of what interest is acquired or disposed.
  - (b) in the case of an acquisition or disposal which does not fall within paragraph 2(a), the assets the subject of the transaction means:
    - ◆ for an acquisition, the consideration plus any liabilities assumed; and
    - ◆ for a disposal, the book value of the assets attributed to that interest in the **AIM company’s** last audited accounts.
  - (c) in the case of an acquisition of assets other than an interest in an undertaking, the assets the subject of the transaction means the book value of the assets.

### The Profits test

$$\frac{\text{Profits attributable to the assets the subject of the transaction}}{\text{Profits of the AIM company}} \times 100$$

### Figures to use for the Profits test:

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

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

### The Turnover test

$$\frac{\text{Turnover attributable to the assets the subject of the transaction}}{\text{Turnover of the AIM company}} \times 100$$

### Figures to use for the Turnover test:

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

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

### The Consideration test

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

### Figures to use for the Consideration test:

5. The “Consideration” means the amount paid to the vendors, but the **Exchange** may require the inclusion of further amounts.
  - (a) Where all or part of the consideration is in the form of securities to be **listed**, or traded on **AIM**, the consideration attributable to those securities means the aggregate market value of those securities.

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

### The Gross Capital test

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

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

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

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

### Substitute Tests

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

## Schedule Four

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

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

## Schedule Five

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

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

## Schedule Six

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

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

## Schedule Seven

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

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

# Glossary

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

## Term

## Meaning

**admission/admitted**

**Admission** of any class of securities to **AIM** effected by a **dealing notice** under rule 6.

Formatted: Font: Not Bold

**admission document**

A document produced pursuant to rules 3 or 27.

**AIM**

A market operated by the **Exchange**.

**AIM company**

A company with a class of securities **admitted to AIM**.

**AIM Designated Market**

A market whose name appears on the latest publication by the **Exchange** of the document entitled "**AIM Designated Markets**".

Formatted: Font: Not Bold

**AIM fee**

The fees charged by the **Exchange** to an **AIM company** in respect of **admission** and trading as set out in the price list published by the **Exchange** from time to time.

**AIM Rules for Nominated Advisers**

The AIM Rules for Nominated Advisers published by the **Exchange** from time to time.

**AIM securities**

Securities of an **AIM company** which have been **admitted**.

**Annex I, Annex II and Annex III**

Annex I, Annex II and Annex III of Regulation 809/2004 of the European Commission (referred to as the "**PD Regulation**" in the **FSA Handbook**), as reprinted in the **Prospectus Rules** (as may be amended from time to time).

**applicant**

An issuer that is applying to have a class of its securities **admitted to AIM** and which is seeking to have a **notification** issued pursuant to rule 2. This includes **quoted applicants** save for rules 2 – 5 inclusive where separate provisions apply.

**application form**

The latest publication of the standard form which must be completed by an **applicant** or a **quoted applicant** under rule 5.

**applicable employee**

Any employee of an **AIM company**, its subsidiary or parent undertaking who:

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

(b) for the purposes of rule 21, is likely to be in possession of **unpublished price-sensitive**



**information** in relation to the **AIM company** because of his or her employment in the **AIM company**, its subsidiary or parent undertaking, irrespective of his or her **holding** or interest.

**authorised person**

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

**block admission**

The **admission** of a specified number of **AIM securities**, which are to be issued on a regular basis [pursuant to rule 29](#).

**broker**

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

**business day**

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

Formatted: Font: Not Bold

**cancel/cancelled/cancellation**

**The** cancellation of any class of securities to **AIM** effected by a **dealing notice**.

Formatted: Font: Not Bold

**class tests**

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

**close period**

(i) The period of two months preceding the publication of an **AIM company's** annual results (or, if shorter, the period from its financial year end to the time of publication); and

- ◆ if it reports only half-yearly, the period of two months immediately preceding the **notification** of its half-yearly report or, if shorter, the period from the relevant financial period end up to and including the time of the **notification**; or
- ◆ if it reports on a quarterly basis, the period of one month immediately preceding the **notification** of its quarterly results or, if shorter, the period from the relevant financial period end up to and including the time of the **notification**;

(ii) any other period when the **AIM company** is in possession of **unpublished price sensitive information**; or

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

**deal**

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

- (i) any sale or purchase, or any agreement for the sale or purchase of such securities;
  - (ii) the grant to, or acceptance by such a **person** of any option relating to such securities or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such securities;
  - (iii) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such securities;
  - (iv) deals between **directors** and/or **applicable employees** of the **AIM company**;
  - (v) off-market deals;
  - (vi) transfers for no consideration; and
  - (vii) any shares taken into or out of treasury.
- (b) The acquisition, disposal or discharge (whether in whole or in part) of a **related financial product** referenced to **AIM securities** of an **AIM company** in which the holder is a **director** or part of a **director's family** (and for the purpose of rule 21 an **applicable employee**).
- (c) However, for the purposes of rule 21, the following are not included:
- (i) undertakings or elections to take up entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
  - (ii) the take up of entitlements under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
  - (iii) allowing entitlements to lapse under a rights issue or other pre-emptive offer (including an offer of shares in lieu of a cash dividend);
  - (iv) the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue; nor
  - (v) undertakings to accept, or the acceptance of, a take-over offer.

**dealing notice**

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

director

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

Formatted: Font: Not Bold

directors' remuneration

The following items for each **director** of the **AIM** company:

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

Formatted: Bullets and Numbering

Disciplinary Procedures and Appeals Handbook

The most recent publication by the **Exchange** of the document so entitled for **AIM**.

DTR

The Disclosure and Transparency Rules published by the **FSA** from time to time.

Formatted: Don't adjust right indent when grid is defined, Space Before: 0 pt, After: 0 pt, Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 18 pt + Tab after: 36 pt + Indent at: 36 pt, Don't adjust space between Latin and Asian text, Don't adjust space between Asian text and numbers

DTR company

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

Formatted: Font: Not Bold

EEA country

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

Formatted: Font: Not Bold

Formatted: Font: Not Bold

Formatted: Font: Not Bold

electronic communication

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

Exchange

The London Stock Exchange [plc](#).

family

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

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

financial instrument

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

Formatted: Font: Not Bold

FSA

The **UK** Financial Services Authority.

**holding**

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

It includes holdings by the **family** of such a **person**.

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

Formatted: Font: Not Bold

**International Accounting Standards**

Standards adopted for use in the European Union in accordance with Article 3 of the IAS Regulation (EC) No. 1606/2002.

**investing company**

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

**investment manager**

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

Formatted: Font: Not Bold

**investing policy**

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

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

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

Formatted: Font: Not Bold

**listed**

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

**member firm**

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

<b>nominated adviser</b>	An adviser whose name appears on the <b>register</b> .
<b>nominated adviser's declaration</b>	The latest form of declaration contained in the <b>AIM Rules for Nominated Advisers</b> .
<b>Notes</b>	Separate notes published by the <b>Exchange</b> from time to time which form part of these rules. At the date of these rules, these comprise the AIM Note for Investing Companies and the AIM Note for Mining and Oil & Gas Companies.
<b>not in public hands</b>	<p><b>AIM securities</b> held, directly or indirectly (including via a <b>related financial product</b>) by:</p> <ul style="list-style-type: none"> <li>(a) a <b>related party</b>;</li> <li>(b) the trustees of any employee share scheme or pension fund established for the benefit of any <b>directors/employees</b> of the <b>applicant/AIM company</b> (or its subsidiaries);</li> <li>(c) any person who under any agreement has a right to nominate a person to the board of directors of the <b>applicant/AIM company</b>;</li> <li>(d) any person who is the subject of a lock-in agreement pursuant to rule 7 or otherwise; <del>or</del></li> <li>(e) the <b>AIM company</b> as <b>treasury shares</b>.</li> </ul>
<b>notify/notified/notification</b>	The delivery of an announcement to a <b>Regulatory Information Service</b> for distribution to the public.
<b>person</b>	An individual, corporation, partnership, association, trust or other entity as the context admits or requires.
<b>Prospectus</b>	A prospectus prepared and published in accordance with the <b>Prospectus Rules</b> .
<b>Prospectus Rules</b>	The Prospectus Rules published by the <b>FSA</b> from time to time.
<b>quoted applicant</b>	An issuer which has had its securities traded upon an <b>AIM Designated Market</b> for at least 18 months prior to applying to have those securities <b>admitted</b> to <b>AIM</b> and which seeks to take advantage of that status in applying for the <b>admission</b> of its securities.
<b>record date</b>	The last date upon which investors must appear on the share register of the <b>AIM company</b> in order to receive a benefit from the company.
<b>register</b>	The latest publication of the register of <b>nominated advisers</b> held by the <b>Exchange</b> . The definitive <b>register</b> is kept by the <b>Exchange</b> .
<b>Regulatory Information Service</b>	A service approved by the <b>Exchange</b> for the distribution to the public of <b>AIM</b> announcements and included within the list maintained on the <b>Exchange's</b> website, <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> .

**related financial product**

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

**related party**

- (a) any **person** who is a **director** of an **AIM company** or of any company which is its subsidiary or parent undertaking, other subsidiary undertaking of its parent company;
- (b) a **substantial shareholder**;
- (c) an associate of (a) or (b) being:
  - (i) the **family** of such a **person**;
  - (ii) the trustees (acting as such) of any trust of which the individual or any of the individual's **family** is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme as defined in regulation 3 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or an employees' share scheme which does not, in either case, have the effect of conferring benefits on **persons** all or most of whom are related parties).
  - (iii) any company in whose equity shares such a **person** individually or taken together with his or her **family** (or if a **director**, individually or taken together with his **family** and any other **director** of that company) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) to the extent that they are or could be able:
    - ◆ to exercise or control the exercise of 30% or more of the votes (excluding **treasury shares**) able to be cast at general meetings on all, or substantially all, matters; or
    - ◆ to appoint or remove **directors** holding a majority of voting rights at board meetings on all, or substantially all, matters;
  - (iv) any other company which is its subsidiary undertaking, parent undertaking or subsidiary undertaking of its parent undertaking;
  - (v) any company whose **directors** are accustomed to act in accordance with (a)'s directions or instructions;

(vi) any company in the capital of which (a), either alone or together with any other company within (iv) or (v) or both taken together, is (or would on the fulfilment of a condition or the occurrence of a contingency be) interested in the manner described in (iii);

(d) for the purposes of rule 13, any **person** who was a **director** of an **AIM company** or any of its subsidiaries, sister or parent undertakings or a **substantial shareholder** within the twelve months preceding the date of the transaction.

**relevant changes**

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

**RNS**

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

**shareholder**

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

**significant shareholder**

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

**substantial shareholder**

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

**treasury shares**

Qualifying shares to which Sections 162A to 162G of the Companies Act 1985 (as amended) apply.

**UK**

United Kingdom.

**UKLA**

[The UK Listing Authority.](#)

**unpublished price sensitive information**

Information which:

- (a) relates to particular **AIM securities** or to a particular **AIM company** rather than securities or issuers in general;
- (b) is specific or precise;
- (c) has not been made public; and

Formatted: Space Before: 6 pt, After: 6 pt

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

**warning notice**

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



## Part Two – Guidance Notes

### Eligibility for AIM

#### Rule 1: Nominated adviser

**Nominated advisers** must be approved by the **Exchange**. A copy of the **register** of approved **nominated advisers** is available on the **Exchange's** website, [www.londonstockexchange.com/aim](http://www.londonstockexchange.com/aim), however the definitive copy is kept by the **Exchange**.

Formatted: Underline, Font color: Blue

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

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

Formatted: Font: Not Bold

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

### Applicants for AIM

#### Rule 2: Pre-admission announcements

Announcements should be sent by e-mail in the standard format to [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com), **AIM Regulation**.

Formatted: Font: Not Bold

The **Exchange** will arrange for ~~their~~ **notification** to **RNS**.

Announcements are disseminated publicly by **RNS** under the heading "**AIM**".

Any issuer may use the usual form of **admission** process for **AIM** involving a pre-admission announcement and an **AIM admission document** at any time. However, a **quoted applicant** may take advantage of this expedited route where it meets the relevant requirements.

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

#### Rule 3: Admission document

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

~~The admission document may be made available publicly either at a physical location or on the Internet.~~

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

Where a **quoted applicant** is also making an offer to the public, whether in the United Kingdom and/or other jurisdictions, it should satisfy itself that there are no legal or regulatory requirements

outside these rules which compel it to produce any form of prospectus. Where there is a requirement for such a **prospectus**, this should be made available to the public under [paragraph \(o\) of Schedule One](#) as if it were an **admission document**.

Formatted: Font: Not Bold

#### Rule 4: Omissions from admission documents

Where an **admission document** is also a prospectus under the **Prospectus Rules**, application for such a derogation should be made to the **UKLA** ~~United Kingdom Listing Authority (UKLA), which is the competent authority for the United Kingdom~~. The **Exchange** itself may not authorise exemptions from any legal requirement under the **Prospectus Rules**. The **UKLA** can be contacted through their dedicated help desk on +44 (0)20 7066 8333.

Formatted: Font: Bold

Formatted: Font: Bold

#### Rule 5: Application documents

The **application form** and **nominated adviser's declaration** should be sent to [Issuer Implementation, Market Operations](#), London Stock Exchange plc, 10 Paternoster Square, London EC4M 7LS by the **nominated adviser**. The electronic version of the **admission document** should be sent to [admissionsissuerimplementation@londonstockexchange.com](mailto:admissionsissuerimplementation@londonstockexchange.com).

The **application form** and **nominated adviser's declaration** are available from the **Exchange's** website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

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

Formatted: Font: Not Bold

Formatted: Font: Not Bold

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

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

#### Rule 6: Admission to AIM

Note also rules 32 and 33 (in respect of free transferability and allotment).

A **dealing notice** will be released through **RNS** under the heading "**AIM**".

### Special conditions for certain applicants

#### Rule 7: Lock-ins for new businesses

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

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

## Rule 8: Investing companies

The **investing policy** must be sufficiently precise and detailed so that it is clear, specific and definitive. The **investing policy** must be prominently stated in the **admission document** and any subsequent circular relating to the **investing policy**, for example pursuant to rules 8, 14 or 15. The **investing policy** should be regularly **notified** and at a minimum should be stated in the **investing company's** annual accounts.

The circular convening a meeting of **shareholders** for the purposes of obtaining consent for a change in **investing policy** should contain adequate information about the current and proposed **investing policy** and the reasons for and expected consequences of any proposed change. It should also contain the information required by paragraph 4.2 of the AIM Note for Investing Companies.

In making the assessment of what constitutes a material change to the published **investing policy**, consideration must be given to the cumulative effect of all the changes made since **shareholder** approval was last obtained for the **investing policy** or, if no such approval has been given, since the date of **admission**. Any material change to the specific points set out in the definition of **investing policy** is likely to constitute a material change requiring **shareholder** consent.

In making the assessment of whether or not an **investing company** has substantially implemented its **investing policy**, the **Exchange** would consider this to mean that the **investing company** has invested a substantial portion (usually at least in excess of 50%) of all funds available to it, including funds available through agreed debt facilities, in accordance with its **investing policy**.

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

## Rule 9: Other conditions

The **Exchange** can impose a delay of no more than ~~40~~**ten business days** under rule 9. At the end of this period, the **nominated adviser** must decide whether and if so, when, to proceed.

## Principles of disclosure

### Rule 10: Principles of disclosure

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

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

## General disclosure of price sensitive information

### Rule 11: General disclosure

- (a) The requirements of rule 11 are in addition to any requirements regarding **notification** contained elsewhere in the rules.
- (b) An **AIM company** need not **notify** information about impending developments or matters in the course of negotiation and may give such information in confidence to the following category of recipient:
  - (i) the **AIM company's** advisers and advisers of any other **persons** involved or who may be involved in the development or matter in question;
  - (ii) **persons** with whom the **AIM company** is negotiating, or intends to negotiate, any commercial, financial or investment transaction (including prospective underwriters or places of its securities);
  - (iii) representatives of its employees or trades unions acting on their behalf; and
  - (iv) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority.

The **AIM company** must be satisfied that such recipients of information are aware that they must not trade in its **AIM securities** before the relevant information has been **notified**.

- (c) However, if the **AIM company** has reason to believe that a breach of such confidence has occurred or is likely to occur and, in either case, the matter is such that knowledge of it would be likely to lead to substantial movement in the price of its **AIM securities**, it must without delay issue at least a warning **notification** to the effect that it expects shortly to release information regarding such matter.
- (d) Where such information has been made public the **AIM company** must **notify** that information without delay.

## Disclosure of corporate transactions

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

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

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

### Rule 14: Reverse take-overs

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

An **AIM company** ~~subject to the UK Companies Act 2006~~ is able to send an **admission document** (subject to any other applicable regulations, including the **Prospectus Rules** where it is a **Prospectus**) to **shareholders** in compliance with this rule if it is sent by **electronic communication** in compliance with the [applicable guidance notes to rules 18 and 19](#) ~~requirements of the UK Companies Act 2006~~, together with the notice of the shareholder meeting required by rule 14.

Formatted: Font: Bold

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

It should be noted that the **Exchange** expects the negotiations leading to a reverse takeover to be kept confidential, as allowed by the guidance to rule 11, until the point at which the **AIM**

**company** can **notify** that a binding agreement that effects a reverse takeover has been entered into, which should, as far as is possible, be accompanied by the publication of the requisite **admission document**. If for any reason this is not possible, the **nominated adviser** should seek the advice of the **Exchange** at the earliest opportunity.

If the new entity wishes its securities to be **admitted**, it will need to issue a ten day announcement pursuant to rule 2. In addition, it will need to submit a further fee, an electronic version of its **admission document**, a **nominated adviser's declaration** and a company **application form** at least three **business days** prior to **admission** pursuant to rule 5 and abide by all other requirements to which an **applicant** may be subject under these rules.

However, the new entity may make an-application in advance of the general meeting so that its securities are **admitted** on the day after the general meeting which approves the reverse takeover.

#### **Rule 15: Fundamental changes of business**

The consent of **shareholders** for a disposal or any other action coming within rule 15 may not be required where it is as a result of insolvency proceedings. An **AIM company** must nevertheless seek the consent of **shareholders** for its proposed **investing policy**. The **Exchange** should be consulted in advance in such circumstances.

The **nominated adviser** must inform the **Exchange** when an **AIM Company** for which it acts becomes an **investing company**.

Where a company becomes an **investing company** pursuant to rule 15 and such company does not make an acquisition(s) which constitutes a reverse takeover under rule 14, or otherwise implements its **investing policy** within twelve months in accordance with the rule, the **Exchange** will suspend such a company pursuant to rule 40.

#### **Rule 16: Aggregation of transactions**

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

### **Disclosure of miscellaneous information**

#### **Rule 17: Miscellaneous information**

(a) **Significant shareholder disclosures for DTR companies: DTR companies** are required to comply with the provisions of the **DTR** in respect of **significant shareholder** notifications. All queries relating to the shareholder notification requirements of the **DTR** should be directed to the **FSA**.

Formatted: Font: Not Bold

In addition, **DTR companies** are required to comply with the **significant shareholder** disclosures contained in rule 17. However, compliance with the **DTR** in respect of **AIM securities** will usually mean that a **DTR company** is complying with the **significant shareholder** disclosure obligations in rule 17, save that:

- (i) notwithstanding the time limits for disclosure set out in the **DTR**, **DTR companies** are required under rule 17 to **notify** such information "*without delay*"; and
- (ii) the information required to be released pursuant to rule 17 must be **notified**, rather than 'made public' in accordance with the **DTR**.

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

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

Formatted: Font: Not Bold

(c) Where an admission or cancellation of AIM securities is being notified, the reason need only be brief, e.g. "exercise of options". Any changes in the number of shares in issue requires liaison with Issuer Implementation/Market Operations (telephone +44 (0)20 7797 1473) so that they can arrange for the appropriate dealing notice to be released.

Formatted: Font: Bold

Formatted: Font: Bold

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

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

(f) Information required to be submitted to the Exchange should be emailed to [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com).

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

## Half-yearly reports and accounts

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

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

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

Formatted: Font: Not Bold

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

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

Formatted: Font: Not Bold

Formatted: Font: Not Bold

~~The requirements set out in rule 19 in relation to an AIM company incorporated in an EEA country apply to financial periods commencing on or after 1 January 2007. For all periods prior to this, such an AIM company may prepare the accounts required under these rules in accordance with UK or US Generally Accepted Accounting Principles.~~

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

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

Formatted: Font: Not Bold

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

Formatted: Font: Not Bold

~~Subject to its constitution and any legal requirements in its jurisdiction of incorporation, a~~ **AIM company** ~~subject to the UK Companies Act 2006~~ is able to satisfy the requirement in rule 19 to send accounts to **shareholders** by sending such accounts by **electronic communication** to **shareholders**:

(a) ~~\_\_\_~~ in compliance with the requirements of ~~such Act~~ **the UK Companies Act 2006**; or

(b) ~~\_\_\_~~ providing the following requirements have been satisfied:

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

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

(iii) ~~\_\_\_~~ **shareholders** individually:

- ◆ ~~\_\_\_~~ have been contacted in writing to request their consent to receive accounts by means of **electronic communication** and if they do not object within 28 days, their consent can be considered to have been given;
- ◆ ~~\_\_\_~~ are able to request at any time in the future that accounts be communicated to them in writing; and
- ◆ ~~\_\_\_~~ are contacted alerting them to the publication of the accounts on an **AIM company's** website.

## Publication of documents sent to shareholders

### Rule 20: Documents sent to shareholders

"Any document" includes the annual audited accounts produced pursuant to rule 19.

~~An electronic version of any such document should be sent by e-mail to: [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com).~~

## Restrictions on dealings

### Rule 21: Restrictions on dealings

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

The "exceptional circumstances" in which the **Exchange** will grant permission for a **director** to sell **AIM securities** are limited to situations where severe personal hardship would otherwise result to a **director** or his immediate relatives such as the urgent need for a medical operation or to satisfy a court order where no other funds are reasonably available.

Where the **nominated adviser** to an **AIM company** feels that a proposed **deal** by a **director** of an **AIM company** should be exempted from the provisions of rule 21 it should contact **AIM Regulation** (telephone +44 (0)20 7797 4154) without delay to discuss.

Formatted: Font: Not Bold

## Provision and disclosure of information

### Rule 22

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

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

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

## Corporate action timetables

### Rules 24 and 25: Corporate action timetables

Except in the case of a dividend timetable **notification**, the reference to 'in advance' in rule 24 means that the **Exchange** should receive the proposed timetable by no later than 09:00 on the **business day** before the proposed **notification**.

A dividend timetable which follows the guidelines set by the "[Dividend Procedure Timetable](#)", published on the **Exchange's** website, [www.londonstockexchange.com](http://www.londonstockexchange.com), need not be disclosed to the **Exchange** in advance, provided the **notification** of the dividend includes:

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

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

- ◆ the appropriate net or gross amount;
- ◆ the record and payment dates; and
- ◆ any conversion period details.

Where fixed payment details are available the **AIM company** may use one timetable to inform the **Exchange** of all future payments, providing any amendments are disclosed to the **Exchange** immediately.

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

- ◆ there must be a period of at least ten **business days** from the date of posting the **application forms** to **significant shareholders** (or from the date on which the existing securities were made 'ex' if that is earlier), until the close of the offer. The **business days** must exclude the 'ex' date but may include the application closing date where the time for closing is no earlier than 11:00. Where the 'ex' date is earlier than the date of posting, **application forms** must be posted not less than eight **business days** before the close of the offer; and



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

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

#### Rule 26:

~~All applicants and AIM companies will have until 20 August 2007 to comply with this rule. Existing AIM companies should notify the website address at which the information required by this rule is available (this can be as part of another notification). New AIM companies will be required to disclose such information on the pre-admission announcement pursuant to rule 2.~~

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

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

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

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

Formatted: Font: Not Bold

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

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

### Further issues of securities following admission

#### Rule 28: Omissions from admission documents

Where the further **admission document** is also a **Prospectus**, application for omission of information should be made to the ~~UKLA United Kingdom Listing Authority (UKLA), which is the competent authority for the United Kingdom.~~ The **Exchange** itself may not authorise exemptions from any legal requirement under the **Prospectus Rules**.

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

### Rule 29: Applications for further issues

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

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

A **dealing notice** will be released via **RNS** under the heading "**AIM**".

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

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

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

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

Formatted: Font: Not Bold

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

Formatted: Font: Not Bold

### Rule 30: Language

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

### Rule 31: Directors responsibility for compliance

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

## Ongoing eligibility requirements

### Rule 32: Transferability of shares

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

### Rule 33: Securities to be admitted

Any change in the number of **AIM securities** in issue requires liaison [with Issuer Implementation with Market Operations](#) (telephone +44 (0)20 7797 1473).

If an **AIM company** is preparing dividend timetables, undertaking any corporate actions or issuing new shares where there are settlement implications, its **nominated adviser** should contact Stock Situation Analysis (telephone +44 (0)20 7797 4225) for prior discussion of the timetable.

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

#### **Rule 35: Retention of a broker**

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

Any **member firm** of the **Exchange** may act as a **broker** subject to any requisite authorisation by any other regulator.

A list of current **member firms** is available on the **Exchange's** website, [www.londonstockexchange.com](http://www.londonstockexchange.com).

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

#### **Rule 36: Settlement**

The **Exchange** will grant derogations from the requirement to be eligible for electronic settlement in only the most exceptional circumstances such as where none of the current electronic systems can cope with settling the **AIM company's** securities or where its local law prohibits such settlement.

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

Within the **UK**, issuers may wish to ~~contact CREST Co Ltd~~ [contact Euroclear UK & Ireland](#), 33 Cannon Street, London EC4M 5SB (telephone +44 (0)~~845 9645 648~~[20 7849 0000](tel:+442078490000)).

#### **Rule 37: General**

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

### **Maintenance of orderly markets**

#### **Rule 41: Cancellation**

An **AIM company** should state the reason for **cancellation** in its **notification**.

The **Exchange** should be informed of the intended cancellation by email from the **nominated adviser** to [aimregulation@londonstockexchange.com](mailto:aimregulation@londonstockexchange.com).

The period of ~~20~~ **twenty business days** is a minimum. Where earlier communication is sent to **shareholders** convening such a meeting, an **AIM company** must **notify** that such meeting has been convened without delay. The **notification** should set out the preferred date of **cancellation**, the reasons for seeking the **cancellation**, a description of how **shareholders** will be able to effect transactions in the **AIM securities** once they have been **cancelled** and any other matter relevant to **shareholders** reaching an informed decision upon the issue of the **cancellation**.

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

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

- (a) comparable dealing facilities such as upon an EU regulated market or [an AIM Designated Market](#) are or will be put in place to enable **shareholders** to trade their **AIM securities** in the future; or
- (b) where, pursuant to a takeover which has become wholly unconditional, an offeror has received valid acceptances in excess of 75% of each class of **AIM securities**.

**Cancellation** will not take effect until at least **5-five business days** have passed since **shareholder** approval has been obtained and a **dealing notice** has been issued.

## Sanctions and appeals

### Rules 44 and 45: Disciplinary process and appeals

The “**Disciplinary Procedures and Appeals Handbook**” is available from the **Exchange’s** website, [www.londonstockexchange.com/aim](http://www.londonstockexchange.com/aim).

## Schedule One

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

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

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

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

Formatted: Font: Not Bold

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

## Supplement to Schedule One

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

Formatted: Font: Not Bold

(d) Such documents or announcements must be made available ~~for at least fourteen days~~ following **admission** at the website required pursuant to rule 26.

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

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

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

## Schedule Two

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

The **persons** responsible for the information provided in the **admission document** are the same **persons** that would be responsible for the information contained in a **Prospectus** pursuant to the **Prospectus Rules**.

Formatted: Font: Bold

Formatted: Font: Bold

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

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

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

(b)(ii)

For financial periods commencing prior to 1 January 2007:  
7:

- the guidance to rules 18 and 19 apply for companies incorporated in an **EEA country** in that such financial information may be prepared in accordance with **UK** or US Generally Accepted Accounting Principles; and
- an **applicant** incorporated in a **non-EEA country** may also prepare such financial information in relation to the third-country issuer provisions comprising part of sub-section 20.1 of **Annex I** (i.e. taking into account the equivalency measures set out by the Commission for European Securities Regulators' draft technical guidance on third country equivalence, 05-230)

Formatted: Font: Not Bold

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

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

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

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

### **Schedule Three**

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